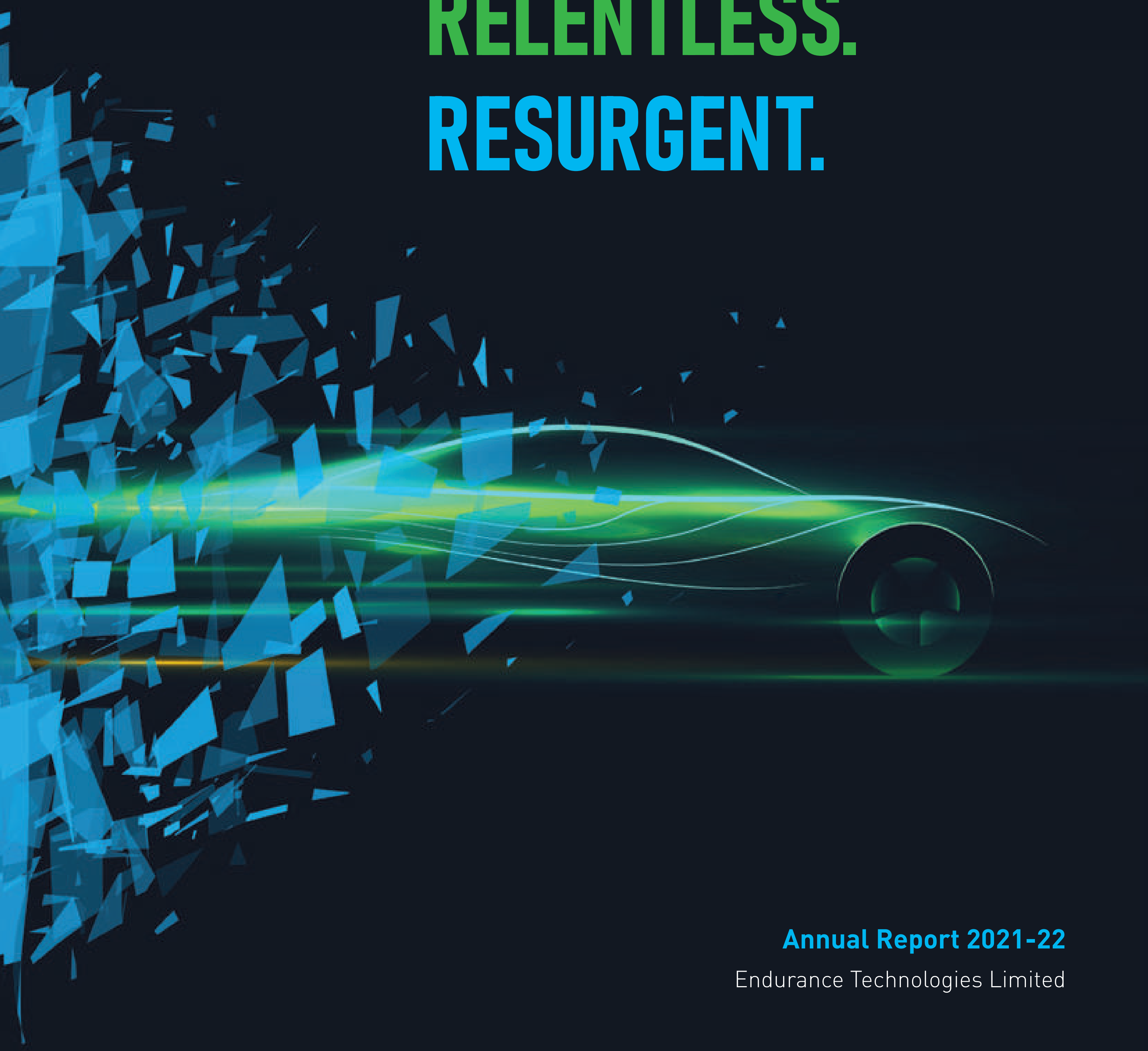
ENDURANCE
Complete Solutions

RESILIENT.
RELENTLESS.
RESURGENT.



Annual Report 2021-22

Endurance Technologies Limited

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RESILIENT. RELENTLESS. RESURGENT.

AT ENDURANCE, WE HAVE IDENTIFIED OUR RESILIENT CORE AS THE ENGINE PROPELLING OUR JOURNEY OF RESURGENT PROGRESS. WE REMAIN FOCUSSED ON NURTURING THIS CORE, TO CREATE AN INTERNAL ECOSYSTEM FOR STEERING OUR EFFORTS TO STAY AHEAD OF THE CURVE EVEN IN A CHALLENGING MACRO ENVIRONMENT.
WE ARE COMMITTED TO BUILD CONSISTENTLY ON THIS CORE, IN ORDER TO MOVE RELENTLESSLY FORWARD WITH OUR VALUE-ACCRETIVE GROWTH AND EXPANSION PLANS.

During FY 2021-22, we made strategic investments in boosting operational and cost efficiencies, innovating new products, building a profitable product mix, improving quality, augmenting our technological and R&D base, and partnering our customers in their progressive odyssey. We continued to strengthen our presence across the auto component value chain, and made targeted acquisitions to scale the next level of growth.

Our focussed efforts catalysed a new wave of resurgence across the organisation, leading to performance excellence on key metrics of growth. They energised us to think ahead, and move relentlessly forward towards a new era of sustainable and resurgent growth.

Insights from our MD

I am writing to you at the end of a challenging yet exceptional year for your Company, which stayed resilient and relentlessly focussed on its growth plans amid an extremely complex and difficult macro environment. It gives me immense pleasure to report that Endurance successfully navigated the challenges of the year, to deliver a strong performance in FY 2021-22. Driven by our sound strategic approach and robust business model, we continued to progress on the roadmap we have charted for the organisation's continued growth for the future, while staying on course with our current plans and targets.

Challenging external environment

The auto industry suffered multiple disruptions during the year, with the continuing COVID crisis and the geopolitical tensions triggered by the Russia-Ukraine war badly impacting the supply chain during the year. The semiconductor chip shortage further hurt the industry. The fourth quarter of the fiscal witnessed a huge slump, with the two-wheeler industry sales de-growing by 18.4% compared to the previous financial year. Scooters de-grew by 22.4% and motorcycles de-grew by 16.5%. The automotive industry in India had a de-growth of 13.6%. In Europe, there was a de-growth of 10.8% in the European Union (including UK) automotive sales in Q4. On a full year basis also, FY 2021-22 growth was not encouraging with Indian 2W market down 2.7% and European car market down 4.9%.

The de-growth in the auto industry notwithstanding, the Indian auto components sector has displayed remarkable resilience to post healthy growth during the year, albeit on a weak base of FY 2020-21, which was pandemic affected. The key factors contributing to the positive trend in the auto component industry have been the increased value-addition to meet regulatory compliance and traction in the domestic aftermarket.

Excellent performance resilience

At Endurance, we saw this exceptional resilience sharply manifest in the Company's performance during the year. Our income saw a significant uptick of 15.4% even though net profit witnessed a decline. And, as in the previous two years, Endurance closed the year with zero net debt and positive cash availability. The majority (around 75%) of our consolidated total income came from Indian operations, with the balance contributed by our European operations.

New business was won from multiple OEMs, underscoring the growing industry preference for our innovative and high quality, first-time-right products. Notably, a significant portion of the new business was attributable to new orders for Electric Vehicles (EVs), a space we have successfully forayed into and intend to strengthen our presence in the coming years.

Another special feature of this year's performance I am happy to share with you is that our new order wins also included a significant amount of non-automotive casting business – for applications like gensets and 5G telecom towers. Both these businesses will start in FY 2022-23. The Company also has a strong pipeline of requests for quotes from OEMs, which are in process.

These wins underpin the resilient core on which the Company's robust foundations are built and also underscore the success of our diversified and de-risked strategic approach, which is driving our growth and expansion across segments and geographies.

Embedding the Company in EV market

The EV market continues to offer significant opportunity for growth for the auto components industry. The shift in the global automobile industry to EVs is finding marked resonance in India too, with the Indian government's policies and initiatives favouring electric mobility and the consumer trend also moving towards the same. Certain market experts believe that, by 2030, 100% of 3-wheeler sales in India will be electric. The EV penetration in sale of scooters, motorcycles, passenger vehicles, commercial vehicles and buses in 2030 is expected to be 52%, 11%, 16%, 27% and 37%, respectively.

At Endurance, we have taken a major leap forward to harness this emerging opportunity by executing a Share Subscription and Purchase Agreement for acquiring 100% of equity share capital of Maxwell Energy Systems Private Limited in a phased manner. Maxwell is in the business of advanced electronics, particularly in the Battery Management Systems (BMS) for EVs and battery packs. We are looking at capitalising on Maxwell's expertise and experience in BMS deployment in both India and Europe, and will strive to offer our products to multiple new clients, including domestic and overseas automotive OEMs and manufacturers of battery packs. We also plan to deliver cloud-based EV telematics battery solutions, for collection of data in EVs in real time.

With this, we will augment our focus on embedded electronics, which started with ABS. We are also working on an adaptive electronic rear shock absorber, with front fork to follow. We will soon set up an electronics lab to help your Company raise the bar of innovation in this segment. We see immense potential for growth in the EV segment in India and in Europe, where we are already firmly entrenched as a reliable partner to key OEMs.

Expanding into new growth vistas

While EVs will be a big focus area for us in the coming years, we are also looking at scaling our growth in the conventional markets of India and Europe. We aim to build a stronger presence in the 2W Aftermarket in Europe. Our acquisition of Adler and Grimeca in Italy last year, coupled with our dominant position in the segment in India will bolster this effort.

The acquisition of 100% stake in Veicoli Srl, Italy, this year will help us expand our innovative solution offerings in the mobility sector in Europe, since Veicoli enables fleet operators to increase route efficiencies, enhance safety, optimise maintenance activity, and lower fuel costs. The acquisition is in line with our strategic focus on new, organic and inorganic growth in both India and Europe by gaining access to new technology, backed by continued product innovation.

We also remain focussed on strengthening our product value proposition through enhanced concentration on more value add and profitable product mix. The launch of the high-technology proprietary product, Driveshaft, during the year has opened an additional revenue stream for Endurance and we see the move leading to the emergence of significant business opportunity for the Company in the coming quarters. Our driveshaft facility in Waluj is fully operational, and regular supplies have commenced to our customers.

Aftermarket is another priority area for the Company, and we are currently exporting our manufactured, outsourced and traded products to 31 countries, with plans to add new geographies in FY 2022-23. Aftermarket contributed significantly to both, our domestic and exports sales during the year, endorsing the trust of vehicle owners in Endurance's quality products.

Focussed on sustainability-driven growth

As a responsible corporate citizen, we are fully aware of the need for steering our growth plans in a sustainable manner, with greater thrust on reducing the environmental footprint of our business. We are striving to being carbon neutral in our plants through effective use of solar power and wind power, creation of carbon sinks by driving tree plantations, among other measures. Measures are continually undertaken to conserve energy and water through process improvements and installation of water recycling plants including monitoring performance parameters of pollution control equipment at all plants. We are also focussing on lowering hazardous waste generation, besides aiming to achieve zero waste to landfill. We strongly believe that sustainability-driven growth is the only way forward for businesses globally, if they are to survive and thrive in the new world of shifting priorities, where countries are moving individually and collectively towards a greener, leaner and cleaner future.

Going forward

As we move forward to harness the growing market opportunities, including in the EV and hybrid space, it will be our sustained endeavour to grow through organic and inorganic routes, with strong focus on technology upgradation, quality improvement, cost efficiency, as well as environment, health and safety. We will do our best to fulfil all our stakeholder expectations by following our five values of Customer Centricity, Integrity, Transparency, Teamwork and Innovation. We shall, in particular, continue to invest extensively in building the capabilities and skills of our people, who remain the key engine pushing us along our resurgent growth trajectory.

We believe that the strength of our people, coupled with our sustained excellence in supply chain, manufacturing, innovation and sustainability, position us ideally to deliver even more profitable growth and value to all our stakeholders in the years ahead. We are aware that the problems of supply chain, energy and material costs, triggered by the pandemic crisis and the Russia-Ukraine conflict, are still persisting, as is the semiconductor chip shortage. But we firmly believe that our inherent resilience will enable us to successfully navigate and overcome these challenges in the future as it did in the past. We have the advantage of being able to buy in larger volumes, enabling us to build strong relationship with the suppliers, which ensured that key components reached in time during FY 2021-22. These relationships will stand us in good stead in the months ahead too.

As a strategic approach, we will focus on increasing our presence in our key markets of India and Europe. We shall also continue to aggressively move towards maximising the EV and hybrid opportunity by augmenting our core strengths, expertise and experience, to steer our growth plans. Our focus on more value add and profitable product mix will be another key driver of this growth, which we see getting scaled up exponentially in the years to come, on the back of our relentless efforts towards building our capacities and capabilities.

On this positive note, I would, on behalf of the Management and the Board, like to thank all our shareholders, customers, supply chain partners, technology partners, as well as our teams, for their continued confidence in Endurance and sustained support in some of the most challenging times for the industry. Your trust and cooperation gives us the confidence to move forward towards greater growth and value creation for all of us.

Anurang Jain

Managing Director

Our Resilient Core

Largest

2W and 3W auto component manufacturer in India[1]

Largest

Aluminium die-casting company in India[2]

Top 2

in each product segment offered

Tier 1

supplier to OEMs

19

Manufacturing plants in India

₹7.45 billion

New orders won in domestic market[3]

€ 71.4 million

New orders won in global market[3]

3,588

Number of employees in India (as on 31st March, 2022)

Note 1: In terms of aggregate revenue for FY 2014-15 from Company's selected product segments (Source: CRISIL Research)
Note 2: In terms of actual output and installed capacity in FY2020. (Source: Aluminium Casters' Association of India)
Note 3: New orders won in FY 2021-22

Financial Highlights

₹75,902 million
Total Income (Consolidated)

6.1%
PAT

₹4,212 million
Aftermarket sales

14.6%
RoACE

13.2%
EBITDA

(0.1)x
Net Debt/Equity Ratio

Powering Resurgently Forward

In a major step towards resurgent growth in the high-potential Electric Vehicle (EV) market, Endurance has recently entered into an agreement to acquire 100% stake in Maxwell Energy Services Private Limited (Maxwell), an advanced electronics subsidiary of ION Energy Inc., USA with significant presence in the Battery Management System (BMS) segment. BMS being one of the highest value EV products, the acquisition has paved the way for the Company's aggressive expansion into the EV segment, which is fast gaining traction globally. While over 90% of Endurance's products are EV-agnostic, this is the first EV-specific product for the Company.

Maxwell's rich experience in deployment of BMS complements the manufacturing and supply chain strength as well as the operational excellence and customer connect of Endurance.

The acquisition paves the way for the two entities to build a portfolio of high value addition products, which will help accelerate the pace at which the planet and especially India is moving to an electric future.

The acquisition includes the complete technology, as well as the team, R&D and other strengths of Maxwell.

The move will facilitate our growth in the embedded electronics segment, where we are already building a notable presence with our ABS business, and which is a large focus area for us for the future.

A Resilient Core...
Designed for Growth

Built on a robust foundation crafted to deliver long-term growth, Endurance is India's leading 2W and 3W auto component manufacturer. It has a portfolio of diverse products and solutions designed to cater to the needs of diverse Original Equipment Manufacturers (OEMs) and the Aftermarket.

The Company, which started with high-pressure die-casting operations in 1985, today stands tall in the Indian automotive components industry, on the strength of its extensive expertise and rich experience in manufacturing and supplying two-wheeler, three-wheeler and four-wheeler components.

Bedrock of our Resilient Foundation

Our Vision

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

Our Mission

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

TRUST, RELIABILITY, QUALITY AND INNOVATION ARE THE KEY ENGINES POWERING ENDURANCE'S RELENTLESS JOURNEY OF DELIVERING VALUE TO OEM AND AFTERMARKET CUSTOMERS IN INDIA AND EUROPE.

Our Philosophy

- To ensure profitable growth
- Endurance to be a 'First Choice' supplier to all its OEMs
- To grow as a complete solutions provider of automotive components and systems having a global footprint in our chosen product portfolio

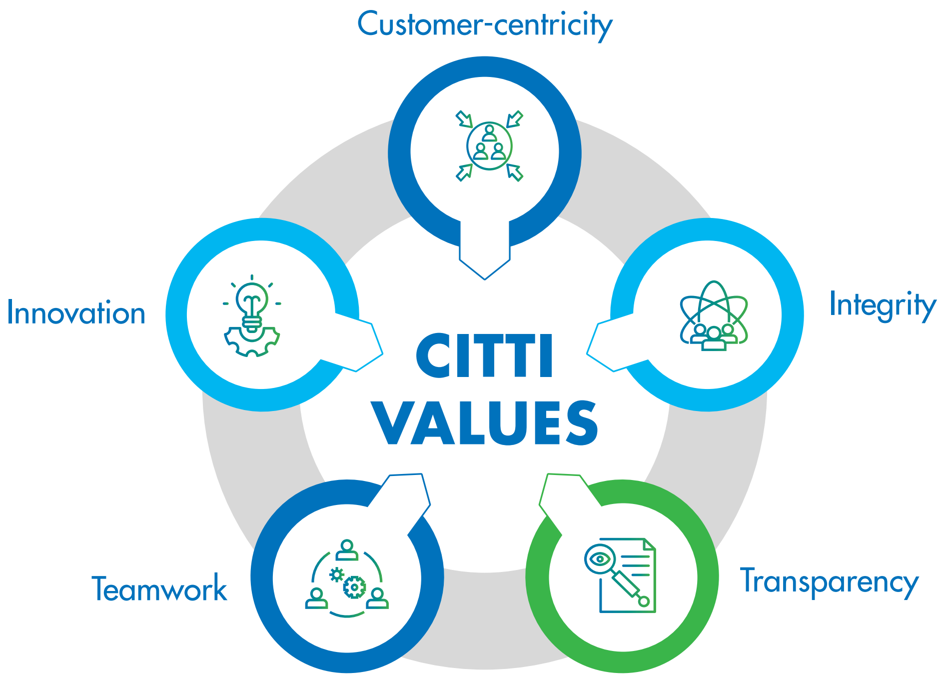
Our Purpose

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

Our Goal

To be present in every 2-Wheeler in the world.

Awarded as 'Most Innovative, Disruptive and Transformational Company' at Moneycontrol Pro's Indian Family Business Awards for 2021, received the honour on 19th May, 2022



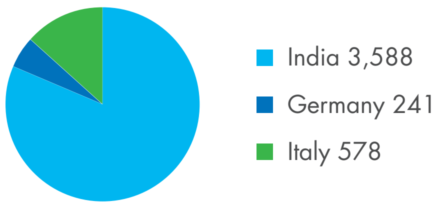
Building Relentlessly on our Credentials

The Company's strong credentials are manifest in its excellent track record of profitable growth. We continue to invest strategically in building upon these credentials and aligning our path with the transforming industry, market and consumer trends.

- Manufacturing Excellence
- Value-Added Offerings
- Wide and Diversified Product Suite
- Management Vision
- Operational and Cost Efficiencies
- People Capabilities
- Distribution Network
- Sustainability Focus
- Aftermarket Proposition
- Quality Thrust

WE HAVE, OVER THE YEARS, PROGRESSIVELY ENHANCED OUR FOCUS ON LEAN DESIGN AND CONTINUOUS IMPROVEMENT IN PRODUCT PERFORMANCE, BACKED BY COST-COMPETITIVENESS, RELIABILITY AND QUALITY.

Full Time Employees by Location (31st March, 2022)



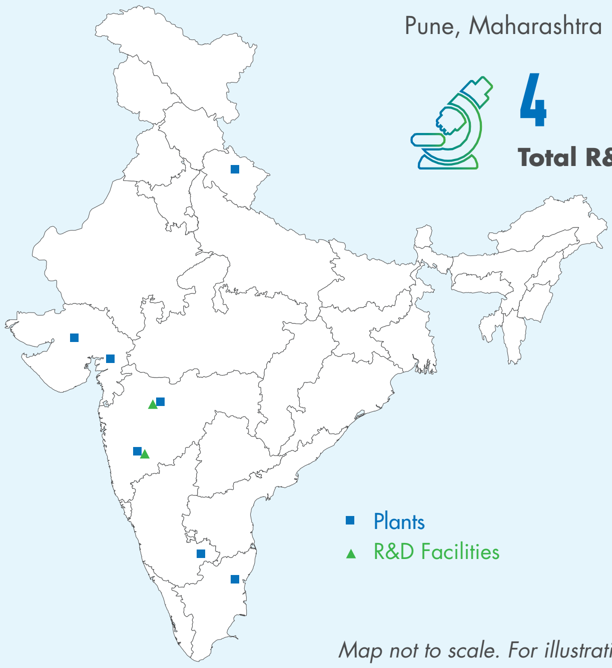
28 plants located strategically in close proximity to OEMs

Locations	No. of Plants
Aurangabad, Maharashtra	9
Pune, Maharashtra	3
Pantnagar, Uttarakhand	2
Chennai, Tamil Nadu	2
Halol, Gujarat	1
Sanand, Gujarat	1
Kolar, Karnataka	1

19
Plants

R&D Facilities	No. of Facilities
Aurangabad, Maharashtra	3
Pune, Maharashtra	1

4
Total R&D Facilities



Plants
R&D Facilities

Map not to scale. For illustrative purposes only

Europe Locations	No. of Plants
Massenbachhausen, Germany	3
Grugliasco, Italy	1
Chivasso, Italy	2
Lombardore, Italy	1
Bione, Italy	1
Rovereto, Italy	1

Map not to scale. For illustrative purposes only

Being Resilient
Across the Value Chain

The Endurance resilient core extends across the full basket of its diversified products and solutions, and spans the entire value chain of its offerings. It is driven by our strong focus on providing value added products to our customers to cater to their 360° needs. It is continuously strengthened by the high degree of quality consciousness that is ingrained in our systems and processes, and is the trademark of every product in the Endurance suite.

As the Tier I supplier of diverse product offerings to OEMs in India, we have developed a wide range of technology-intensive products for 2W, 3W and 4W OEMs.

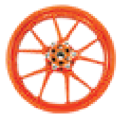
2-Wheeler

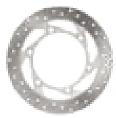

ABS Modulator


Alloy Wheel Two-Wheeler EV


APTC+ Clutch

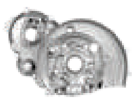

Mono Tube Shock Absorber with Floating Piston


Two-wheeler Alloy Wheel


Two-Wheeler Brake Disc


Two-Wheeler Front Fork Assy (with Protection Cover)


Two-Wheeler Inverted Front Fork Assembly (Cartridge Type)


Two-Wheeler Magneto Cover


Two-Wheeler Rear Mono Shock Absorber (Adjustable Damping)

3-Wheeler

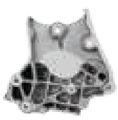

Tandem Master Assembly

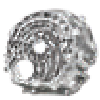

Three-Wheeler Clutch Assembly


Three-Wheeler Cylinder Head


Three-Wheeler Suspension

4-Wheeler


Passenger Vehicle Engine Mounting Bracket


Passenger Vehicle Torque Converter Housing

In our Europe Business, we are the Tier I supplier of multiple technology-intensive products for 4W OEMs and clutches for motorcycles.

Overseas Business

- Aluminium Die Castings and Machining of:
  - Engine parts
  - Transmission parts
  - Body, chassis and structural parts
- Machining and Assembly of other Metallic Components like cast iron and steel
- Transmission systems (for 2-Wheeler)
- Speciality Plastic components

CASTING BUSINESS

Aluminium die-casting

- High pressure
- Low pressure
- Gravity
- Alloy wheels

PROPRIETARY BUSINESS

Suspension

- Front forks / Inverted front forks
- Hydraulic gas filled shock absorbers / rear mono shock absorbers

Transmission

- Clutch assemblies
- Continuous variable transmission (CVT)
- Cork and paper-based friction plates

Driveshaft

Braking Systems

2-Wheelers

- Disc brake system
- ABS (Anti-lock braking system) assembly
- CBS (Combined braking system) Brake hoses

3-Wheelers

- Tandem Master Cylinder
- Hydraulic drum brake systems

Building resilience through our End-to-end Value Proposition

Endurance has evolved as an end-to-end service provider to customers across the Indian and European markets, providing a value proposition that extends from design to delivery and aftermarket sales.

DESIGN

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

DEVELOP

Structured product development to get "first-time-right" products

TESTING AND VALIDATION

Facilities (including Proving ground) for material, component, product and vehicle level testing

MANUFACTURE

Manufacture wide range of products serving the diverse requirements of customers

DELIVER

Manufacturing facilities in proximity to customers, to ensure timely delivery

SERVICE

- Resolution of field issues flagged by OEMs
- Making spares available to OEMs and directly for Aftermarket

Relentless focus on raising the Quality Bar

Guided by our robust quality framework, we remain focussed on scaling the organisational quality quotient across our R&D centres, manufacturing facilities and end-to-end supply chain.

- We strictly adhere to all quality protocols in place and take proactive measures to identify defects and non-compliance, if any, and take prompt corrective actions
- Our Supplier Quality Management (SQM) team adopts strict criteria for supplier selection and comprises subject matter experts to monitor critical manufacturing processes at vendor end and conduct regular audits
- Upgradation of supply chain is ensured through capability assessment and improvement, rejection monitoring and TPM implementation
- Performance of suppliers is monitored through vendor rating wherein quality is given the highest weightage. Web-based vendor portal is used for communication and action tracking
- Through the Endurance Vendor Association, we ensure elimination of interface losses by periodic meetings and also ensure enforcement of mutually agreed policies related to suppliers
- We promote culture of updated technology, process error proofing, interlocks with next operation and low cost automation in a big way to ensure the highest levels of quality at all stages of our value and supply chains
- We work closely with our customers to maintain the quality of our offerings, with our 'first-time-right' focus aligned to our quality philosophy

Moving resurgently forward in our Augmented Product Range

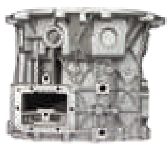
We had, in FY 2020-21, forayed into outsourced manufacturing of tyres and tubes for 2Ws, 3Ws and e-rickshaws as a part of trading business in Aftermarket. The tyres are based on our developed design and tread compound. During this year, the tyre business has now entered 8 countries besides the domestic market. We see this business as a high potential revenue stream for years to come.

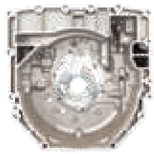
We also continue to grow the product line in our Value- added (traded) products, that we source from quality sources as per our defined standards.

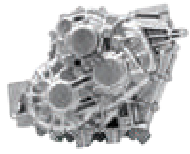
Company's Products

Casting products


Commercial Vehicle Clutch Housing


Commercial Vehicle Gear Box Housing


Passenger Vehicle Clutch Housing


Passenger Vehicle Transmission Case


Two-Wheeler Crown Handle


Three-Wheeler Cylinder Head


Two-wheeler Alloy-Wheel

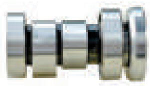

Two-Wheeler Swing Arm

Driveshaft


Uni-Racer
- Front steering wheel drive
Aranea Plus
- Fixed wheel drive

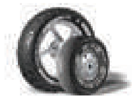

Eco-Drive
- Fixed wheel drive

Aftermarket


Cam Shaft


Clutch Shoe Assembly


Steering Bearing Kit


Two and Three Wheeler tyres


Variator assembly

Value-added (traded) Products

Control Cable range | Silencer | Steering Bearing Kits | 2/3-Wheeler brake shoes | Wheel rims Camshafts | Rocker Arms | 2/3-Wheeler packet tube | CVT parts

Aftermarket Business

31
Total countries of export

501
Domestic distributors (including for tyres)

42
Overseas distributors

(as of 31st March, 2022)

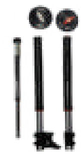
Suspension

Four-Wheeler Suspension

Three-Wheeler Suspension

Two-Wheeler Front Fork Assy (with Protection Cover)

Two-Wheeler Inverted Front Fork Assembly- (Cartridge Type)

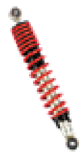


Inverted Front Fork Assembly (Adjustable Type)

Two-Wheeler Mono Shock Absorber (Twin tube)

Two-Wheeler Gas Filled Shock Absorber (Canister Type)

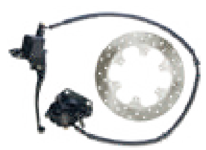
Two-Wheeler Spring in Spring Shock Absorber



Two-Wheeler Hydraulic Shock Absorber

Mono Tube Shock Absorber with Floating Piston

Braking System



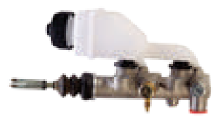
Two-Wheeler Disc Brake Assembly

Two-Wheeler Rear Brake Caliper Assembly

ABS Modulator

Two-Wheeler 2 Pot Brake Caliper Assembly with ABS Sensor Mounting

Two-Wheeler 3 Pot Brake Caliper Assembly



Three-Wheeler Tandom-Master-Cylinder

Two-Wheeler Hydraulic Drum Brake Assembly

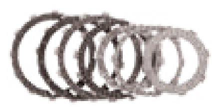
Two-Wheeler Brake Disc

Transmission

Two-Wheeler Complete CVT

APTC+ Clutch

Two-Wheeler Assist and Slip Clutch Assembly



Cork Friction Plates

Paper Friction Plates

Three-Wheeler Clutch Assembly

Two-Wheeler Rear CVT

Two-Wheeler Automatic Clutch Assembly

Resurgent Growth... Across Products, Segments & Geographies

Pushing ahead on our resurgent growth trajectory, we, at Endurance, continue to expand the vistas of our business through forays into new products lines, business segments and markets. Our customer-centric approach is pivotal to our strategy, and we are constantly on the look-out for high-potential products, segments and regions of growth.

To meet the growing demand in our existing segments and markets, and to become future-ready for the next wave of demand, we are also constantly augmenting our capacities and promoting operational efficiencies through backward integration and other focussed initiatives.

Launch of Hi-tech Proprietary Driveshaft Product

During FY 2021-22, we launched the high-technology proprietary product, Driveshaft, with the aim to open up an additional revenue source for the Company. The Indian driveshaft market is approximately ₹ 20,000 million per annum for three and four-wheeler applications, with limited competition. The opportunity matrix for Endurance in this area is, thus, significant.

The EV-agnostic Driveshaft is an automotive application that transforms torque generated from an engine through its transmission to the wheels in 3Ws and 4Ws, including some LCVs. We have already received one significant order from an auto major for this product and are in advanced stages towards securing more from other big players in the industry.

Sample lot production started in May 2022 from our new state-of-the-art plant at Waluj, Aurangabad

Competitive edge due to shortened development time, competitive pricing, world-class manufacturing facility, and a strong supply chain.

Already filed five patents to underscore the product's superiority against competition.

Foray into Embedded Electronics

Our Maxwell acquisition has opened the doors for the Company's further expansion into the high-potential Embedded Electronics segment.

We have already built a considerable presence in this segment with our Anti-lock Braking System (ABS) business.

- The launch of a single-channel ABS for one model during FY 2021-22 helped enhance performance and durability for our customers. We are in the process of evaluating the product for three other models
- The product is comparable with established modulator in terms of physical and electrical parameters, and also compatible with existing wheel sensors
- We also propose to add dual-channel products to this business

We are adding new electronic products to our portfolio, including brakes, transmission and suspension high-end products. We are planning to concurrently get into new electronic parts

With Maxwell additionally expected to add several new products, which they had already planned or were working on, we expect Embedded Electronics to emerge as a large growth area for Endurance in the coming years

Surging ahead in the EV space

With 3-wheelers and scooters rapidly moving towards electrification, the Company is well-positioned to serve the EV market. Aluminium die castings, Suspension and Braking Systems produced by the Company are EV-agnostic, while our Transmission systems largely serve the motorcycle market where electrification is expected to be slow. In FY 2021-22, we started supply of brakes, suspensions and castings for 2W/3W EVs. We are in discussion for further EV related business, both with traditional and new-age OEMs. Our strong relationships with Japanese 2W OEMs will provide us an edge, when they launch their EVs in India.

We aim to expand our business in the EV space by entering new product segments, and our foray into BMS through the Maxwell acquisition is a key step in that direction.

Strategic Focus on Backward Integration

We have strategically added products to strengthen our backward integration focus and reinforce our business model, which is centred around providing complete solutions.

- Our steel-braided hoses plant commenced operations in Aurangabad in June 2021. These are required for ABS and are import substitutes
- Supplies from our new aluminium forging plant in Aurangabad commenced in Q1 FY 2022-23 for Inverted Front forks. Production of aluminium forging clamps too was undertaken to minimise import dependence

WE ARE EXPANDING OUR BUSINESS IN INVERTED FRONT FORKS AND ADJUSTABLE REAR MONO-SHOCK ABSORBERS FOR 200CC PLUS MOTORCYCLE, AND HAVE FORMULATED A FIVE-YEAR PLAN IN COLLABORATION WITH KTM AG. WE RECEIVED ORDERS FOR INVERTED FRONT FORKS FOR NEW MODELS DURING THE YEAR.

Both these products strategically expand the horizons of our end-to-end value chain proposition and will help us in our future profitable growth as a result of cost-competitive offerings.

New Markets

Our exports team both in OEM sales and Aftermarket have reached out to customers in new territories. Casting orders for generator parts have been received from a large US-based OEM.

In the last two years, we have added 4 countries in our Aftermarket business. The Aftermarket has also witnessed a significant increase in business from its new range offerings in value added products including tyres.

Steering Resurgent Growth through Capacity Expansion

The resurgent growth trajectory on which we have embarked is aided by our continued investments in capacity addition and expansion.

Second brakes plant in Aurangabad was commissioned in December 2021. Along with the Pantnagar plant, this will boost our disc brake assemblies capacity from 285,000 per month to 570,000 per month.

We are the only supplier in India that manufactures the entire assembly with ABS unit and our current capacities of 400,000 assemblies are expected to reach full utilisation by September 2022.

Chakan alloy wheel capacity is geared to increase from 240,000 to 320,000 per month.

New driveshaft facility in Aurangabad has commenced production in FY 2022-23.

Brake disc capacity is set to increase from 375,000 to 675,000 per month, making Endurance the largest disc brake supplier to Indian 2W industry.

LPDC cylinder head plant with 720,000 capacity started in Pantnagar from September 2021.

In the 200cc+ motorcycles, we started production of brakes from the end of 2021, with clutches to follow in FY 2022-23.

Relentless Focus... On Innovation

Innovation, aided by our strong focus on continual and intensive Research & Development (R&D), is central to the futuristic growth strategy of Endurance. Driven by our relentless focus on developing breakthrough technologies and products, we continue to take our value proposition to the next level year-on-year.

- We have developed expertise in incorporating the latest technologies from overseas technical partners, and value-engineering and re-engineering the same based on Indian conditions and deep know-how acquired over the years
- We continue to strengthen our relationships with global leaders in technology for existing products, while forging new relationships for products required for backward integration and expanding the addressable market
- Our acquisition of technical partners in Europe enables us to further enhance the level of cooperation, and to ring-fence their technology
- We are the only auto ancillary company in India with extensive Proving Ground facilities

Our R&D Infrastructure

4 R&D Centres
Aurangabad and Pune (both in Maharashtra)

1 Proving Ground
Aurangabad (Maharashtra)

2 Technical Centres
Italy

DURING FY 2021-22, WE INITIATED THE PROCESS TO SET UP OUR OWN EMBEDDED ELECTRONICS LAB TO PROPEL OUR BUSINESS IN THIS SEGMENT.

Building a Resilient R&D Core

We continue to sharpen our R&D focus to build a resilient foundation for driving innovation to meet customer needs today and for the future. Deep expertise and collaboration are the pillars on which we have built this foundation.

Our R&D proposition

- Dedicated Cells with specialists to assist all 4 R&D Centres
- Computer aided engineering and road-load data acquisition activities
- Time-bound product development
- Dedicated IP Cell to guard against infringement of patents and designs
- Cross learning across R&D Centres in India and Europe, and among the specialist cells
- Close coordination with technical partners
- Structured product development to get "first-time-right" products
- Working with customers from concept design to rapid prototyping and accelerated testing
- Close engagement with customers to ensure satisfaction on QCDDM parameters
- Continuous benchmarking of products for performance, quality, reliability, durability and cost

Protecting our Intellectual Property

22
Patents granted

85
Applications filed with Indian Patent Office

18
Designs registered

4
Design registrations pending

Innovating Value Additions for our Customers

At Endurance, we are continuously striving to create higher value-added products for our customers through sustained focus on, and adoption of, new technologies. Some of the products we have innovated through our collaborative and innovative thrust include:

- Combined Brake Systems (CBS)
- Anti-lock Braking Systems (ABS) catering to tough Indian road conditions
- Advanced technology Slip & Assist clutches for motorcycles
- Paper-based friction plates for motorcycle clutches
- Adjustable inverted front forks and rear shock absorbers for high cc motorcycles
- CVTs and scooter front forks
- Aluminium Forgings
- Comprehensive die-casting solutions for complex light-weight parts
- Driveshaft for 3W and 4W

OUR STRONG INNOVATION AND R&D FOCUS HAS GIVEN US A MARKED EDGE IN THE DEVELOPMENT OF AUTO COMPONENTS FOR ELECTRIC VEHICLES. OUR EXPERIENCE IN DESIGNING SUSPENSIONS AND BRAKES FOR ICE VEHICLES, IN PARTICULAR, EQUIPS US TO DESIGN THESE PARTS FOR EVS. SINCE THE CORE PROCESS OF PRODUCT DEVELOPMENT REMAINS UNCHANGED.

PROVEN TRACK record of performance

Our 29-acre test track, the Endurance Proving Ground (EPG), continues to support our customer-centric journey of delivering 'first-time-right' products and enabling the Company's sustained industry and market leadership. It strengthens our position as a Complete Solutions Provider.

We are India's first Tier 1 supplier to develop a state-of-the-art proving ground to test products directly on the vehicle, across different test surfaces. Designed for evaluation of key vehicles metrics, the EPG equips us with greater ability to service customer needs and their stringent quality requirements.

- The tracks are designed by a UK-based expert, and constructed under close supervision of the Endurance R&D team
- The Ride and Evaluation track consists of Belgian pave, Pot holes, Cobble stone, Speed breakers, Long/Short wave pitching, Kerbs, among others
- The test surfaces are designed for evaluation of Suspension, Transmission and Brake Assemblies of 2W, 3W and Quadricycle
- The ABS test surfaces have provision of testing the brake system under wet and dry condition on different friction surfaces (Basalt tile, Ceramic tiles, High µ (0.9) asphalt, Polished concrete and loose Gravel)
- EPG has certified test riders, trained by global experts in vehicle riding and product evaluation. EPG is certified by ARAI (Automotive Research Association of India) for testing 2-Wheelers and 3-Wheelers
- Key metrics assessed include handling and manoeuvrability, ride comfort, driveability, brake/ABS performance, and reliability
- EPG is managed from a central control tower at the operations centre, which includes fully-equipped confidential workshops required for preparing the vehicles for testing, riders' rest areas and the test track maintenance building

Being Relentless... About Sustainability

At Endurance, we believe sustainability to be the key driver of long-term organisational progress, and continue to focus relentlessly on scaling our sustainability agenda. Our sustainability goals are aligned with the needs of our people and those of the communities around which we operate.

Our sustainability focus is centred around the key parameters of Environment and Safety, and we continued to move resurgently forward towards enhancing our outreach in each of these areas during the year. We further expanded the ambit of our Corporate Social Responsibility (CSR) programmes to benefit more and more people in the areas around our operations.

Conserving the Environment

Our environment conservation measures during the year continued to include:

- Creation of Carbon Sinks through tree plantation drives
- Shift towards renewable energy sources – solar & wind power
- Replacement of furnace oil in plants with natural gas, LPG
- Switch from painting to powder coating operations, to reduce hazardous waste generation
- Focus on achievement of zero waste to landfill
- Plugging of direct leakages to minimise air emissions
- ETP, STP treated water recycling for secondary purposes like gardening, toilet flushing
- Installation of ZLD at plants and reusing treated water for primary purposes like plating operation, industrial cooling, coolant preparation
- Co-processing of hazardous wastes, which can be used as raw material or energy source to other industries

OUR ENVIRONMENT PROTECTION INITIATIVES ARE CRAFTED TO DRIVE CARBON NEUTRALITY IN ALL OUR OPERATIONS.

Driving Safety Culture

Safety of our people across our business operations is a key priority at Endurance. During FY 2021-22, we took a slew of initiatives to enhance the safety culture, including layered EHS audit by internal and external agencies and continuation of our management of change initiative to ensure that all material changes, layout changes, expansions, and greenfield/brownfield projects require certification from EHS team.

Other safety initiatives included:

- Focus on training contractors on hazard identification and management, risk assessment, competency mapping, training for their employees, and emergency preparedness and response as part of our contractor safety management initiatives
- Rotation of daily safety champions across all plants to drive a Safety First culture
- Development of EHS score card of all plants to compare and improve their performance
- Strengthened near-miss reporting mechanism to avoid future accidents
- Augmentation of work permit system for all non-routing type of activities for hot work, excavation work, working at height, confined space entry, etc.
- Strengthened chemical handling and storage by studying material safety data sheet (MSDS), improvement in storage, chemical compatibility study, secondary containment for all chemicals
- Improvement in material handling by auditing all material handling trollies, checking of material handling equipment from competent person
- Monitoring of safety and health parameters for improving workplace conditions through periodic medical check-ups, work zone air monitoring, illumination survey, ventilation survey

Moving Resurgently Forward on our CSR Journey

CSR is a strategic priority for Endurance.
Endurance believes in reducing inequity with every community we transform, every child we inspire, and every individual we empower. In doing so, we are able to support individuals and communities to become independent and to achieve their full potential. Our holistic approach of working with communities to address complex issues by driving initiatives across education, health and sanitation, livelihood generation, and environment focus areas enables us to deliver a lasting impact. We understand the needs of the community, prioritise the initiatives based on the needs of the community and get the support from the stakeholders to ensure the initiatives our sustained when we start focussing our efforts in other communities. We are determined to act as catalysts to equip individuals with the right skills, tools, and resources where they can thrive and create a sustainable change in their communities for future generations.

Education

Every child deserves to reach her or his full potential. However, gender inequalities in their communities hinder this reality. We envision a society where all children are encouraged to be aspirational and not made to feel guilty for going after their dreams. From enabling access to schools by providing bicycles and supporting learning by building libraries and computer labs and initiating e-learning to enhance effectiveness by training teachers and inspiring children with interactive workshops on life skills and child rights, we enable children achieve their potential.

Health and Sanitation

Health is a basic human right for every individual. We are driving health and hygiene initiatives in villages around Aurangabad. These initiatives include installing RO plants to ensure access to clean drinking water. We are also renovating government hospitals to increase access for communities, building toilets, organising health check-ups and surgeries, providing rehab to alcoholics, and conducting yoga sessions. We are focussed on improving women's health (especially stigmatised areas such as menstrual health and family planning) which has a positive ripple effect, transforming families and communities.

Livelihoods

We are committed to empowering individuals; especially women fulfil their dreams. We work with women in villages to understand their interests, develop their skills, provide them with loans to start their businesses and guide them through their journey. Endurance Centre of Vocational Empowerment (ECOVE), our vocational training centre, works with individuals from remand homes, orphans, others who do not value themselves and provides them with skills to become financially independent and start understanding and capitalised on their special abilities. Over 1,000 individuals have graduated from our centre with degrees in tailoring, computer science, machine maintenance, die-casting, electrical, and retail.

Environment

In order to ensure development and sustainability of communities, protecting our environment is crucial. We believe in investing in renewable sources of energy, mainly sunlight and rain. In this endeavour, we have installed solar power generation units and solar street lights in over 20 villages, and initiated several rain water harvesting projects. We have de-silted ponds and deepened waterways and created reservoirs. Additionally, we have laid pipelines to provide drinking water to villagers. We believe in sustainable farming and continue to train farmers in hydro-phonics and drip irrigation, while providing mangers saving over 40% fodder.

(For more details on our CSR activities of FY22, see pages 111 & 112 of the BRR section in this report)

Our Resilient People

The resilience of our people has always been a driving force for the Company's strong growth. We believe our people to be our partners in our value-led journey and remain committed to nurturing their development and wellbeing. We continue to invest in people-centric initiatives designed for their holistic and inclusive growth.

Promoting employee wellbeing

Amid the challenging macro environment in FY 2021-22, we restrategised our priorities to ensure improved welfare and well-being of all Endurians.

Cognisant of the importance of periodic leave to promote good mental and physical health, we launched our work-life balance initiative in October 2021 to encourage all Endurians to take time out for themselves and their families.

We launched a family engagement initiative to enable family members of Endurians to visit our plants / facilities, understand the role of the employee and interact with his/her colleagues, besides receiving safety trainings.

Building a diverse and collaborative culture

We believe in developing a sustainable competitive advantage through a diverse workplace. We treat all individuals with respect, and consciously work on eliminating our preconceived notions / biases (explicit and implicit), thus ensuring objective decision-making. We are also focussed on ensuring gender diversity by increasing the strength of our women employees.

Scaling employees' leadership and capability curve

We have identified building the next line of leadership from within the organisation as a key strategic priority. In line with this, we work towards identifying the true potential of employees and enabling them to achieve it by building on their strengths. We take focussed initiatives to challenge them to overcome their weaknesses and deliver their best.

Succession Planning

We have identified high potential talent pools at junior and middle management levels to help them redefine their limits and potential, while enabling them to develop their managerial and leadership skills in order to take on larger roles through holistic assessment and development centres. Our 3-year development plan encourages them to map their own learning and career curve. We are also collaborating with external partners for group learnings, speed mentoring, peer coach learning etc. We are initiating executive coaching for select high potentials from July 2022.

Supervisory Development Initiative

We have launched this initiative for all casting plants, starting with production, quality, and maintenance team members, for honing their technical and problem solving skills, and also for developing their behavioural competencies and quality mindset via Thors, an e-learning platform. All the nominated individuals will be assigned Action Learning Projects to ensure they can implement learnings from the trainings.

Endurance Youth Leadership Programme (EYLP)

As part of this initiative, employees from different departments and locations come together to work on challenging strategic projects as teams, and gain exposure to new areas and experiences. Each team gets the opportunity to learn from and be mentored by senior management.

Managerial Effectiveness

The initiative is focussed on building capabilities and behavioural competencies for all team members who have other individuals reporting to them. It is aimed at helping them become better managers and leaders. All Endurians who have even one individual reporting to them will be provided this training in FY 2022-23.

Nurturing a high performance culture

Endurance's culture emerges from its CITTI values (Customer Centricity, Integrity, Transparency, Teamwork, and Innovation).

- We are focussed on building a EHS and Sustainability First culture at Endurance, consistently prioritising human lives, environment, health, safety and sustainability in our decisions. Our zero tolerance for unsafe acts and non-compliances is facilitated by our consequence management policy. We have developed a mechanism to benchmark, share learnings and best practices across locations for continuous improvement
- We are developing a culture of result orientation through focussed initiatives on internal customer centricity, proactive risk assessment and mitigation, thereby ensuring effective and robust review mechanisms, and driving end to end accountability. Celebration of success and instant recognition are key elements of this cultural development

EVERY YEAR, WE IMPLEMENT SUSTAINABLE ACTIONS BASED ON VOICE OF EMPLOYEES FROM OUR ANNUAL ENGAGEMENT SURVEY AND TRACK IF THE NPS IS INCREASING, DRIVING EMPLOYEE ENGAGEMENT AND LOYALTY.

Sustained Progress

Total Income - Consolidated (₹ million)

FY 22	**75,902**
FY 21	65,777
FY 20	69,653
FY 19	75,375
FY 18	63,748

CAGR FY 2018-22: **4.5%**

Net Debt/Equity Ratio (Number of Times)

FY 22	-0.1
FY 21	-0.1
FY 20	0.0
FY 19	0.1
FY 18	0.1

EBITDA (₹ million)

FY 22	**10,057**
FY 21	10,709
FY 20	11,784
FY 19	11,558
FY 18	9,513

CAGR FY 2018-22: **1.4%**

Expansion of Aftermarket Sales (₹ million)

FY 22	**4,212**
FY 21	3,116
FY 20	2,977
FY 19	2,707
FY 18	2,384

CAGR FY 2018-22: **15.3%**

PAT (₹ million)

FY 22	**4,607**
FY 21	5,196
FY 20	5,655
FY 19	4,950
FY 18	3,908

CAGR FY 2018-22: **4.2%**

Total Income in European Business (₹ million)

FY 22	**18,852**
FY 21	17,937
FY 20	19,912
FY 19	21,039
FY 18	18,665

CAGR FY 2018-22: **0.2%**

ROACE (₹ million)

FY 22	**14.6**
FY 21	16.9
FY 20	21.7
FY 19	24.8
FY 18	23.3

Board of Directors

Soumendra Basu
Chairman
(Independent Director)

Anurang Jain
Managing Director

Massimo Venuti
Non-Executive Director

Satrajit Ray
Director and Group
Chief Financial Officer

Ramesh Gehaney
Director and Chief
Operating Officer

Varsha Jain
Director and Head-CSR and
Facility Management

Anjali Seth
Independent Director

Roberto Testore
Independent Director

Indrajit Banerjee
Independent Director

Anant Talaulicar
Independent Director

Corporate Information

Board of Directors
Soumendra Basu
Chairman

Anurang Jain
Managing Director

Roberto Testore
Ramesh Gehaney
Satrajit Ray
Anjali Seth
Massimo Venuti
Varsha Jain
Indrajit Banerjee
Anant Talaulicar

Audit Committee
Indrajit Banerjee - Chairman
Soumendra Basu
Anjali Seth

Nomination and Remuneration Committee
Anjali Seth - Chairperson
Soumendra Basu
Indrajit Banerjee

Corporate Social Responsibility Committee
Anurang Jain - Chairman
Soumendra Basu
Ramesh Gehaney
Varsha Jain

Risk Management Committee
Anurang Jain - Chairman
Indrajit Banerjee
Ramesh Gehaney
Satrajit Ray

Stakeholders' Relationship Committee
Anjali Seth - Chairperson
Anurang Jain
Satrajit Ray

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

Management Team
Anurang Jain
Managing Director

Ramesh Gehaney
Director and Chief Operating Officer

Satrajit Ray
Director and Group Chief Financial Officer

Varsha Jain
Director and Head – CSR and Facility Management

Sunil Kolhe
Chief Sourcing Officer

Subhashis Sharma
Chief Technology Officer

Prabhas Dash
President - Aftermarket

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

Auditors
S R B C & Co. LLP
Chartered Accountants
Ground Floor, Tower C Unit 1,
Panchshil Tech Park One, Loop Road,
Near Don Bosco School, Yerwada,
Pune - 411 006, Maharashtra

Secretarial Auditor
Sachin Bhagwat
Practicing Company Secretary
516, Siddhartha Towers - I,
G.A. Kulkarni Road, Kothrud,
Pune - 411 038, Maharashtra

Consortium Bankers
Citibank N.A.
ICICI Bank Ltd.
IDBI Bank Ltd.
Standard Chartered Bank
Union Bank of India

Registrar and Transfer Agent
Link Intime India Private Limited
C 101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai – 400 083
Tel: +91 22 49186000
Fax: +91 22 49186060
E-mail id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

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

Plants
Aurangabad (Maharashtra)
Plot Nos. B-2, E-92 & 93, E-71, K-120, K-226/1 & 227, K-226/2, K-228 & 229, and L-6/3 & 6/3/1, MIDC Industrial Area, Waluj, Aurangabad – 431 136

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

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

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

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

Vallam (Tamil Nadu)
G-102 & 103, SIPCOT Industrial Park,
Vallam Vadagal Scheme, Village Vallam,
Sriperumbudur Taluk,
Kancheepuram Dist. – 602105

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

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

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

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ECONOMIC OVERVIEW

World Economic Overview

Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023 mainly due to the Russia-Ukraine conflict which has resulted in worldwide inflationary pressure and disruptions in supply chain. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

Climate change and global focus

The current prevailing global uncertainty has further underlined the importance of transfer of climate finance and low-cost technologies from developed to developing countries. Though certain measures have been taken to steer the green transition, climate change threat continues to be grave. Global emissions presently seem to overshoot the temperature goals set during Paris Agreement. As a result, this could lead to catastrophic climate change impacting the entire ecology. In fact, the effects of global warming are already starting to show in the form of droughts, forest fires, floods and major hurricanes, which have become more frequent and more severe.

Depending on their implementation, policies to speed up the green transition could have near-term inflationary effects, which may weaken support for the vital climate policy agenda.

International commodity prices

The disruptions triggered by the global pandemic and the geopolitical unrest caused by the Russia-Ukraine conflict have underscored the need for policymakers to not lose sight of longer-term goals. The Pandemic challenge has highlighted the productivity of hybrid work models. The geopolitical unrest has defeated global interdependence and seriously disrupted trade flows, notably for energy and food, and led to sharp increase in the price of oil. The hike in oil price is likely to be contained over the medium term on account of the spare capacity in other countries and the release of petroleum reserves. In contrast, the relatively inflexible infrastructure needed to transport gas means that global supply can adjust less easily, raising the prospect of higher gas prices for longer period of time.

(Source: World Economic Outlook April 2022, IMF; World Bank June 2022)

Indian Economic Overview

India continues to stay firm on a high-growth trajectory path and is set to remain the fastest growing economy in the world. According to the provisional estimates by the National Statistics Office (NSO), GDP growth rate is pegged at 8.7% for FY 2021-22. The last quarter of FY 2021-22 witnessed the impact of the third wave caused by the Omicron variant and geopolitical conflicts between Russia and Ukraine. However, led by a successful vaccination drive, the impact of pandemic was controlled.

The only real cause of concern that remains is the rising international commodity prices.

The Union Budget 2022-23 sought to harness the momentum that has made India the fastest-growing large economy, targeting new growth opportunities in the green economy and tech industries. Under the government's Production-Linked Incentive (PLI) scheme, 6 million new jobs are expected to be created in 14 different industries, including automotive, and could generate an additional ₹ 30 trillion revenue. There is a strong focus to promote a digital economy, fintech, technology-enabled development, energy transition and climate action.

Further, schemes like PM Gati Shakti, Inclusive Development, Productivity Enhancement and Investments, Sunrise Opportunities, Energy Transition, Climate Action and Financing of Investments will promote economic development.

Future Outlook

In FY 2022-23 and FY 2023-24, growth is expected at 8.7% and 6.8% respectively, to reflect an improving investment outlook with private investment, particularly manufacturing, benefiting from the PLI Scheme, and increases in infrastructure investment.

(Source: National Statistics Office; World Bank)

INDUSTRY SECTION

Global market

2021 saw the automobile industry overcome several hurdles, as the economy and the global health situation gradually picked pace globally. While OEMs, parts suppliers and consumers have adapted to the challenges faced in 2020, and end user demand is solid, this does not translate into increased sales, mainly on account of the persistent supply chain pressure, including the semiconductor shortage that has impacted production. As the rebound after COVID happened quicker than anticipated, the semiconductor production was unable to meet the needs of the automotive industry, which consumes around 10% of all global semiconductors. With production of semiconductors ramping up, the situation is expected to stabilise moving ahead.

The decade-long trend of consumer preference for crossovers and SUVs, over passenger vehicles and sedans, is likely to continue through 2022, suggesting that consumers tend to like the high-ride style and the perceived better sense of safety offered by these models.

The preference for electric vehicles (EVs) is also getting sharpened as countries move with agility to deliver on their ambitious global net-zero targets. Government incentives worldwide will continue to support low-emission vehicles, which will in turn boost production of EVs. While higher-end cars are seeing a shift to Battery-EVs, the more affordable passenger vehicles are moving towards hybrid rather than Battery EV.

Due to high energy prices caused due to the geopolitical tensions, casting suppliers are facing extremely high, cost pressures.

Market predictions remain cautiously optimistic, with light vehicle sales set to grow, albeit modestly. And with the semiconductor supply chain showing signs of stabilisation in the second half of 2022, the signs for industry growth are positive.

(Source: Sales Statistics | www.oica.net; Global economy and automotive industry outlook 2022 - Wallenius Wilhelmsen)

Indian Automobile industry

The Indian automotive industry started the year 2022 on a positive note to achieve pre-pandemic levels of sales volume, having built a solid foundation in 2021 despite the semiconductor shortage hampering production. However, the third COVID-19 wave and Russia-Ukraine conflict raised new concerns for automakers. The conflict-related challenges are more difficult to overcome, with Russia being one of the largest producers of palladium, essential in use for semi-conductors, and Ukraine among the biggest producers and exporters of neon gas (also used in manufacturing semiconductors). However, the industry has made efforts to ease the supply chain issues, minimise costs, improve exports, and make investments in new technologies to improve the overall demand sentiment.

Amid the unforeseen challenges it faced during FY 2021-22, the industry strived hard to keep the value chain running, indigenise parts, control costs, invest in new technologies, and enhance exports. All segments grappled with supply side challenges during the year. As a result, the overall automobile domestic sales volumes in FY 2021-22 declined by 6%. Passenger Vehicles (PVs), Commercial Vehicles (CVs) and three-wheelers (3Ws) witnessed some growth on a low base, but the two-wheelers (2Ws) segment witnessed decline. The 2W segment, which was already subdued due to rural distress, saw further dampening because of the increase in vehicle ownership cost, coupled with rising fuel cost. However, all four segments witnessed increase in exports, with 2W segment achieving the highest ever exports. Indian products are becoming more acceptable worldwide for their quality, cost and performance.

INDIA CONTINUES TO STAY FIRM ON A HIGH-GROWTH TRAJECTORY PATH AND IS SET TO REMAIN THE FASTEST GROWING ECONOMY IN THE WORLD. ACCORDING TO THE PROVISIONAL ESTIMATES BY THE NATIONAL STATISTICS OFFICE (NSO), GDP GROWTH RATE IS PEGGED AT 8.7% FOR FY 2021-22.

Category	Domestic Sales (In '000)			
Segment/Subsegment	April-March			
	2018-19	2019-20	2020-21	2021-22
Passenger Vehicles (PVs)				
Passenger Cars	2,218,489	1,695,959	1,541,866	1,467,056
Utility Vehicles	941,474	945,959	1,060,750	1,489,178
Vans	217,426	132,124	108,841	113,265
Total Passenger Vehicles (PVs)	**3,377,389**	**2,773,519**	**2,711,457**	**3,069,499**
Commercial Vehicles (CVs)				
M&HCVs				
Passenger Carrier	39,604	40,416	7,322	11,804
Goods Carrier	351,128	184,412	153,366	228,773
Total M&HCVs	**390,732**	**224,428**	**160,688**	**240,577**
LCVs				
Passenger Carrier	52,170	45,814	12,088	19,957
Goods Carrier	564,409	447,351	395,783	456,032
Total LCVs	**616,579**	**493,165**	**407,871**	**475,989**
Total Commercial Vehicles (CVs)	**1,007,311**	**717,593**	**568,559**	**716,566**
Three-Wheelers				
Passenger Carrier	572,386	525,532	135,414	183,607
Goods Carrier	128,619	111,533	84,032	77,388
Total Three-Wheelers	**701,005**	**637,065**	**219,446**	**260,995**
Two-Wheelers				
Scooter/Scooterette	6,701,430	5,565,958	4,482,305	4,009,076
Motorcycle/Step-Throughs	13,598,190	11,213,662	10,021,231	8,884,186
Mopeds	880,227	636,812	617,247	473,150
Total Two-Wheelers	**21,179,847**	**17,416,432**	**15,120,783**	**13,466,412**
Quadricycle	627	942	-12	124
Grand Total of All Categories	**26,266,179**	**21,545,551**	**18,620,233**	**17,513,596**

Source: SIAM FY2022 Data

With demand still buoyant in the PV segment amid commodity price increases, many automakers are upbeat about embracing new technologies, especially in the electric mobility space which is expected to witness several launches in both four-wheeler (4W) and two-wheeler (2W) categories. The demand for EVs was driven by a push from the government policy framework, a significant increase in oil prices, the gradual development of the EV charging infrastructure, the overall ecosystem, and the availability of the right product at the right price with increased customer acceptance.

The automobile industry is supported by various factors, such as the availability of skilled labour at low cost, robust R&D centres, and low-cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour.

SIAM data suggests that the total production of automobiles increased 1.2% in FY 2021-22 to 22,933,230, from 22,655,609 vehicles produced in FY 2020-21. Total sales of domestic automobiles witnessed 5.9% decline, from 18,620,233 units sold in FY 2020-21, to 17,513,596 units sold in FY 2019-20. Exports saw a massive jump of 36%, to 5,617,246 units in FY 2021-22, as compared to 4,134,047 units exported in FY 2020-21.

2W segment

The domestic sales in 2W segment declined 11% YoY in FY 2021-22, mainly on account of muted domestic demand, both in rural and urban markets, amidst higher fuel prices and steep increase in the acquisition cost of vehicles, driven by higher commodity prices and insurance costs. While scooter sales were down 10%, motorcycles saw 10.3% sales decline.

3W segment

45% of the 3W market is now driven by EVs. The segment witnessed 19% growth in domestic sales to 260,995 units in FY 2021-22, led by an increase in the demand for public transport with the opening up of offices and educational institutions. Passenger carrier volumes grew 35.6% to 183,607 units, while goods carrier sales dropped 8% to 77,388 units.

4W segment

The PV segment saw high demand throughout the year, but due to the global shortage of semi-conductor, supply was not adequate. Domestic sales in the PV segment grew 13.2% to 3,069,499 units, despite continued semi-conductor shortage; the growth was led by some new launches and a slight reduction in the waiting periods with an improvement in supply-side issues. Passenger car sales declined 5%. Utility vehicles (UVs), however, emerged strong, witnessing a massive 40.4% jump in sales. The commercial vehicle domestic sales also improved by 26%. The MHCVs segment saw an improvement in domestic sales, primarily led by increased construction and infrastructure activities in various parts of the country. The LCV segment sales benefitted from the rise in e-commerce and the increasing need for last-mile delivery.

EV segment

Domestic EV sales grew 3.2x in FY 2021-22, with a total sale of 429,342 EVs, including 231,357 2W EVs, 177,874 3W EVs and 16,853 4W EVs. The percentage share of EVs in overall vehicle sales increased from 0.87% in FY 2020-21 to 2.61% in FY 2021-22, with the highest growth in the 2W EV segment.

THE AUTOMOBILE INDUSTRY IS SUPPORTED BY VARIOUS FACTORS, SUCH AS THE AVAILABILITY OF SKILLED LABOUR AT LOW COST, ROBUST R&D CENTRES, AND LOW-COST STEEL PRODUCTION.

Category	FY22	FY21	FY20	YoY % (2021)	YoY % (2020)
E-2W	231,338	41,046	24,843	464%	831%
E-3W	177,874	88,391	140,684	101%	26%
E-CV	2,203	400	493	451%	347%
E-PV	17,802	4,984	2,280	257%	681%
Total	429,217	134,821	168,300	218%	155%

Source: FADA Research

Government policies

The automobile industry, the biggest consumer of petroleum in India, creates severe pressure on the foreign exchange reserves and accounts for 90% of the total CO_2 emissions. Cognisant of the importance of sustainable mobility to resolving the crisis, the Indian government has announced several initiatives for the EV and allied sector.

The government has set an ambitious target of having only EVs being sold in the country by 2030. As of June 2021, US$ 117 million was spent under the FAME-II scheme, 87,659 electric vehicles were supported through incentives, and 6,265 electric buses were sanctioned to various state/city transportation undertakings. The EV charging infrastructure in India has been a problem area in the urban centres due to the space constraint, given that the minimum charging duration of EVs is high. In its Budget 2022, the government proposed a battery-swapping policy, allowing EV users to exchange discharged batteries with charged and ready-to-use batteries. This would effectively tackle the EV charging infrastructure challenge and create scope for the establishment of battery charging stations while minimising the need for vehicle charging stations. The government announced that it would formulate inter-operability standards with common designs and battery patterns across the segment to ensure the success of the battery-swapping policy.

Throughout India, 11 cities have been shortlisted for the introduction of EVs in their public transport system under the FAME scheme. The government approved the FAME-II scheme with a fund requirement of ₹ 10,000 crore for FY 2021-22. Under the Union Budget 2019-20, the government had announced to provide an additional income tax deduction of ₹ 1.5 lakh on the interest paid on the loans taken to purchase EVs.

On 15th September, 2021, the government approved the Production Linked Incentive (PLI) Scheme for the automobile and auto component industry, with the aim of enhancing India's manufacturing capabilities for Advanced Automotive Products (AAT). It announced a budgetary outlay of ₹ 259.38 billion to boost domestic manufacturing capacity and attract investments to the automotive manufacturing value chain. The PLI scheme, focussed on emerging industry capabilities to push India's transition to clean energy, will be implemented over a period of five years, beginning FY 2022-23. According to ICRA, the PLI will not only boost localisation but also accelerate investments towards developing a local EV ecosystem that has the potential to make India an export hub in the global auto supply chain.

The PM Gati Shakti National Master Plan, focussed on multi-modal connectivity, will reduce logistics cost and improve the transport network. This will have an indirect impact on the CV industry, with a positive impact on heavy trucks and light CVs. Additional excise duty of ₹ 2/litre on unblended fuel will be imposed from 1st October, 2022, thus encouraging blending of fuel. It is expected that OEMs will move towards further investing in clean and blended fuel engines. The government is committed to expand highways by 25,000 km, which will further act as a demand catalyst for the CV segment. Also, increased spend on rural infrastructure and large outlay for MSP will help boost rural economic growth. This will support demand for the 2W and tractor segments in particular. Extension of ECLGS to MSMEs will ensure continued liquidity for small businesses, which will have a positive impact on capital purchases, including CVs.

Overall industry outlook

With the international crude prices crossing the US$ 100 mark for the first time since 2014, petrol and diesel prices have skyrocketed, negatively impacting consumer confidence. Though the Indian auto industry is grappling with short-term issues due to the ongoing Russia-Ukraine conflict, re-emerging COVID-19 related infections, and high energy costs, with semi-conductor supplies expected to normalise, challenges are gradually subsiding.

The increase in raw material costs compelled OEMs to increase the prices of their vehicles.

Overall, any future recovery in the automobile sector depends on the final impact of the Russia-Ukraine conflict and its global implications. FY 2022-23 being the first year of COVID-19 recovery after the impact of the lockdowns, the Federation of Automobile Dealers Associations (FADA) expects the Indian auto industry to reach pre-pandemic highs only by FY 2023-24.

Indian auto components industry

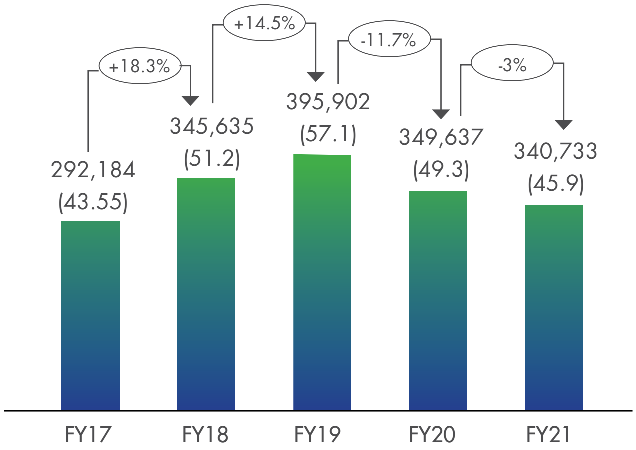
The Indian automotive sector witnessed two successive years of de-growth in FY 2019-20 and FY 2020-21 (11.7% and 3% respectively), attributable to the economic slowdown and pandemic-led national lockdowns. The industry reached a turnover of ₹ 3.4 lakh crore (USD 45.9 billion) in FY 2020-21. In the first half of FY 2021-22, the automobile component industry turnover stood was ₹ 1.96 lakh crore (USD 26.6 billion).

In the domestic market, auto component sales to OEMs at ₹ 2.79 lakh crore (USD 37.7 billion) declined by 3% in FY 2020-21. The Aftermarket sales, which includes tyre, battery, brake parts, at ₹ 64,524 crore (USD 8.7 billion) declined by 7%. Exports declined by 8% to ₹ 0.98 lakh crore (USD 13.3 billion) and imports declined by 11% to ₹ 1.02 lakh crore (USD 13.8 billion) respectively, thus reducing the trade balance to USD 500 million, the lowest ever. USA, Germany, UK, Thailand and Italy are the top destinations for exports. In first half of FY 2021-22, exports of auto components grew by 76% to ₹ 68,746 crore (USD 9.3 billion).

FY2021 Auto Components Industry Performance

Size of industry | ₹ Cr (USD Bn)

Sales to OEMs + Aftermarket + Balance of Trade



Lockdowns, health-and-safety emergency had a major impact on the Indian components industry; Healthy pick up in demand in H2

Source - ACMA

The automotive value-chain faced significant disruptions in FY 2020-21. The entire industry took a significant time to stabilise again post the gradual unlocking of the economy. While vehicle sales and production improved post second quarter of FY 2020-21, the first quarter of FY 2021-22 was again confronted with disruptions due to the second wave of the pandemic. In this environment of volatility, despite disruption of production in supply chain, the industry displayed remarkable resilience and evolved in a spirit of collaboration. Whilst the OEMs gave consistent direction and visibility, the component industry supported well in ensuring smooth ramp-up and business continuity. Inflationary cost pressures stemming due to high commodity prices is expected to continue in 2022. There is also a threat of cost increases in the PV segment owing to a government mandate on installing every PV with 6 airbags. Geopolitical tensions continue to result in supply chain woes for components players & auto OEMs. EVs are expected to account for 15-20% of component makers' portfolio in the coming 3-4 years.

The government announced the PLI Scheme in the automobile and auto components sectors. The PLI scheme with an outlay of ₹ 260 trillion for the automobile sector proposes financial incentives of up to 18% to boost domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain. Incentives are applicable for determined sales of specific products manufactured in India from 1st April, 2022, for a period of five consecutive years.

The growing presence of global OEMs in the Indian auto components industry has significantly increased the localisation of their components in the country. 100% FDI in the automotive parts industry is allowed under the automatic route. The FDI inflow into Indian automotive industry stood at USD 25.85 billion in FY 2020-21.

With economy progressively returning to normal and vehicle demand picking up, performance of FY 2021-22 is expected to be heading to normalcy. The challenges prevail like semiconductor availability, escalating prices of raw materials, non-availability and high prices of containers, new infection waves and geopolitical tensions. The rapidly growing auto market in India is expected to reach USD 300 billion by 2026. The overall Indian auto components industry, which accounts for 2.3% of India's GDP currently, is set to become the third largest globally by 2025. The automotive aftermarket segment is expected to reach USD 32 billion by 2026. The auto components exports are also expected to grow 5X in next 10 years.

(Source: Indian auto comp industry clocks ₹ 3.4 lakh crore turnover in FY2021 – Motorindia (motorindiaonline.in); ACMA; Automobile Components, Auto Components Industry in India, Auto Parts, Market Size (ibef.org))

COMPANY OVERVIEW

About the Company

Endurance Technologies Limited (Endurance / the Company) has emerged as the largest 2W and 3W auto component manufacturer and the largest aluminium die-casting company in India, coupled with a widespread global business in Europe through its overseas subsidiaries in Italy and Germany.

As an end-to-end solution provider of a diverse product portfolio, Endurance is equipped to meet a wide variety of OEM needs – from conception to servicing the end user, for aluminium die-casting and alloy wheels, suspension, braking systems and transmission products.

A tier-I supplier to leading Indian and global brands, the Company supplies a diverse range of technology-intensive products to 2W, 3W and 4W OEMs from its strategically located facilities in multiple locations across India and Europe. All facilities are located in close proximity with OEMs. Endurance has strong R&D capabilities with 22 patents and 18 design registrations, 85 patent applications and 4 applications for design registration. It has four DSIR-approved R&D facilities and two tech centres in Italy. Endurance is the only auto ancillary company in India to have an extensive proving ground in the form of a 29-acre test track in Aurangabad. Its R&D capabilities enable the Company to innovate advanced products and solutions to meet its customer needs through the vehicle lifecycle. The Company has a proficient team of 200 R&D personnel globally.

The Company continues to strive to increase share of value-added products in the product mix. It is working to increase braking, suspension and finished/machined casting supplies to both, the established OEMs and also new 2W and 3W EV OEMs. Highlights during FY2022:

- Increased supplies of fully finished castings including for EVs;
- Commenced in-house manufacturing of Aluminium forged axle clamps;
- Focussed on Inverted Front Forks and mono shock absorbers and emulsion-based shock absorbers for high end motorcycles and also for EVs;
- Commenced supplies of Anti-lock Braking Systems (ABS);
- Developed new generation clutch assemblies, APTC EVO for 3W, APTC ANS & APTC+ for high end motorcycles with technology from Endurance Adler SpA.

Manufacturing and R&D

Endurance has 28 state-of-the-art manufacturing facilities, equipped with the advanced equipment and quality-driven processes, across India and Europe. Its 19 manufacturing facilities in India are strategically located across Maharashtra, Gujarat, Uttarakhand, Tamil Nadu and Karnataka. Of the 9 manufacturing facilities in Europe, 6 are in Italy and 3 in Germany.

In December 2021, the Company doubled its disc brake assembly capacity, from 285,000 per month to 570,000 per month, through its Pantnagar project as well as commissioning of a larger project in the form of its second brakes plant in Aurangabad. These capacities could make Endurance the largest disc brake supplier to Indian 2W industry.

Endurance is also well on its way to become the only supplier in India that manufactures the entire assembly with ABS unit. It has installed a 400,000 units per annum ABS capacity, from where the delivery to its first ABS customer was done in September 2021 and the second customer supplies began in February 2022. Production is expected to reach the installed capacity by September 2022, giving the Company a strong edge in the market as currently a single supplier controls major part of the market of the 3.5 million assemblies per annum of 2W ABS market.

Further expanding its manufacturing capacities, Endurance started a LPDC cylinder head plant, with capacity of 720,000 cylinders, in Pantnagar in September 2021. Similarly the Company also increased the Chakan alloy wheel capacity from 240,000 to 320,000 per month, in Q3 FY 2021-22.

As part of its backward integration initiative, the Company commenced production of two import substitutes - steel braided hoses and aluminium forgings during the year. Supplies from the new forging plant started in Q3 FY 2021-22 while wire braided hoses plant began operations in June 2021.

Using Adler/Grimeca IP to facilitate larger play for Endurance in 200cc plus motorcycles, the Company commenced production of brakes from Q3 FY 2021-22 while clutches are to be commenced in FY 2022-23.

Work on the Company's new driveshaft production facility in Aurangabad, with a dedicated R&D facility, was completed during the year in review, paving the way for commencement of full-fledged operations in FY 2022-23.

New product development

The Company has a strong edge in offering 'first-time-right' auto components for new vehicles, as well as for the aftermarket segment. With robust state-of-the-art manufacturing capabilities, R&D centres and testing facilities, Endurance is emerging as the partner of choice for auto OEMs, with its technological edge and proven track record. Frequent changes in vehicle technology and regulatory specifications have provided a platform for the Company to demonstrate its ability to innovatively cater to the ever changing needs of its partner OEMs. It has built capabilities

ABS Modulator Assembly Line at Waluj, Aurangabad

WITH ROBUST STATE-OF-THE-ART MANUFACTURING CAPABILITIES, R&D CENTRES AND TESTING FACILITIES, ENDURANCE IS EMERGING AS THE PARTNER OF CHOICE FOR AUTO OEMs, WITH ITS TECHNOLOGICAL EDGE AND PROVEN TRACK RECORD.

to develop futuristic technology products through its R&D centre equipped with full-fledged advanced engineering lab (CAE), bench and vehicle level testing facilities, rapid prototyping facility and 3-D printing.

The Company has specialised Cross Functional Teams (CFT) working on Value Analysis / Value Engineering (VA/VE). Application of alternative materials, alternate processes, yield improvement, standardisation, part count reduction and light-weighting are the key thrust areas of the value engineering efforts at Endurance. VA/VE enables the Company to design, develop and offer technologically advanced, superior quality and cost-effective products.

The Company has strong in-house engineering capabilities and state-of-the-art infrastructure for design, virtual validation, CAE - Computer Aided Engineering Analysis, development, lab testing and vehicle testing at the proving ground. Backed by long-standing relationships with key vendors, effective use of its capabilities, and strong customer engagement, the Company ensures continuous product and processes optimisation.

Business overview

As a resurgent organisation focussed on growth through both organic and inorganic routes, Endurance continues to explore new avenues of expansion. Adoption of new technologies, innovation of new products in areas of high potential growth are some of the ways in which the Company expanded in FY 2021-22.

The performances of the European companies were conditioned by extraordinary events that involved the general market and the automotive sector. The level of activity was affected by the geopolitical events like Russia-Ukraine conflict, re-emergence of COVID-19 infections which forced the reintroduction of health protection measures, the lack of chips and other problems in the procurement of semiconductors by the OEMs. Production slowdowns were faced throughout the year. This led to a sharp 4.9% decline in vehicle registrations in the European Union and the UK markets.

Supply chain disruptions and geopolitical confrontations caused an exceptional increase in raw material and energy prices. While for the raw material these cost increases are generally covered under the agreements with customers, the energy-related cost increase are not covered.

In terms of financial performance, during FY 2021-22, 75% of Endurance's consolidated total income, including other income, came from Indian operations, and the balance 25% came from European operations. In India, ₹ 7.45 billion worth of new business was won from OEMs apart from Bajaj Auto Ltd, in both traditional auto space and from EV/ non-auto customers. This included over ₹ 1 billion new orders for EVs and ₹ 1 billion new order wins in non-automotive casting business for applications like gensets and 5G Telecom towers. ₹ 20 billion worth of requests for quotes (RFQs) are under discussion with various OEMs, from which sizeable business wins are expected.

BACKED BY LONG-STANDING RELATIONSHIPS WITH KEY VENDORS, EFFECTIVE USE OF ITS CAPABILITIES, AND STRONG CUSTOMER ENGAGEMENT, THE COMPANY ENSURES CONTINUOUS PRODUCT AND PROCESSES OPTIMISATION.

During FY 2021-22, the Company also acquired € 71.4 million with esteemed OEMs in Europe, which includes € 40 million for hybrid cars. This leads to a cumulative € 150 million of business won for EV and hybrids. Peak volume against these orders is expected to be reached in FY 2026-27.

In line with its focus on being an end-to-end solutions provider in its niche business space, Endurance had some time ago announced its entry into two backward integration product areas which are import substitutes as well. Aluminium forging parts are required for inverted front fork requirements. Endurance entered into a technical collaboration with an Italian partner and started manufacturing from Aurangabad plant from Q4 FY 2021-22. Supply of wire braided hoses, which are required for ABS applications and mid and high-end bikes, started from 21st June, 2021, from the Aurangabad plant. Both these products will help drive future profitable growth.

During the year, the Company added a new product vertical - driveshaft, which is a high technology proprietary product in an automotive application. A driveshaft transforms the torque generated from an engine through its transmission to the wheels. It finds application in 3Ws and 4Ws, including some LCVs and also in EVs. The Indian driveshaft market is worth approximately ₹ 20 billion for 3W and 4W applications.

The Company's driveshaft business is operational with its new state-of-the-art plant that has already been set up in Waluj, Aurangabad. The Company has also started development of driveshafts for 3W EVs and samples have been supplied for testing. It has received the LOI for driveshafts for 3Ws from a reputed brand.

In this area, the Company has already filed five patents, signifying the product's superiority vis-à-vis the competition. Shortened development time, competitive pricing, world-class manufacturing facility and a strong supply chain will help steer business growth in this product vertical in the future.

Based on the 3rd May, 2021 announcement offering voluntary separation in Chakan, 177 employees opted for the scheme, leading to one-time outgo of ₹ 314.5 million with significant annual wage cost savings. Similarly, on 11th May, 2022, a VSS was announced for all eligible permanent workmen employed on the rolls of B-20 plant at Chakan. The VSS was aimed at workforce rationalisation leading to reduction in overheads and improve operational efficiency.

EV focus

With the execution of definitive agreement for acquisition of Maxwell Energy Systems Private Limited, Endurance has forayed into the fast-growing EV segment. Maxwell is a subsidiary of Ion Energy and focusses on embedded electronics. Battery management systems (BMS) for EVs and for stationary storage applications is the flagship product of Maxwell. Endurance executed a Share Subscription and Purchase Agreement for acquiring 100% of equity share capital of Maxwell in a phased manner. The upfront fixed payout for 51% equity stake is ₹ 1,350 million. The balance payout of maximum ₹ 1,730 million will be based on achievement of targeted financial results between FY 2022-23 and FY 2026-27. The 51% stake acquisition is expected to be consummated in June 2022 and the balance 49% stake will be purchased in five tranches spread over the next five financial years.

With the automobile industry moving rapidly towards clean energy vehicles such as EVs, the BMS business is expected to deliver good growth in the coming years. The Company plans to leverage Maxwell's deep technical expertise and its BMS deployment experience both in India and Europe.

The acquisition shall equip Endurance with the capability to offer EV-centric products to multiple new clients, including Indian and overseas automotive OEMs and manufacturers of battery packs. At present, Maxwell supplies to over 70 automotive OEMs and battery pack makers spread across 15 countries, including India, France, Spain and USA. Since its inception, Maxwell has deployed over 65,000 smart BMSs in EVs and stationary storage systems, and has active orders of over ₹ 1,500 million from OEMs in India and Europe in the pipeline. These include orders from one of the largest two-wheeler OEMs in India.

Segment wise performance

Casting business

Aluminium die casting and machining

Endurance is the market leader in aluminium die-casting and machining. The Company has over three decades of experience not only in development and manufacturing of high pressure, low pressure and gravity die-casting products, but also in design and production of tools and dies, and in precision machining of the as-cast products. The segment constitutes almost 37.2% of the Company's standalone revenues.

During FY 2021-22, the Company continued to focus mainly on value addition in the segment, with increased thrust on fully finished machined castings as compared to raw castings and semi-finished castings for 2Ws, 3Ws and 4Ws. In September 2021, the Company commenced supply of aluminium cylinder head low pressure die-castings at its Pantnagar, Uttarakhand plant with a capacity of 720,000 machined cylinder heads per annum.

To cater to the increased orders for alloy wheels from existing and new customers, the Company has expanded its plant at Chakan to help boost supplies from 240,000 alloy wheels a month to 320,000 alloy wheels a month. This plant will start operations in early FY 2022-23. Supplies for the recently secured front alloy wheel rim order from an EV brand will start from the plant in FY 2022-23.

Proprietary business

Suspension

With over two decades of experience, the Company has a stronghold in the suspension segment. It is a pioneer and market leader in high performance suspension systems for 2W, 3W and Quadricycles. It supplies suspension products in both, domestic and international markets. With an aim to provide safe, stable and comfortable riding experience across all road surfaces, the Company designs and produces a wide range of front forks and shock absorbers. Endurance is one of the leading Indian companies to design, develop and manufacture inverted front forks and mono shock absorbers for high-end motorcycles. The Company also supplies a variant having adjustable damping force.

The Company is increasing its business of 200cc plus motorcycle inverted front forks and adjustable rear mono shock absorbers with its collaboration partner KTM Components GmbH. It is working to increase supply for on-road vehicles and also to start with off-road motorcycles, higher technology inverted front forks, and rear shock absorbers. The Company is also focussed on suspension requirements of the growing e-bicycle market. Given the expected increase in volumes over the next three years, the Company has devised a comprehensive expansion plan for this period.

Braking systems

Nearly two decades of presence in braking systems has enabled Endurance to deliver reliable and 'first-time-right' products. A leading player in high performance braking solutions for 2Ws and 3Ws as well as designs braking solutions, Endurance is the first company in India to design and manufacture brake systems with split type calipers, integral calipers, and fixed type calipers. It is also the pioneer in designing and manufacturing master cylinders with both integral reservoir and remote reservoir.

The Company has successfully launched ABS for 150cc plus motorcycles, in collaboration with its technology partner, BWI North America Inc. It has started supplies of ABS to a reputed OEM from September 2021 and to another one since February 2022, with plans to reach a run rate of 400,000 ABS assemblies per annum by September 2022. This space has limited competition, and thus presents good business growth opportunities.

As far as brake assemblies are concerned, addition of new business from reputed OEMs is aiding growth. The Company is increasing supplies of brake assemblies from 285,000 to 570,000 brake assemblies a month, and brake discs from 375,000 to 675,000 every month. The second plant at Waluj, Aurangabad, has already started operations. By October 2022, the Company expects to supply 470,000 disc brake assemblies a month from both its brake plants.

Endurance is the only 2W brakes supplier with in-house manufacturing facilities for all key components of the braking system including brake discs, calipers, master cylinders, rubber and steel-braided hoses and ABS modulators. During the year, the Company leveraged the Grimeca brand to strengthen its presence in the 200cc+ motorcycle market.

Transmission

The Company has been a leading player in transmission systems for 2W and 3Ws since the past two decades. Its long presence in the market has given it a deep understanding of the needs of the OEM customer through the end user. This understanding enables it to continuously develop a wide range of technologically advanced reliable clutches and Continuous Variable Transmissions (CVTs). Its strong value addition and value engineering help the Company achieve 'first-time-right' breakthrough products. The Company's operational efficiency is attributable to product testing, using simulation of the exact vehicle operating conditions. This not only helps in increasing product robustness but also in reducing development time.

Endurance is focussing on 200cc+ motorcycle clutch assemblies through its acquisition of Adler in Italy. The 200cc+ motorcycle clutch business with use of Adler technology will commence in Q4 FY 2022-23.

To increase value addition in the segment, the Company is focussing on replacing cork-based clutch plates for motorcycles with a higher value add paper-based clutch plates. It is also starting continuous variable transmissions or the automatic clutches for scooters, and is in advance stage with a reputed OEM, where testing has been cleared.

EV and hybrid

Endurance is focussed on supply of products for EV 2W and 3Ws for value addition. The Company has already started supplies of brake assembly, suspension and aluminium castings for electric scooter and 3W. During the year, it won new business of ₹ 1,595 million in India from reputed OEMs, including orders for suspensions and brakes. The focus is on supplying EV products for 2W and 3W with both existing and new reputed OEMs. The Company is also focussing on E-bicycles business, especially for suspension and brakes, and is in advanced talks with certain OEMs.

In Europe, the Company recently won a € 40.5 million order for transmission housings for hybrid applications. The execution is expected to start in second half of 2023. In all, the Company has already secured orders aggregating € 150 million in the EV/Hybrid space, with peak execution likely in FY 2026-27.

Aftermarket

One of the key focus areas for the Company is Aftermarket business, which has been over the years successfully catering to the growing 2W and 3W component replacement market in India and overseas.

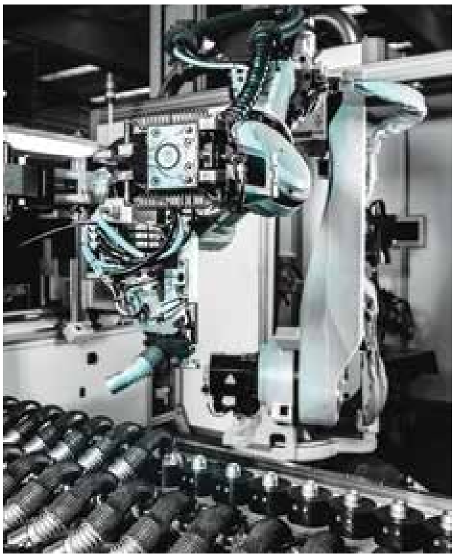
Our focus is on suspension, braking systems and transmission products that are manufactured in-house. Tyres are manufactured through outsourcing which are based on our registered tread designs and we have started supplies to domestic and global markets. Our Aftermarket product range also include VAP parts sourced from capable vendor partners with stringent focus on quality. At present, we have 501 distributors (including for tyres) in India and 42 distributors across 31 countries.

During the year, Aftermarket sales grew by 35% from ₹ 3,116 million to ₹ 4,212 million.

The key growth strategies for domestic Aftermarket include focus on increasing market share in each product segment and in each State, with penetration in smaller districts. We have started a governing council for our strategic distributors to build strong relationship with them. We have also added warehouses in key strategic locations to reduce turnaround time and enhance our services.

▲ *Spray painting of Brake Discs at Waluj, Aurangabad*

THE FOCUS IS ON SUPPLYING EV PRODUCTS FOR 2W AND 3W WITH BOTH EXISTING AND NEW REPUTED OEMs. THE COMPANY IS ALSO FOCUSSING ON E-BICYCLES BUSINESS, ESPECIALLY FOR SUSPENSION AND BRAKES, AND IS IN ADVANCED TALKS WITH CERTAIN OEMs.



Exhaust Gas Recirculation pipe assembling on Medium Diesel Engine exhaust manifold in the plant at Lombardore, Italy

Hub turning in the plant at Lombardore, Italy

OUR FOCUS CONTINUES TO INCREASE OUR MARKET SHARE IN EACH PRODUCT SEGMENT WHILE EXPANDING OUR RANGE OF PRODUCTS.

For our global market, we have been increasing our share in South Africa, Asia and Latin American countries. Our focus continues to increase our market share in each product segment while expanding our range of products. Plans are on anvil to increase the distribution network in all the countries having Indian 2W/3W vehicle exports.

Currently, we are market leaders in suspension and braking systems in the Aftermarket segment and we are now focussing to increase our market share in transmission and VAP products.

Overseas subsidiaries

During the year, the performances of the European companies were conditioned by extraordinary events in the global economy and the automotive sector in particular.

The level of activity was affected by the geopolitical events, the spread of the Omicron variant necessitating reintroduction of health protection measures, the lack of chips and other problems in the procurement of semiconductors by the OEMs.

Production slowdowns continued during FY 2021-22, causing a sharp 4.9% decline in vehicle registrations in the European Union and the UK market. This subdued performance was on an already heavily negative result of new car registrations for the previous year with 18.7% reduction in EU and UK market combined.

Supply chain disruptions and geopolitical confrontations caused an exceptional increase in raw material and energy prices. The commodity related price hikes are a part of pass-through agreements with customers. OEM customers have by and large not yet agreed to fully compensate against energy price increase. Key components of gas and electricity prices, that began rising in the autumn of 2021, went up by ~ 480% for gas and ~ 350% for electricity compared to second half of the previous year. This resulted into significant impact on cost and profits despite some reliefs and grants provided by regulatory authorities to lower the burden of increased costs.

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

During FY 2021-22, EOSrl reported 17% increase in total income to € 10.3 million as compared to € 8.8 million the previous year. Profit after tax was € 1.4 million as against € 9.5 million in the previous year.

In another development during the year, Endurance Overseas acquired 100% stake in Veicoli in November 2021 for € 700,000, a small company that enables fleet operators to increase route efficiencies, enhance safety, optimise maintenance activity, and lower their fuel cost. This is achieved by monitoring vehicle movement, engine parameters and driving habits on Veicoli software platform that it has developed in-house. With this acquisition, the Company aims to expand its innovative solution offerings in the mobility sector in Europe. The skills and knowledge of the Company's development team will also be made available to the current business for the development of projects in various areas.

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

During FY 2021-22, ESpA reported 3% decline in total income of € 135.5 million, as compared to € 139.7 million in FY 2020-21. Profit after tax declined 59.3% to € 3.7 million as compared to € 9.2 million in the previous year. Profit at 2.8% of the production value was significantly lower compared to 6.6% in the previous year. The market contraction, the difficult operating conditions for the organisational complexities induced by COVID-19 and particularly the rise in the prices of raw materials and energy, contributed to the reduction. The tax burden was lower as the Company benefited from the additional tax allowances in terms of higher allowable depreciations related to the technologically advanced machines bought in previous years.

The Company participated in the "ICARO" project relating to industrial research and experimental development for the industrialisation of innovative aluminium alloy products, as part of the Regional Operational Programme ERDF 2014/2020 - Action I.1b.1.1- Tender "IR2" Industrialisation of Research Results.

With regard to the most recent initiatives, undertaken from FY 2019-20, the Company participated in two Important Projects of Common European Interest (IPCEI) for the development of new generation electric batteries. This development programme was part of the European Battery Alliance and approved by the European Commission at the end of 2019 and early half of 2020. In the context of these initiatives (which involve numerous companies from the main European countries in a synergic way), Endurance is committed with multi-year projects with a time horizon up to 2028, within the areas relating to:

a) developing battery modules and systems, in particular for applications in the automotive and mobility sectors, through a project for the development of battery housings, with the use of secondary aluminium alloys, particularly with a focus to reduce the carbon footprint - IPCEI 1 Project; and

b) developing battery swapping systems, linked to the management / smart use of batteries (with the aim of optimising the life cycle of electric mobility systems) as part of the IPCEI 2 Project.

Both these projects saw the formalisation of the approval process at the Ministerial level in FY 2021-22 and the start of its activities also by ESpA. In particular, with reference to the IPCEI 1 Project, work started on the concept design of modular solutions for battery housing which made it possible to prototype a first application with lithium-ion batteries for 2-wheelers and develop a model of automotive battery module (BM) made of new generation secondary alloys. The BM has been designed for easy assembly and dis-assembly, making it convenient both for cell maintenance and for their use in other applications. As for the IPCEI 2 Project, the activities are expected to start in early FY 2022-23.

The SALEMA Project (HORIZON 2020 design model), in the context of which new alloys with a low CRM (Critical Raw Materials) content will be developed in collaboration with European companies and OEMs, saw completion of the approval process by the European Union at the beginning of FY 2021-22 and its formal start-up in early May 2022. The activities assigned to ESpA, i.e. designing and building a working die-cast demo and providing systems and personnel for testing innovative materials, are expected to start in the first half of FY 2022-23 after having carried out preliminary preparatory and planning activities during the financial year under review.

During the year, the Company won new orders from different car makers, particularly powertrain components, for about € 60 million (in terms of yearly turnover) with start of production in FY 2023-24.

Endurance GmbH ("EGmbH"), a wholly-owned subsidiary based in Germany, carries out manufacturing operation of high pressure die casting and machining components. It caters to large automotive OEMs in the German market. During the year under review, EGmbH reported 14.2% increase in total income to € 49.3 million as compared to € 43.2 million in the previous year driven by the surging material costs pass-through to the customer. Profit after tax was € 1.1 million as against the previous year's profit of € 2.0 million. The Company had to cope with erratic logistical planning on the part of customers as they tried to adapt to dysfunctions in the supply chains (especially in the availability of semiconductors) and extra costs for the organisational complexities induced by COVID-19 which led to decline in profit. During the year, the Company won new orders from German OEMs, for about € 7 million (in terms of yearly turnover at regime) with start of production in 2022.

▲ *Daimler NAG 3 Clutch Housing*

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

During the year under review, EEsrl reported 23.3% increase in total income to € 12.1 million as compared to € 9.8 million in the previous year and a profit after tax of

Automated Driveshaft manufacturing plant at Waluj, Aurangabad

€ 0.7 million, as compared to € 0.6 million in the previous year. EEsrl continues to support the Endurance Group to foray into offering solutions to customers in producing engineering plastic components that are replacing some of the production in aluminium and align itself to the plans of OEMs to shift to alternate lighter material components. During the year, it completed the project of relocation of the Company from the Turin plant to Grugliasco, at the plant of Endurance Spa. The Company won new orders from different customers for about € 3.0 million (in terms of yearly turnover at regime) with start of production in FY 2022-23.

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

During FY 2021-22, ECSpA reported 26.3% increase in total income to € 35.5 million, from both captive and non-captive customers, as compared to € 28.1 million in the previous year. Profit after tax stood at € 1.4 million similar to that in the previous year. The increase in sales is partially related to the increase in operations and partially due to sales price increase for the pass-through of material price increase.

Endurance Adler SpA ("EASpA"), is a step-down operating subsidiary of the Company in Italy and is primarily engaged in manufacturing operation of clutches and brakes systems and other metal rubber components for the two-wheeler market. 100% stake of EASpA was acquired by EOsrl in March 2022 by purchasing the residual stake of 1,200 shares held by the minority shareholder.

During FY 2021-22, EASpA reported a total income of € 8.1 million, and a profit after tax of € 0.2 million as compared to total income of € 7.4 million and a net loss of € 1.2 million in the previous year.

Veicoli Srl ("Veicoli") is the new step-down operating subsidiary in Italy. This Company was acquired by EOSrl in November 2021. Veicoli offers a software platform to companies that operate fleets of commercial and passenger vehicles. This software platform helps monitor vehicle movement, engine parameters and driving habits, thereby enabling fleet operators to increase route efficiency, enhance safety, optimise maintenance activity and reduce fuel costs. Veicoli changed its reporting period to 31st March from January 2022 to align uniformly with the other subsidiaries in Europe and hence comparable financial numbers are not available. Since the acquisition, the Company contributed a total income of € 0.2 million and a break-even on profits.

Quality and Productivity focus

Endurance has a consistent track record of outpacing industry growth at the back of its core values of CITTI (Customer Centricity, Integrity, Transparency, Teamwork and Innovation), along with sharp focus on QCDDM parameters. QCDDM is essential to ensure market leadership, business sustainability and long-lasting customer relationships worldwide. The Company ensures that all outsourcing business partners and vendors also adhere to QCDDM parameters, quintessential for a seamless supply chain. Robust production capabilities, with strong internal process control and improved corporate governance, aid customer satisfaction, business continuity and value creation for all stakeholders.

The Company continues to follow the Total Productivity Management (TPM) methodology for proactive and preventive equipment maintenance to maximise operational efficiency and to empower operators. This holistic approach to equipment maintenance creates shared responsibility encouraging greater involvement on the shop floor. TPM helps in increasing uptime, reducing cycle times and eliminating defects, thereby leading to less unplanned maintenance, reduced equipment downtime, cost optimisation, , space savings, higher levels of workplace safety, and defect-free manufacturing on assembly lines. TPM has proved to be an effective tool for productivity enhancement. It also enables improvement in material handling processes through real-time quality checks and lower human intervention on critical operations.

Risk management

Macro-economic slowdown

Any global or local event causing disruption to the auto segment or economy as a whole will impact earnings.

Mitigation strategy: The Company has a well-diversified portfolio in the auto component segment with extensive geographical presence. It has consistently led industry growth on the strength of its improved product mix, decades of long relationships with all stakeholders and robust quality control.

Global turmoil

Russia-Ukraine conflict and spread of COVID-19 in China may cause disruptions at global level to supply chains, inflation etc., which may indirectly impact business growth.

Mitigation strategy: The Company continued to focus on strategic sourcing through expanding the domestic vendor base, cost optimisation and value addition enables it to contain the impact of such turbulence. Certain commodities (e.g. nickel) prices went up significantly. However, such price increases are supported back to back by OEM customers resulting in zero risk to the Company. Also, to insulate from such vagaries, domestic supplier capacities were ramped up to de-risk dependence on China and international supply chain. Further, the Company undertook the indigenisation of certain imported material for the same reasons.

Raw material price volatility

Volatility in pricing of aluminium and steel may impact profit growth.

Mitigation strategy: The Company's contracts with OEMs ensure pass-through of rise in prices of these commodities. The Company does not need to hedge its commodity positions as its profits are largely protected in absolute terms due to such pass-through. In percentage terms, the margins tend to shrink when metal prices are high, due to arithmetical reasons.

Supply chain risk

Any disruption in the supply chain may impact business operations and profitability.

Mitigation strategy: The Company has long-standing relationships with its vendor partners, ensuring uninterrupted supply. Its business-friendly approach and timely release of payments, including advance payments where required, further helps build close relationships with the suppliers. During the pandemic, the Company worked closely with the suppliers to facilitate them in managing the crisis better. This enabled further strengthening of its relationships with the suppliers.

Endurance also shares close relationships with its own OEM customers, who supported it during escalation of commodity prices triggered by the external geopolitical situation. To further insulate itself from global supply chain disruptions, the Company has opted for indigenous sourcing of certain materials. Advancing the material planning process also helped in minimising the impact of supply chain delays on the business. Endurance has signed long-term fixed price contracts with forwarders to mitigate the risk of rising supply chain costs.

Customer concentration

It is imperative to not have overdependence on one or few customers in terms of revenue. Any bearing on that particular client/s may have an exponential impact on business earnings.

Mitigation strategy: Widespread geographical presence, coupled with sustained focus on increasing client base enables the Company to reduce risk from customer concentration. In addition, existing key customers are leaders in their domain, further de-risking the business.

Most Innovative, Disruptive and Transformational company Award at Moneycontrol Pro's Indian Family Business Awards for 2021

Competitive risk

Operating in a high growth auto component industry, the Company is exposed to the risk of increased local and/or international competition.

Mitigation strategy: Longstanding position in the industry, deep relations with all customers, unwavering focus on product quality, and vast product portfolio at competitive pricing have created a moat for Endurance. Its business is unlikely to get impacted by competition in both Indian and European markets.

Human capital risk

People are an indisputable asset essential for business prosperity and smooth functioning.

Mitigation strategy: There are in place focussed HR policies, aligned with the Company's growth plans for the future. The focus is on people development and maximisation of their job satisfaction, coupled with sustained efforts to keep the employees engaged and motivated. Skill upgradation and training initiatives are undertaken periodically, and high-performing employees are recognised and awarded to ensure their retention.

Financial performance

During FY 2021-22, Consolidated Total Income including Other Income increased by 15.4% to ₹ 75,902 million from ₹ 65,777 million in the previous year.

Of the total Consolidated Total Income including Other Income, 75% came from Indian operations and balance came from European operations.

Standalone Total Income including Other Income increased 19.5% to ₹ 57,215 million from ₹ 47,866 million in the previous year. Sales from European business increased 5.1% in Euro terms.

The growth was largely attributable to increased commodity prices.

Consolidated EBITDA stood at ₹ 10,057 million as compared to ₹ 10,709 million in the previous year.

Consolidated EBITDA Margin was at 13.2%.

Consolidated PAT stood at ₹ 4,607 million as compared to ₹ 5,196 million in the previous year.

Aftermarket sales from Indian operations grew by 35.2% to ₹ 4,212 million, from ₹ 3,116 million in the previous year. Aftermarket business in India was almost 7.4% of India net sales.

The Company booked ₹ 634 million under PSI scheme of the Government of Maharashtra during FY 2021-22 of which ₹ 595 million is related to mega project incentive of PSI 2013 and ₹ 39 million against part balance is related to PSI 2007. The Government of Maharashtra continues to encourage investment in backward regions like Waluj in Aurangabad.

Financial Ratio Analysis

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

During the year under review, Interest Coverage Ratio increased significantly to 302 times from 113 times in the previous year, primarily on account of repayment of debt and increase in cash generation. Further, repayment of debt and increase in retained earnings also led to reduction in Debt Equity Ratio to 0.01:1 in the year under review from 0.02:1 in FY 2020-21.

The Return on Net Worth stood at 13.4% (previous year 15.6%). The decrease is due to lower net profit and increase in net worth.

Management Outlook

At Endurance, it will be a continuous endeavour to grow through organic and inorganic routes, with a focus on technology upgradation, quality improvement, cost efficiency, and environment, health and safety. The Company is committed to fulfil stakeholder expectations by following its five core values of Customer Centricity, Integrity, Transparency, Teamwork, and Innovation. Led by a strong balance sheet and liquidity position, the Company continues to progress on its growth journey seamlessly, having an edge over competitors and investing in future growth even in a challenging industry scenario. Amidst the COVID-19 disruptions, the Company managed smooth business operations, strengthened business relationships and vendor supply chain, and outpaced industry growth. It focussed on control over costs, working capital and capex in order to further strengthen its balance sheet. The Company strives to grow sustainably in its existing businesses and foray into newer adjacent categories, capacities and geographies, backed by continuous enhancements in scale and quality.

Technological advancement is an integral part of organisational growth and thus there is a strong focus on new product development, enhancement of manufacturing and R&D capabilities, as well as 'first-time-right' products. The Company is continuously working on making its offering best in class in terms of technology, innovation and cost-competitiveness.

Growth plans are devised with a strong focus on increasing the content per vehicle with every OEM, improving margin with constant value addition, and adding customers across business segments, including EVs, hybrid vehicles and aftermarket. Cost reduction strategies in manufacturing are focussed on optimisation and better operational efficiency. The Company leverages on the strengths of its vendor base. It is also focussed on backward integration in key areas and reduction in power costs with increased reliance on solar power. The Company's growth strategy involves expansion in high-profitability, low-competition segments, and building a wide range aftermarket portfolio of technologically advanced auto component products delivered to a large part of the country and overseas.

In Europe, the Company targets profitable growth with value addition of portfolio and expansion of business through inorganic growth, and expanding business with its marquee passenger vehicle clientele. It is focussing on increasing presence in the 2W and E bi-cycles, particularly in the Aftermarket.

CAUTIONARY STATEMENT

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

Board's Report

Dear Shareholders,

Your Directors present herewith the Twenty Third Annual Report on the business and operations of the Company together with financial statements for the financial year ended 31st March, 2022.

SUMMARISED STATEMENT OF PROFIT AND LOSS:

₹ in million

Particulars	Standalone		Consolidated	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Revenue from operations	56,970.87	47,730.30	75,491.40	65,470.18
Other income	243.94	135.53	410.38	307.13
Total income	**57,214.81**	**47,865.83**	**75,901.78**	**65,777.31**
Raw Material Cost	37,583.26	29,693.55	44,201.44	35,705.58
Employee Benefit expenses	2,903.13	2,865.60	6,943.58	6,760.57
Finance cost	18.20	47.97	63.54	137.59
Depreciation	2,037.38	2,034.15	3,817.26	3,991.38
Other expenses	9,197.90	7,855.33	14,700.00	12,601.92
Total expenditure	**51,739.87**	**42,496.60**	**69,725.82**	**59,197.04**
Profit before exceptional items and tax	5,474.94	5,369.23	6,175.96	6,580.27
Exceptional Items	314.50	112.25	314.50	112.25
Profit before tax	**5,160.44**	**5,256.98**	**5,861.46**	**6,468.02**
Net Tax expense	1,343.01	1,334.99	1,254.37	1,272.33
Net profit for the year	**3,817.43**	**3,921.99**	**4,607.09**	**5,195.69**

DIVIDEND:

The Board of Directors, at its meeting held on 19th May, 2022, has recommended dividend of ₹ 6.25 per equity share of ₹ 10 each (@ 62.5%) (previous year ₹ 6.00 per equity share), for the financial year 2021-22, for consideration of the Members at the ensuing Twenty Third Annual General Meeting ("AGM").

The dividend, if approved by the Members, will result in an outgo of ₹ 879.14 million.

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

Dividend Distribution Policy

This policy has been framed and adopted in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The policy, *inter alia*, lays down various parameters relating to declaration/ recommendation of dividend. There has been no change to the policy during the financial year 2021-22.

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

Amount proposed to be transferred to reserves

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

COMPANY'S PERFORMANCE:

During the year under review, the Company posted a total income of ₹ 57,214.81 million on a standalone basis as against ₹ 47,865.83 million in the previous year. The total income on a consolidated basis was ₹ 75,901.78 million compared to ₹ 65,777.31 million in the previous year. The Company's total income on standalone and consolidated basis grew by 19.5% and 15.4%, respectively.

The performance of the auto industry reflected a negative sentiment, reporting a de-growth of 2.7% in the sales of two wheelers, while three-wheeler sales increased significantly by 24.2%. First quarter of the financial year 2021-22 witnessed prolonged suspension of operations due to the COVID-19 pandemic and low offtake by Original Equipment Manufacturers ("OEMs") as distribution networks were impacted due to second and third waves of the pandemic. Further, shortage of semiconductor chips also significantly impacted production of vehicles.

Board's Report (contd.)

The profit after tax reduced by 2.7% in the financial year 2021-22 at ₹ 3,817.43 million as against ₹ 3,921.99 million in the previous year, on standalone basis; while consolidated profit after tax de-grew by 11.33% at ₹ 4,607.09 million as against ₹ 5,195.69 million in the previous year.

CONSOLIDATED FINANCIAL STATEMENTS:

As per Regulation 33 of the Listing Regulations and Section 129 of the Companies Act, 2013 ("Act") read with the rules issued thereunder, consolidated financial statements of the Company for the financial year 2021-22 have been prepared in compliance with applicable accounting standards. The audited financial statements of the Company and its subsidiaries (including step-down subsidiaries) have been approved by the board of directors of respective entities.

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

SUBSIDIARIES:

The Company has seven subsidiaries as on 31st March, 2022 and as on the date of this Report, as tabulated below. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Details of the subsidiary companies and their performance are covered in the Management Discussion and Analysis Report, forming part of this Annual Report.

Sr. no.	Name of subsidiary	Brief particulars
1.	Endurance Overseas Srl, Italy ("EOSrl")	A special purpose vehicle (SPV) and direct subsidiary of the Company located in Turin, Italy
2.	Endurance SpA, Italy	An operating step-down subsidiary of the Company having plants in Lombardore and Chivasso, Italy
3.	Endurance Engineering Srl, Italy	An operating step-down subsidiary of the Company having a plant in Turin, Italy
4.	Endurance Castings SpA, Italy	An operating step-down subsidiary of the Company having a plant in Bione, Italy
5.	Endurance Adler SpA, Italy	An operating step-down subsidiary of the Company having a plant in Rovereto, Italy
6.	Veicoli Srl, Italy	An operating step-down subsidiary of the Company having an office in Turin, Italy
7.	Endurance GmbH, Germany *(formerly known as Endurance Amann GmbH)*	An operating direct subsidiary of the Company having plants in Massenbachhausen, Germany

There has been no material change in the nature of the business of the subsidiaries. During the year under review:

1. The shareholding pattern of Endurance Adler SpA ("EASpA") underwent change as follows:

    i. EASpA increased its paid-up share capital to Euro 840,000 from Euro 120,000. The increase was effective 26th May, 2021 and the entire increase in share capital was subscribed by EOSrl. Consequent thereto, EOSrl held 99.86% (838,800 shares of Euro 1 each) of the share capital of EASpA and the balance 0.14% (1,200 shares of Euro 1 each) was held by Amfin Holding SpA ("Amfin")

    ii. On 28th March, 2022, Amfin transferred its holding of 1,200 shares to EOSrl. Pursuant thereto, EOSrl holds 100% share capital of EASpA.

2. EOSrl acquired 100% stake in Veicoli Srl, Italy ("Veicoli") for Euro 700,000 on 12th November, 2021. Subsequently on 14th December, 2021, share capital of Veicoli was increased to Euro 500,000 from Euro 470.59. The increase in share capital of Euro 499,529.41 was subscribed by EOSrl.

    Veicoli provides a software platform to companies that operate fleets of commercial and passenger vehicles. Veicoli, as a fleet management service provider and through its software platform, enables fleet operators increase efficiency of routes and movement of vehicles thereby improving cost of fuel consumption, maintenance and use of vehicles through screening engine parameters and driving style from a safety perspective.

In terms of Section 129(3) of the Act, a statement in Form AOC-1, containing salient features of the financial statements

Board's Report (contd.)

of the Company's subsidiaries, forms part of the Annual Report. A copy of the audited financial statements of each of the subsidiary companies and English translation thereof will be available for inspection by any shareholder of the Company at its registered office during business hours. These financial statements are also placed on the Company's website at www.endurancegroup.com/investor-relations.

SHARE CAPITAL:

The paid-up equity share capital as on 31st March, 2022, was ₹ 1,406,628,480. There was no public issue, rights issue, bonus issue or preferential issue, during the financial year under review. The Company has not issued shares with differential voting rights, sweat equity shares, neither has it granted any employee stock options nor issued any convertible securities.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Changes in Directorate

Following were the changes in the Board of Directors during the year under review and till the date of this Report:

(i) Mr. Anurang Jain was re-appointed as Managing Director of the Company for a period of five years with effect from 1st April, 2021; and

(ii) Mr. Anant Talaulicar was appointed as an Additional Director (in the capacity as an Independent Director) of the Company for a term of five consecutive years with effect from 12th July, 2021. His appointment as an Independent Director has been approved by the Members in the Twenty Second AGM of the Company held on 25th August, 2021.

Brief profile of the directors appointed/ re-appointed during the year under review and till the date of this Report, is given below.

Mr. Anurang Jain

Mr. Anurang Jain (DIN 00291662), promoter director has been the Managing Director of the Company since its incorporation in December, 1999. He has over three decades of experience in the automobile components industry.

He is a first generation entrepreneur with sharp business acumen, in-depth knowledge of auto industry and strong focus on profitable growth. He has been instrumental in driving the Company towards exponential growth in becoming one of the leading Tier-1 auto component manufacturing companies of India.

He effectively manages the multi-product portfolio of the Company comprising aluminium die-castings, suspension, braking systems and transmission components, with operations spread across nineteen plants pan India. He also oversees the operations of seven subsidiaries in Europe operating through nine manufacturing facilities in Italy and Germany. The Group caters to all marquee OEM customers in the auto industry having base in India and Europe. The Company has strong aftermarket sales services in both domestic and overseas markets.

Mr. Jain drives technological upgradation to maintain competitive edge and sustainable growth. He has been instrumental in setting up in-house Research & Development centres for all its product segments which are also strongly supported by inputs from global leaders through technology and know-how transfers, and collaboration for joint-development. These R&D centres are approved by Department of Scientific and Industrial Research (DSIR).

Appointment of Mr. Anurang Jain as Managing Director for a period of five years with effect from 1st April, 2021 has been approved by the Members through postal ballot conducted via remote e-voting, which concluded on 4th June, 2021.

Mr. Anant Talaulicar

Mr. Anant Talaulicar (DIN 00031051) has a Master's degree in Mechanical Engineering from the University of Michigan, USA and a Master's degree in Business Administration from Tulane University, Louisiana, USA. He has graduated in Mechanical Engineering from Mysore University, India.

He has more than three decades of experience serving in multifaceted leadership roles in Cummins group, both in the United States of America (USA) and in India. Having worked in the USA for sixteen years as a financial analyst, manufacturing engineer, project manager, product manager, strategy manager, he took on various general management positions. Thereafter, he returned to India in March, 2003 as Joint Managing Director of Cummins India Limited. During his tenure with Cummins group, he has served as member of the Cummins Inc. global leadership team, Chairman & Managing Director of the Cummins Group in India, and the President of the Cummins Inc. Components Group. He has also served as the Managing Director of Tata Cummins Private Limited, a 50:50 joint venture between Cummins Inc. and Tata Motors Limited. He has chaired the boards of four other Cummins legal entities in India as well.

Board's Report (contd.)

He has served as a member in committees of the Confederation of Indian Industry (CII), Society of Indian Automobile Manufacturers (SIAM) and Automobile Components Manufacturers Association (ACMA) in the past.

At present, Mr. Talaulicar is a Director on the board of various public limited and public listed companies including as an Independent director in KPIT Technologies Limited, Everest Industries Limited, Birlasoft Limited, India Nippon Electricals Limited and The Hi-Tech Gears Limited. Aside from his board and various trust memberships, he is a part time advisor and lecturer at the S. P. Jain Institute of Management and Research, Mumbai.

Re-appointment of Independent Director(s) for a second term

Pursuant to Section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 ("Rules"), Mr. Soumendra Basu, Mr. Roberto Testore and Ms. Anjali Seth were appointed as Independent Directors on the Board, by the Members at the Seventeenth Annual General Meeting of the Company, held on 3rd August, 2016 for a term of five consecutive years with effect from 10th June, 2016.

Based on the recommendation of the Nomination and Remuneration Committee and after taking into account the performance evaluation of these Independent Directors, the Board recommended that their continued association as Independent Directors would be in the interest of the Company. Considering the knowledge, acumen, expertise and experience of these directors in their respective fields and the contributions made by them during their tenure as an Independent Director, the Board of Directors has appointed them for a second term of five consecutive years, commencing from 10th June, 2021 up to and including 9th June, 2026.

Pursuant to Regulation 17(1A) of the Listing Regulations, the Members have also accorded consent by way of a special resolution for Mr. Soumendra Basu to continue as Director and Chairman on the Board of the Company, after he has attained the age of seventy five years on 19th November, 2024, during his second term of appointment. The Board recommended his continuation beyond the above-mentioned period, as the Company believes that it shall immensely benefit with his continued association on account of his rich experience, multifaceted role as member of various committees of the Board and especially his guidance and support as Chairman of the Board.

Appointment of the Independent Directors has been approved by the Members through portal ballot conducted via remote e-voting, which concluded on 4th June, 2021.

The composition of the Board of the Company, as on the date of this Report is as follows:

Sr. No.	Name of Director	DIN	Position
1.	Mr. Soumendra Basu	(DIN 01125409)	Chairman (Non-executive, Independent)
2.	Mr. Anurang Jain	(DIN 00291662)	Managing Director (Executive)
3.	Mr. Roberto Testore	(DIN 01935704)	Independent Director (Non-executive)
4.	Mr. Ramesh Gehaney	(DIN 02697676)	Director and Chief Operating Officer (Executive)
5.	Mr. Satrajit Ray	(DIN 00191467)	Director and Group Chief Financial Officer (Executive)
6.	Ms. Anjali Seth	(DIN 05234352)	Independent Director (Non-executive)
7.	Mr. Massimo Venuti	(DIN 06889772)	Director (Non-executive)
8.	Mrs. Varsha Jain	(DIN 08947297)	Director and Head - CSR and Facility Management (Executive)
9.	Mr. Indrajit Banerjee	(DIN 01365405)	Independent Director (Non-executive)
10.	Mr. Anant Talaulicar	(DIN 00031051)	Independent Director (Non-executive)

Retirement of directors by rotation

In terms of Section 152(6) of the Act, Mr. Satrajit Ray, Director and Chief Financial Officer (DIN 00191467), retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. Information as required under Regulation 36(3) of the Listing Regulations is provided in the Notice convening the AGM.

Board's Report (contd.)

KEY MANAGERIAL PERSONNEL:

The following officials are 'Key Managerial Personnel' of the Company in terms of the provisions of Sections 2(51) and 203 of the Act:

i. Mr. Anurang Jain, Managing Director;

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

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

iv. Mrs. Varsha Jain, Director and Head – CSR and Facility Management (Whole Time Director); and

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

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

Board of Directors and its Committees

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

The Board has constituted six Committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee and Finance Committee (a non-statutory committee). All recommendations made during the year by the Committees including the Audit Committee were accepted by the Board.

A detailed charter including terms of reference of various Board constituted committees, number of committee meetings held during the financial year 2021-22 and attendance of members at each meeting, also forms part of the Corporate Governance report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Act, the Directors, based on the representation received from the management, confirm that:

i. in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards have been followed;

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

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

iv. the directors have prepared the annual accounts on a going concern basis;

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

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

DECLARATION BY INDEPENDENT DIRECTORS:

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

All Independent Directors of the Company have affirmed compliance with the Company's Code of Conduct for Directors and Senior Management Personnel for the financial year 2021-22.

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

In terms of the amended the Rules, an independent director is required to apply online to the Indian Institute of Corporate Affairs ("IICA") for inclusion of his/her name in the data bank for such period till he/she continues to hold office of an independent director in any company.

In terms of Section 150 of the Act read with Rule 6 of the Rules, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by IICA. The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. The Independent Directors of the Company are exempt from the requirement to undertake online proficiency self-assessment test.

Board's Report (contd.)

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

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

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

In terms of Section 178 of the Act, the Nomination and Remuneration Policy covers Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The policy, *inter alia*, lays down the principles relating to appointment, cessation, remuneration and evaluation of Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

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

The policy was last revised by the Board at its meeting held on 19th May, 2022 and pursuant to the Listing Regulations is also placed on the Company's website at www.endurancegroup.com/investor-relations.

PERFORMANCE EVALUATION:

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

Performance of the Board is evaluated based on inputs from all the directors on a structured questionnaire covering various aspects such as criteria of board composition and structure, effectiveness of board processes, information and functioning, orientation towards corporate governance and its contribution in effective management of the Company. Assessment and observations on the performance of Board are discussed and key action areas for the Board, Committees and Directors are noted for implementation.

Information and other details on annual performance assessment are given in the Corporate Governance report.

SECRETARIAL STANDARDS:

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

INFORMATION ON BOARD MEETING PROCEDURE AND ATTENDANCE DURING THE FINANCIAL YEAR 2021-22:

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

Based on the dates of meetings decided by the Board, adequate notice is given to all directors and Committee members; an agenda with detailed notes thereon is sent at least seven days before the respective meeting. If any board meeting is held at a shorter notice, it is conducted with the permission of at least one independent director. The notes to agenda contain relevant information and supporting documents along with recommendation from the management, for meaningful deliberation and / or decision on the agenda items.

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

AUDIT COMMITTEE:

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

As on 31st March, 2022, the Committee comprised the following directors as its members:

i. Mr. Indrajit Banerjee, Chairman;

ii. Mr. Soumendra Basu; and

iii. Ms. Anjali Seth.

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

The Committee invites the Managing Director, the Director and Group Chief Financial Officer, the Director and Chief

Board's Report (contd.)

Operating Officer, the Statutory Auditors and the Chief Internal Auditor to attend meetings of the Committee.

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

Information relating to changes in the composition of the Committee during the year under review form part of the Corporate Governance report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

As on 31st March, 2022, the CSR Committee comprised the following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Soumendra Basu;

iii. Mr. Ramesh Gehaney; and

iv. Mrs. Varsha Jain.

RISK MANAGEMENT COMMITTEE:

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

As on 31st March, 2022, the RMC comprised the following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Indrajit Banerjee;

iii. Mr. Ramesh Gehaney; and

iv. Mr. Satrajit Ray.

The Risk Management Policy of the Company was last reviewed and revised in August, 2021 and is placed on the Company's website www.endurancegroup.com/investor-relations.

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

The risk management framework defines thresholds against each of the identified risk events and mitigation measures to be adopted. The framework is dynamic in nature and is reviewed periodically by the respective functions. The senior management team reviews the critical risk events and implements action plans to avoid recurrence of such events. A risk report is submitted bi-annually for review by the RMC and the same is also placed before the Board for advice on matters of significance.

Information relating to changes in the composition of the Committee during the year under review form part of the Corporate Governance report.

CREDIT RATING:

During the year under review, CRISIL Ratings Limited (a subsidiary of CRISIL Limited), a credit rating agency registered with the SEBI, has upgraded the rating for long-term bank credit facilities and reaffirmed the rating for short-term bank credit facilities / Commercial Papers as CRISIL AA+/Stable and CRISIL A1+, respectively. ICRA Limited, a credit rating agency registered with SEBI had reaffirmed the ICRA AA+ (Stable) rating for long term borrowing and ICRA A1+ rating for short term borrowing.

INTERNAL FINANCIAL CONTROLS:

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

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

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

Board's Report (contd.)

The Company has an in-house Internal Audit (IA) team lead by a Chief Internal Auditor. The Chief Internal Auditor, who functionally reports to the Audit Committee and administratively reports to the Managing Director is responsible for leading the IA department. 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 before the start of a financial year, which is approved by the Audit Committee and progress thereof is reviewed by the Committee at its quarterly meetings. In order to ensure objectivity and independence of the audit mechanism, internal audit activities for certain plants are outsourced. The IA team conducts audits of plants and corporate functions, specifically emphasising on systems, processes, procedures, guidelines and controls as also statutory compliances, adherence to policies / SOPs, and internal guidelines issued by the management. Implementation of the audit recommendations are monitored by the IA team.

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

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

CORPORATE GOVERNANCE:

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

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

BUSINESS RESPONSIBILITY REPORT:

In terms of Regulation 34(2) of the Listing Regulations, a Business Responsibility Report for the financial year 2021-22 forms part of this Annual Report.

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

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

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

The PIT Code lays down guidelines for 'designated persons' on the procedures to be followed and disclosures to be made while dealing in securities of the Company and also stipulates the consequences of non-compliances or leak of confidential price sensitive information. The PIT Code was last revised by the Board of Directors at its meeting held on 23rd April, 2021 to align the disclosure formats with those notified the SEBI circular bearing reference no. SEBI/ HO/ ISD/ ISD/ CIR/ P/2021/19 dated 9th February, 2021.

The UPSI Code documents the manner of disseminating Unpublished Price Sensitive Information (UPSI) for making it accessible to the public on non-discriminatory basis.

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

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

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

In terms of Section 135 of the Act read with Schedule VII to the Act and Company's Corporate Social Responsibility ("CSR") Policy, the Company has undertaken CSR projects under the aegis of Sevak Trust, with whom it has been associated for more than a decade. The CSR projects and programmes recommended by the CSR Committee and approved by the Board are aimed towards enhancing

Board's Report (contd.)

employability by imparting skill-building vocational training to unemployed youth and undertake developmental activities in villages to improve living standards and welfare through education, promoting health and hygiene, water conservation and agriculture oriented initiatives, providing community facilities, etc. As part of its CSR initiatives, the Company has also undertaken the responsibility of upgrading the Sevak Trust *Balwadi*. During the year under review, the relief measures continued to be undertaken to mitigate the impact of COVID-19. The COVID care centre was functioning intermittently during the year during the resurgence of Delta and Omicron variants of COVID-19. Apart from the above, two atmospheric water harvesting machines were installed in close proximity to the Company's plants in Waluj. These units could provide a solution to overcome the problem of water scarcity, especially for villages lacking natural water sources.

Salient features of the CSR Policy, are available on the Company's website at www.endurancegroup.com. The Annual Report on CSR activities is attached as **Annexure II** to this Report.

In terms of Section 135 of the Act read with Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2015, the Director and Group Chief Financial Officer of the Company has provided requisite certificate that the funds disbursed by the Company to Sevak Trust and for other CSR activities during the financial year 2021-22 have been utilised for the respective purposes and in the manner as approved by Board.

Expenditure towards CSR activities

As per the requirements under the Act, the Company earmarked an amount of ₹ 111.11 million for the financial year 2021-22, calculated based on the average net profit before tax of the immediate preceding three financial years. The Board of Directors approved the following projects / programmes to be undertaken as CSR activities during the financial year 2021-22, and all of these activities were as per Schedule VII to the Act and the CSR Policy of the Company:

1. Village Development Project ("VDP");
2. Setting up and running of Vocational Training Centre ("VTC");
3. Running of Sevak Trust Balwadi ("Balwadi");
4. Relief measures relating to COVID -19 pandemic; and
5. Setting up of two atmospheric water harvesting machines.

The total amount spent by the Company, during the financial year 2021-22 towards approved CSR projects and programmes was ₹ 112.68 million, which included administrative overheads, as against the budget of ₹ 111.10 million towards CSR expenses.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

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

AUDITORS:

Statutory Auditors

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

The Board has recommended re-appointment of SRBC as the Statutory Auditors of the Company, based on the recommendation of the Audit Committee, for a second term of five consecutive years from the conclusion of the Twenty Third AGM to be held in the year 2022 till the conclusion of the Twenty Eighth AGM to be held in the year 2027, covering financial years from 2022-23 to 2026-27, for approval of Members of the Company.

The Statutory Auditors of the Company have issued an unmodified opinion on the financial statements, both standalone and consolidated for the financial year ended 31st March, 2022. The Auditors Reports for the financial year ended 31st March, 2022 on the financial statements of the Company forms part of this Annual Report.

Cost Auditor

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

Based on the recommendation of the Audit Committee, the Board has appointed Mr. Jayant B. Galande, Cost Accountant (Membership No. M-5255) as Cost Auditor of the Company for the financial year 2022-23. The remuneration proposed is ₹ 450,000 and is subject to ratification by the shareholders at the ensuing AGM. The said remuneration is excluding applicable taxes and out-of-pocket expenses, if any, payable at actuals.

Secretarial Auditor

In terms of the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Mr. Sachin Bhagwat (Membership No. A10189, CP No.

Board's Report (contd.)

6029) Practicing Company Secretary, to conduct an audit of the secretarial records for the financial year 2021-22.

The Secretarial Audit report for the financial year 2021-22 is set out as Annexure III to this Report. The said report does not contain any qualification, reservation or adverse remark.

DISCLOSURES:

Policies of the Company

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

Certain key policies that have been framed by the Company include:

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

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

These policies are periodically reviewed by the Committees responsible therefor and changes, if any, are recommended to the Board for approval. Changes to the policies also factor amendments in statutes or governing regulations. During the period from 1st April, 2021, till the date of this Report, the following policies were revised:

Sr. No.	Name of Policy	Revised effective
1.	Corporate Social Responsibility Policy	23rd April, 2021
2.	Code of Conduct for Prevention of Insider Trading	
3.	Risk Management Policy	11th August, 2021
4.	Vigil Mechanism-cum-Whistle Blower Policy	
5.	Policy for Preservation of Documents	
6.	Policy for Determining Material Subsidiaries	
7.	Fraud Prevention and Detection Policy	11th November, 2021
8.	Policy on Determining Materiality of and Dealing with Related Party Transactions	8th February, 2022
9.	Policy for Determination of Materiality of Event / Information	29th April, 2022
10.	Nomination and Remuneration Policy	19th May, 2022

The Board of Directors, at its meeting held on 23rd April, 2021, has approved the revised CSR Policy of the Company pursuant to the amendments notified vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated 22nd January, 2021 ("CSR Amendment Rules") and based on the recommendation made by the Corporate Social Responsibility ("CSR") Committee at its meeting held on 8th March, 2021. The revisions to the CSR Policy are made to align the same with the provisions of CSR Amendment Rules. Kindly refer **Annexure II** for salient features of the CSR Policy enumerated in the Annual Report on Corporate Social Responsibility activities.

Further, based on the recommendation of Nomination and Remuneration Committee, the NR Policy was revised by the Board, at its meeting held on 19th May, 2022. Certain sections of the NR Policy were redrafted to align with the practice being followed by the Company for appointment of directors and their evaluation.

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**.

Board's Report (contd.)

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not advanced any loans or given guarantees covered under the provisions of Section 186 of the Act. Particulars of investments form part of the notes to financial statements. Kindly refer notes no. 4, 4A and 4B of the standalone financial statements for the details of investments made by the Company as on 31st March, 2022.

FIXED DEPOSITS:

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

VIGIL MECHANISM-CUM-WHISTLE BLOWER POLICY:

In terms of the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a vigil mechanism which forms part of the policy in terms of Regulation 22 of the Listing Regulations for directors and employees. During the year under review, the nomenclature of the said policy was revised to Vigil Mechanism-cum-Whistle Blower Policy. The objective of this policy is to create a window for any person who observes any unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct for Directors and Senior Management Personnel and the Endurance Code of Conduct ("Codes of Conduct") and to report the same to the Ombudsman appointed under the same policy. The said policy also encompasses reporting of instances of leak of Unpublished Price Sensitive Information (UPSI).

Protected disclosures can be made by a whistle blower to a 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/investor-relations.

An Ombudsman has been appointed in terms of the provisions of the Act to independently investigate protected disclosures communicated under the policy and matters of violation to the Codes of Conduct.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH, 2022 AND DATE OF BOARD'S REPORT:

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

RELATED PARTY TRANSACTIONS:

As per the Listing Regulations, all Related Party Transactions ("RPT") and any modifications thereto are placed before the Audit Committee for approval. Further, the Audit Committee accords specific / omnibus approval for RPTs which are in ordinary course of business and satisfy the principles / conditions of being at arm's length basis. The Audit Committee reviews, on a quarterly basis, the details of the RPTs entered pursuant to the aforementioned omnibus approval.

Particulars of RPTs entered during the year 2021-22

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

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

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

ANNUAL RETURN:

In terms of Section 92(3) read with Section 134(3)(a) of the Act, the annual return of the Company for the financial year ended 31st March, 2022 shall be available on the Company's website: www.endurancegroup.com/investor-relations.

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

The Company has adopted a "Policy on Safety & Security and Prevention of Sexual Harassment of Women Employees" ("POSH Policy") in line with the requirements of The Sexual

Board's Report (contd.)

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The POSH Policy aims to provide a safe, friendly, positive and productive working environment and promote an atmosphere in which employees can realise their maximum potential. The policy applies to all permanent and temporary employees and also to workforce engaged by the Company through contractors.

The Company observes zero tolerance towards any kind of violation of the aforementioned POSH Policy. As per POSH Policy, the Company has constituted Internal Committees ("IC") for all its locations. Such committees are chaired by a female employee and other senior management officials of the Company are its members along with an external member who has experience in dealing with cases relating to sexual harassment. The IC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the POSH Policy.

During the year under review, four complaints were received by the IC under the POSH Policy and three of them were satisfactorily resolved. The inquiry and investigation of one complaint has been completed and the IC is in the process of concluding the same.

INDUSTRIAL RELATIONS:

During the year under review, the industrial relations remained cordial.

The Company entered into following wage agreements during the financial year 2021-22:

1. Agreement executed on 25th September, 2021 with Maharashtra Rajya Kamgar Sanghatna for the Company's plant located at B-1/3, Chakan, Pune. The agreement is effective from 1st August, 2021 to 31st January, 2025.
2. Agreement executed on 17th December, 2021 with Endurance Technologies Workers Union for the Company's plant located at Pantnagar. The agreement is effective from 1st October, 2021 to 30th September, 2025.

As on the date of this Report, the Company has twelve agreements entered into with labour unions for the Company's plants located at Waluj (Aurangabad, Maharashtra), Chakan (Dist. Pune, Maharashtra) and Pantnagar (Uttarakhand).

INVESTOR EDUCATION AND PROTECTION FUND:

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

In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the year ended 31st March, 2022.

The Company has uploaded details of unpaid and unclaimed dividend amounts lying with the Company as on 15th December, 2021, on the Company's website www.endurancegroup.com/investor-relations and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

The following table provides dates on which unclaimed dividend would become due to be transferred to the IEPF:

Financial Year	Date of declaration of dividend/ interim dividend	Amount of unpaid dividend as on 31st March, 2022 (in ₹)	Due date for transfer to IEPF
2016-17	28th July, 2017	47,632.50	31st August, 2024
2017-18	6th September, 2018	41,592.00	11th October, 2025
2018-19	8th August, 2019	45,364.00	12th September, 2026
2019-20	3rd March, 2020	122,853.50	7th April, 2027
2020-21	25th August, 2021	45,487.00	24th September, 2028

ACKNOWLEDGMENTS:

Your Directors take this opportunity to express their sincere appreciation towards the commitment, hard work and support of all its employees and workmen during the year especially during the challenging and difficult times of unprecedented pandemic.

The Directors also express their 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 for reposing their confidence in the management. The management looks forward to their continued support in future.

For and on behalf of the Board
Soumendra Basu
Chairman
DIN 01125409

Date: 19th May, 2022

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 windmills installed by the Company at Jaisalmer, Satara and Supa, generated 5,348,450 units of electricity (including 4,552,330 units of captive consumption). The Company earned an income of ₹ 36.23 million (including captive consumption of ₹ 31.68 million) from generation of wind power.

Your Company continues to undertake focussed energy conservation initiatives.

(i) Energy conservation measures taken

During the year under review, following measures were taken towards conservation of resources and energy:

1. Installation of solar power plants with panel capacity of 0.39 MW at Narsapura, and 1 MW each at Sanand and Halol.
2. Installation of magnetic resonators in the powder coating and painting oven.
3. Use of multi speed function of drive in high power consuming motor.
4. Installation of variable-frequency drive (VFD) to optimise the speed and torque of hydraulic motor.
5. Replacement of diesel burner(s) with gas burner(s).
6. Installation of digital thyristor controllers for heating of plating plant chemical tank.
7. Reclaiming heat from compressed air by rerouting and heat energy utilisation for hot air blower systems for gluing machines.
8. Installation of energy efficient motors and pumps for main water pump, cooling tower and dust collection systems, powder coating booths, air circulation motors, pre-treatment lines and degreasing tank circulation pumps.
9. Installation of auto shut-off timers for lighting systems of offices/ washrooms / meeting rooms; auto shut-off valves for air flow and compressed air pipelines for assembly shops, timer based controllers for auto shut-off of hydraulic power packs 'switch on and off' systems.
10. Installation of motor sensors in rectifier areas and interlocking of lights.
11. Continued focus on reducing energy consumption by optimising processes such as running of cooling fan, reducing sludge running time by providing a sensor, reducing hydraulic motor run time on Gravity Die Casting (GDC) machine(s) and arresting of air leakages in compressed air header lines.
12. Installation of auto changeover for air compressor as per shop floor's compressed air requirement.
13. Use of fuel catalyst on melting furnace to improve efficiency of furnace oil and Piped Natural Gas (PNG).
14. Installation of heat recovery units in air compressors to reduce energy consumption in old die casting machine shop, Cylinder Head and Oil pan washing machines.
15. Use of Programmable Logic Control (PLC) for controlling the running of hydraulic motor on GDC machine once molten metal is poured in dies till setting of the metal.
16. Providing air boosters to certain critical machines thereby optimising compressed air pressure in machine shop area.
17. Installation of three new automatic 'Gate Cutting' machines with better efficiency in place of 21 old 'Gate Cutting' machines.

Impact

These initiatives have resulted into following savings:

1. Measures taken for conservation of electrical energy resulted in saving of 6,529,379 kWh units, which is 3.85% of total energy consumption.
2. Measures taken for lower consumption of PNG resulted in saving of 303,983 SCM (Standard Cubic Meter) units which is 3.37% of total PNG consumption.
3. Measures taken for lower consumption of LPG resulted in saving of 7.6 MT which is 0.85% of total LPG consumption.
4. Measures taken for conservation of water resulted in lower consumption of 53,908 kL which is 8.69% of total water consumption.

Annexure I to Board's Report (contd.)

5. Generation of hazardous waste reduced by 174 MT, which is 6.91% of total hazardous waste generation.

6. Generation of 8,078,841 kWh units of electricity from solar power plants and 9,164,615 kWh unit from wind power plants during FY 2021-22 which is 9.98% of total electrical energy used.

(ii) Capital investment on energy conservation equipment

The capital investment made by the Company during the financial year 2021-22 on energy conservation equipment was ₹ 98.73 million.

B. TECHNOLOGY ABSORPTION:

Research & Development

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

The Company has four R&D Centres approved by the Department of Scientific and Industrial Research (DSIR) for each of its product categories. In addition to 200 professionals directly engaged in R&D activities, a large number of resources are deployed to develop new products and improvise the existing product range to offer technologically upgraded solutions to its customers. In order to further strengthen its R&D capabilities, the Company has been consistently investing in technically advanced testing equipment and engineering software at its R&D centres.

Intellectual Property (IP)

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

IP statistics

During the period from 1st April, 2021 till the date of this Report:

1. Six patents were granted to the Company, pertaining to the following:
   i. Suspension 3
   ii. Braking systems 2
   iii. Transmission 1

2. 19 applications were filed for grant of patents and four applications for new design registrations.

As on the date of this Report, the Company has:

- 22 patents granted;
- 18 designs registered;
- 85 patent applications; and
- 4 applications for design registration.

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

Advanced Engineering

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

During the previous year in addition to achieving 'first-time-right' and lean products, both in terms of cost and weight, AEG continued to focus on critical problem solving through CFT approach, thereby generating useful design inputs for all the future designs. Strategic projects were initiated by them, in line with organisational goals of building quality and reliable products. Simultaneously, PLM systems were strengthened to streamline the New Product Development ("NPD") process along with enhanced information security and data confidentiality.

CAE and EDA have been consistently generating useful design inputs with the help of newly built Endurance Proving Ground ("EPG"), having state-of-the-art eight test tracks in combination with its existing simulation software and data acquisition systems, for evaluation of two and three wheeled vehicles.

Annexure I to Board's Report (contd.)

Specific areas in which R&D was carried out

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

i. Continued focus on 'first-time-right' products helped to achieve defect-free components in the initial trials itself. Cross Functional Team (CFT) approach improved design guidelines and checklists have been made more dynamic.

ii. Developed structural Aluminium die casting components.

iii. Leveraged collaboration between the Company and its overseas subsidiaries for structural casting analysis as well as for developing overseas dies in India.

iv. Continued to provide technical expertise to reduce in-house rejections.

v. New casting technologies and process automations are being effectively used in improving quality and productivity of casting components.

vi. Developed parts for non-automotive 5G communication system.

vii. Developed parts for two-wheeler electric vehicles.

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

i. Combined Braking System (CBS) has been developed and production started for a Japanese OEM customer.

ii. Based on the technology and IP received by the Company upon acquisition of Grimeca Srl, Italy, high-end braking systems (above 200cc) are being manufactured under the 'Grimeca' brand.

iii. Successfully developed and productionised Twin Pot Braking system.

iv. Developed CBS with three piston caliper and master cylinder for a customer, production of the same has commenced.

v. Developed floating type CBS actuator for a customer and samples have been submitted to a customer for testing. A patent has also been filed for the same.

vi. Single channel Anti-lock Braking System ("ABS") modulator application work (including software and calibration) has been approved by customers and production has started.

vii. Development work for two channel ABS started and initial prototypes are under testing. Production is expected to start in the financial year 2022-23.

viii. Steel-braided hoses have been developed indigenously and production has started. At present, these hoses are being used for captive consumption only.

ix. Working with a few leading electric vehicle OEMs for development of braking systems. Initial prototypes are under testing.

x. Development of Tandem Master Cylinders for new models of three-wheelers and production thereof has commenced.

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

i. Introduction of APTC designs to Indian market for motorcycles with displacement above 200cc and for three-wheelers. These clutch designs are of two types:

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

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

ii. Setting up in-house friction paper manufacturing under 'Make in India' initiative.

iii. Developed two speed automatic transmission electronic trans-axle for electric three-wheeler, under joint programme with ARAI (Automotive Research Association of India, Pune).

iv. Continuous Variable Transmission (CVT) is under development.

Annexure I to Board's Report (contd.)

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

i. Commenced production of the Φ31 and Φ33 up-side down front fork.

ii. Successfully absorbed technologies viz. adjustable damping up-side down front forks, monotube with floating piston shock absorbers and hydraulic preload adjuster for monotube shock absorber.

iii. New design series Φ11 with floating piston and Φ41 inverted cartridge type front fork single leg assembly developed for electric two-wheelers.

iv. Commenced production of the Φ10 x 20 monotube hydraulic shock absorber series.

v. Developed electronically operated adjustable damping suspension prototype and the same is under testing.

vi. Ride tuning van is being used by our customers for suspension tuning. Ride tuning van helps in reducing New Product Development (NPD) lead time by enabling multiple ride tuning iterations in one go.

vii. Multiple product life improvement ideas initiated for regular front fork, hydraulic and monotube shock absorber have been implemented.

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

1. Expansion of product portfolio for existing OEM customers.
2. Improvement in product quality, performance, reliability and safety.
3. Reduction in product cost through various Value Analysis and Value Engineering ideas to gain competitive edge.
4. Reduction in cycle time of processes and increase in productivity.
5. Minimise product development time with the help of new testing facilities and advance analytical capabilities.
6. Enhanced customer delight and confidence.

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

Year of import	Technology from	Details of technology imported	Status
2015	KTM Components GmbH, Austria	Suspension components having either of the following product technologies: 1. Separation Piston for manufacture of mono shock absorbers; 2. Piggy back suspension system; and 3. Any other technology, as mutually agreed.	Under absorption
2017	Leading Global Suspension and Brakes Company	Technology for joint development of anti-lock braking systems for application in two and three-wheelers.	Under absorption
2019	European technology provider in Aluminium Forgings	Technical support related to aluminium forging technology	Under absorption

Expenditure incurred on R&D

₹ in million

Sr. No.	Particulars of expenditure	2021-22	2020-21
i	Capital including technical know-how	66.76	83.20
ii	Recurring	482.58	370.23
Total		**549.34**	**453.43**
Total research and development expenditure as a percentage of net revenue (without taxes).		0.96%	0.95%

Annexure I to Board's Report (contd.)

C. Foreign Exchange Earnings and Outgo:

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

Total foreign exchange earnings and outgo are given below:

₹ in million

Particulars	Amount
Earnings in foreign exchange	1,623.45
Foreign exchange outgo	3,180.04

For and on behalf of the Board

Soumendra Basu
Chairman
DIN 01125409

Date: 19th May, 2022

Annexure II to Board's Report

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **A Brief outline on the CSR Policy of the Company**

   Corporate Social Responsibility Policy ("CSR Policy") of the Company was approved and adopted by the Board at its meeting held on 6th June, 2014. Pursuant to the amendments notified vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated 22nd January, 2021 and based on the recommendation made by the Corporate Social Responsibility Committee at its meeting on 8th March, 2021, revision to the CSR Policy was approved by the Board at its meeting held on 23rd April, 2021.

   Salient features of the CSR Policy of the Company are as under:

   i. The CSR Policy lays down the philosophy and vision of the Company which drives the objective of CSR, in both letter and spirit.

   ii. The approach and direction of the CSR initiatives are inclusive and has focussed approach towards Environmental, Progressive, Cultural and Developmental activities.

   iii. The CSR Policy defines the areas in which the Company can undertake CSR projects and programmes and is aligned to Schedule VII to the Companies Act, 2013 ("Act").

   iv. The CSR initiatives / activities are divided into four categories based on duration of projects / programmes identified, which are - One-time activities, Short-term projects, Long-term projects and Ongoing projects.

   v. The mechanism defined for implementation of CSR projects/ programmes encompasses all the activities / stages from the identification of CSR initiative to monitoring thereof as per annual action plan of respective project, approved by the Board based on the recommendation of the CSR Committee.

   vi. In the CSR Policy there is a separate section on 'CSR Governance'. The said section elaborates on a three-tier structure for fulfilment of Company's CSR obligations as stipulated under the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014. The three-tier structure comprises the roles and responsibility of the:

      a. CSR department;

      b. CSR Committee; and

      c. Board of Directors;

      of the Company.

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1)	Mr. Anurang Jain, Chairman	Managing Director / Executive Director	4	4
2)	Mr. Soumendra Basu	Independent Director / Non- Executive Director	4	4
3)	Mr. Ramesh Gehaney	Director and Chief Operating Officer / Executive Director	4	4
4)	Mrs. Varsha Jain	Director and Head – CSR and Facility Management / Executive Director	4	4

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board is disclosed on the website of the company.

   The Composition of CSR Committee and CSR Policy are available on the link https://endurancegroup.com/investor-relations; and details on CSR projects and programmes are given under the link - https://endurancegroup.com/sustainability.

Annexure II to Board's Report (contd.)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of Companies (CSR Policy) Rules, 2014, if applicable (attach the report).

   Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

₹ in million

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1.	2020-21	7.49	-
2.	2021-22	-	1.57

6. Average net profit of the Company as per Section 135(5) of the Act:

   The average net profit of the Company as per Section 135(5) of the Act for the financial year 2020-21 was ₹ 5,555.63 million.

7. (a) Two percent of average net profit before tax of the Company as per Section 135(5) of the Act:

   ₹ 111.11 million

   (b) Surplus arising out of the CSR projects/ programmes or activities for the financial year:

   NIL

   (c) Amount required to be set-off for the financial year, if any:

   ₹ 7.49 million

   (d) Total CSR obligation for the financial year (7a+7b- 7c):

   ₹ 103.62 million

8. CSR amount spent / unspent for the financial year:

Total Amount Spent for the Financial Year 2021-22	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
₹ 112.68 million	NIL		NIL		

Annexure II to Board's Report (contd.)

a) Details of CSR amount spent against 'ongoing projects' for the financial year **2021-22:**

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the Current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
										Name	CSR Registration number
Not Applicable. There were no 'ongoing projects' during the financial year 2021-22											

b) Details of CSR amount spent against 'other than ongoing projects' for the financial year: **2021-22**

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹ million)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Village Development project (VDP)	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups. (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga. (x) Rural development projects	Yes	Maharashtra	Aurangabad	50.44	No	Sevak Trust	CSR00004059

Annexure II to Board's Report (contd.)

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹ million)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration Number
2	Vocational Training Centre (VTC)	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Aurangabad	49.02	No	Sevak Trust	CSR00004059
3	Balwadi	(x) Rural development projects.	Yes	Maharashtra	Aurangabad	0.10	No	Sevak Trust	CSR00004059
4	Relief measures relating to COVID-19 Pandemic	(xii) Disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Maharashtra	Aurangabad	9.90	No	Sevak Trust	CSR00004059
5	Other social activities - Setting up of two atmospheric water harvesting units	(v) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Maharashtra	Aurangabad	1.64	Yes	NA	NA
	Total					**111.10**			

c) Amount spent in Administrative Overheads: ₹ **1.58 million**

d) Amount spent on Impact Assessment, if applicable: **Not Applicable**

e) Total Amount spent for the Financial Year (8b+8c+8d): ₹ **112.68 million**

f) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹ million)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	111.11
(ii)	Total amount spent for the financial year 2020-21	112.68
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.57
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	1.57

Annexure II to Board's Report (contd.)

9. (a) Details of unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) of the Act (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount (in ₹)	Date of Transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount Spent in the reporting financial year(in ₹)	Cumulative Amount Spent at the end of financial year (in ₹)	Status of the project -Completed /Ongoing
Not Applicable								

10. In case of creation or acquisition of asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (Asset wise details)

    (a) *Date of creation or acquisition of the asset(s):*
    There is no asset created or acquired through CSR spent in the financial year 2021-22

    (b) *Amount of CSR spent for creation /acquisition of capital asset:* **NIL**

    (c) *Details of the entity/ public authority/beneficiary under whose name such asset is registered, their address etc.:* **Not Applicable**

    (d) *Provide details of the Capital asset(s) created/ acquired (including complete address and location of the property):* **Not Applicable**

11. Specify the reason(s) if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Act: **Not Applicable**

Anurang Jain
Managing Director and Chairman of Corporate Social Responsibility Committee
(DIN 00291662)

Date: 19th May, 2022

Annexure III to Board's Report

SECRETARIAL AUDIT REPORT

For the financial year ended 31 March, 2022

[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.

Auditor's Responsibility:

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified opinion:

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 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 overseas direct investment. The Rules and Regulations related to Foreign Direct Investment and External Commercial Borrowings did not apply to the Company during the year;

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

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity shares) Regulations, 2021 (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 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (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 and the Securities and Exchange Board of India

Annexure III to Board's Report (contd.)

(Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit period); and

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

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

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

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

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

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. A short notice was given for one meeting; however, it was in due in compliance of the provisions of Section 173(3) of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Signature:
Sd/-
Sachin Bhagwat
ACS: 10189
CP: 6029

Place: Pune — UDIN: A010189D000344765
Date: 19th May, 2022 — PR No.: 654/2020

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

Annexure

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

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

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

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

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

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

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

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

Signature:
Sd/-
Sachin Bhagwat
ACS: 10189
CP: 6029
UDIN: A010189D000344765
PR No.: 654/2020

Place: Pune
Date: 19th May, 2022

Annexure IV to Board's Report

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

a) The ratio of the remuneration of each Director / Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year 2021-22:

Sr. No.	Name of Directors / Key Managerial Personnel and Designation	Ratio of remuneration to the median employee's remuneration	% increase /(decrease) in remuneration in the financial year 2021-22
Executive Directors and Key Managerial Personnel			
1	Mr. Anurang Jain, Managing Director	123.73	38.93%
2	Mr. Satrajit Ray, Director and Group Chief Financial Officer	55.68	20.98%
3	Mr. Ramesh Gehaney, Director and Chief Operating Officer	54.45	21.05%
4	Mrs. Varsha Jain Director and Head - CSR and Facility Management	23.92	N.A.
Non-executive Directors @			
5	Mr. Soumendra Basu, Chairman	6.60	22.01%
6	Mr. Roberto Testore	6.43	36.64%
7	Ms. Anjali Seth	6.40	30.74%
8	Mr. Massimo Venuti *	N.A.	N.A.
9	Mr. Indrajit Banerjee	6.18	**N.A.
10	Mr. Anant Talaulicar	4.79	#N.A.
Key Managerial Personnel			
11	Mr. Sunil Lalai, Company Secretary	19.58	16.04%

N.A.= Not Applicable

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

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

** Mr. Indrajit Banerjee was appointed effective 9th February, 2021, hence increase in remuneration in FY 2021-22 is not applicable.

Mr. Anant Talaulicar was appointed effective 12th July, 2021, hence increase in remuneration in FY 2021-22 is not applicable.

b) The median remuneration of the employees of the Company during the financial year 2021-22 was ₹ 0.52 million.

c) Percentage increase in the median remuneration of employees in the last financial year 2021-22 was 8.43% as compared to the previous year 2020 - 21. During the financial year 2020-21, there was a decrease in compensation of employees on account of certain austerity measures taken to reduce the employment cost, being one of the major components of fixed cost, to deal with unprecedented crisis posed by nation-wide lockdowns announced by the Government in the first quarter of the previous year, to curb the spread of COVID-19.

d) Number of permanent employees as on 31st March, 2022 are 3,588.

e) Average percentile increase in the salaries of employees other than the managerial personnel in the financial year 2021-22 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 percentile increase in the salaries of employees other than managerial personnel in the financial year 2021-22 was 10.13%; whereas the increase in the managerial remuneration in the financial year 2021-22 was 37.72%.

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 KMPs and employees of the Company are in line with the Nomination and Remuneration Policy of the Company.

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

19th May, 2022

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

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

This is to certify that for the financial year ended 31st March, 2022:

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

For **Endurance Technologies Limited**

Sd/-
Anurang Jain
Managing Director
DIN 00291662

Sd/-
Satrajit Ray
Director and Group Chief Financial Officer
DIN 00191467

Declaration by Managing Director

18th May, 2022

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

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

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 Senior Management Personnel of the Company.

For **Endurance Technologies Limited**

Sd/-
Anurang Jain
Managing Director
DIN 00291662

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

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

1. The Corporate Governance Report prepared by Endurance Technologies Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended 31st March, 2022 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

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

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

Auditor's Responsibility

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

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

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

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

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

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

   iii. Obtained and read the Register of Directors as on 31st March, 2022 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held 1st April, 2021 to 31st March, 2022:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM);

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders Relationship Committee;

      (f) Risk Management Committee;

      (g) Corporate Social Responsibility Committee;

      (h) Finance Committee.

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

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

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

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

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

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended 31st March, 2022, referred to in paragraph 4 above.

Other matters and Restriction on Use

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

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 22089802AJFLJV5059

Place of Signature: Los Angeles, USA
Date: 19th May, 2022

Corporate Governance Report

The Directors present the Corporate Governance Report of the Company for the Financial Year 2021-22. This report elucidates the systems and processes followed by the Company to ensure compliance of corporate governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013 ("Act").

1. PHILOSOPHY:

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

We firmly believe that strong governance principles provide a nucleus for sustained value creation and build stronger bonds that safeguard interests of all our stakeholders. All employees of the Company are guided by the five core values i.e. Customer Centricity, Integrity, Transparency, Teamwork and Innovation. These have been instilled in our corporate culture which is directed towards continually 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 Senior Management Personnel as well as Endurance Code of Conduct for Employees.

2. BOARD OF DIRECTORS:

a) Composition:

As on 31st March, 2022, the Board comprised 10 (ten) Directors, 4 (four) of whom are Executive Directors, 5 (five) are Non-executive & Independent Directors including 1 (one) woman Independent Director and 1 (one) Non-executive and Non-Independent Director. The Company has a Non-executive and Independent Director as Chairman.

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

Mr. Anurang Jain, Managing Director and Mrs. Varsha Jain, Director and Head – CSR and Facility Management of the Company are relatives in terms of the Act. None of the other Directors are related to each other.

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

Corporate Governance Report (contd.)

Composition of the Board of Directors, during the year ended on 31st March, 2022 was as under:

Sr. No.	Name of the Director	Category	Original date of appointment / Date of last re-appointment	Attendance in last Annual General Meeting	Boards / Committees		
					Directorships*	Committee**	
						Member	Chairperson
1.	Mr. Soumendra Basu	Chairman, Non-executive, Independent	16th June, 2010 / 10th June, 2021	Yes	5	5	0
2.	Mr. Anurang Jain	Managing Director, Executive and Promoter	27th December, 1999 / 1st April, 2021	Yes	2	1	0
3.	Mr. Partho Datta^	Non-executive, Independent	16th June, 2010	-	-	-	-
4.	Mr. Roberto Testore	Non-executive, Independent	17th October, 2007/ 10th June, 2021	Yes	1	0	0
5.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	6th June, 2014/ 6th June, 2019	Yes	1	0	0
6.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	6th June, 2014/ 6th June, 2019	Yes	1	1	0
7.	Ms. Anjali Seth	Non-executive, Independent	10th June, 2016 / 10th June, 2021	Yes	7	8	4
8.	Mr. Massimo Venuti	Non-executive, Non-Independent	2nd December, 2016	Yes	1	0	0
9.	Mrs. Varsha Jain	Director and Head – CSR and Facility Management, Executive	10th November, 2020	Yes	1	0	0
10.	Mr. Indrajit Banerjee	Non-executive, Independent	9th February, 2021@@	Yes	3	3	1
11.	Mr. Anant Talaulicar	Non-Executive, Independent	12th July, 2021$	No	9	6	1

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

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

^ *Mr. Partho Datta, Non-executive Independent Director of the Company, passed away on 1st May, 2021.*

@@ *Mr. Indrajit Banerjee was appointed as an Additional Director (in the capacity as an Independent Director) of the Company for a term of five consecutive years with effect from 9th February, 2021. His appointment was regularised by the Members through postal ballot, which concluded on 4th June, 2021.*

$ *Mr. Anant Talaulicar was appointed as an Additional Director (in the capacity as an Independent Director) of the Company for a term of five consecutive years with effect from 12th July, 2021. His appointment was regularised by the Members in Twenty Second Annual General Meeting held on 25th August, 2021.*

Corporate Governance Report (contd.)

b) Table indicating details of Directors serving Directorships in other listed entities as on 31st March, 2022

Sr. No.	Name of the Director	Name of the listed entity	Category of directorship
1.	Mr. Soumendra Basu	India Carbon Limited	Independent Director
2.	Ms. Anjali Seth	Kalpataru Power Transmission Limited	Independent Director
		JMC Projects (India) Limited	Independent Director
		Centrum Capital Limited	Independent Director
		Nirlon Limited	Independent Director
3.	Mr. Indrajit Banerjee	Fortis Healthcare Limited	Independent Director
4.	Mr. Anant Talaulicar	The Hi-Tech Gears Limited	Independent Director
		India Nippon Electricals Limited	Independent Director
		Birlasoft Limited	Independent Director
		Everest Industries Limited	Independent Director
		KPIT Technologies Limited	Independent Director

Number of Board meetings:

During the financial year 2021-22, the Board of Directors met seven times on following dates, viz. 23rd April, 2021, 19th May, 2021, 12th July, 2021, 11th August, 2021, 11th November, 2021, 8th February, 2022 and 17th March, 2022. The statement below tabulates the attendance of each of the director at the aforesaid Board meetings.

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	23rd April, 2021 116th	19th May, 2021 117th	12th July, 2021 118th	11th August, 2021 119th	11th November, 2021 120th	8th February, 2022 121st	17th March, 2022 122nd
1.	Mr. Soumendra Basu	Chairman, Non-executive, Independent	👤	👤	👤	👤	👤	👤	👤
2.	Mr. Anurang Jain	Managing Director, Executive, Promoter	👤	👤	👤	👤	👤	👤	👤
3.	Mr. Partho Datta^	Non-executive, Independent	ⓧ				N.A.		
4.	Mr. Roberto Testore	Non-executive, Independent	👤	👤	👤	👤	👤	👤	ⓧ
5.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	👤	👤	👤	👤	👤	👤	👤
6.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	👤	👤	👤	👤	👤	👤	👤
7.	Ms. Anjali Seth	Non-executive, Independent	👤	👤	👤	👤	👤	👤	👤
8.	Mr. Massimo Venuti	Non-executive, Non-Independent	👤	👤	👤	👤	👤	👤	👤
9.	Mrs. Varsha Jain	Director and Head – CSR and Facility Management, Executive	👤	👤	👤	👤	👤	👤	👤
10.	Mr. Indrajit Banerjee	Non-executive, Independent	👤	👤	👤	👤	👤	👤	👤
11.	Mr. Anant Talaulicar#	Non-executive, Independent	N.A.	N.A.	👤	👤	👤	ⓧ	👤

N.A. = Not Applicable

👤👤 *- Presence of Directors*

ⓧ *- Leave of Absence*

^ *Mr. Partho Datta, Non-executive, Independent Director, passed away on 1st May, 2021.*

Mr. Anant Talaulicar was appointed as an additional director on 12th July, 2021 and regularised in the Twenty second Annual General Meeting held on 25th August, 2021.

Corporate Governance Report (contd.)

c) Certificate of Non Debarment:

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

d) Shareholding of Non-executive directors:

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

Sr. No.	Name of the Non-executive director	No. of equity shares held in the Company	No. of convertible instruments held in the Company
1.	Mr. Soumendra Basu	Nil	There are no convertible instruments issued by the Company.
2.	Mr. Partho Datta^	Nil	
3.	Mr. Roberto Testore	Nil	
4.	Ms. Anjali Seth	Nil	
5.	Mr. Massimo Venuti	Nil	
6.	Mr. Indrajit Banerjee	Nil	
7	Mr. Anant Talaulicar	Nil	

^ Mr. Partho Datta, Non-executive Independent Director of the Company, passed away on 1st May, 2021.

e) Skills / expertise / competence of Directors:

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

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

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

Corporate Governance Report (contd.)

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

Name of Directors	Skills / expertise / competence						
	Domain knowledge in auto / auto components industry	Strategy and Planning	Business Management	Financial knowledge and expertise	Law and Governance	Human Resources and Industrial Relations	Technology and Research & Development
Mr. Soumendra Basu	X	✓	✓	✓	X	✓	X
Mr. Anurang Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Partho Datta[(1)]	X	✓	✓	✓	✓	X	X
Mr. Roberto Testore	✓	✓	✓	✓	X	X	✓
Mr. Ramesh Gehaney	✓	✓	✓	X	✓	X	✓
Mr. Satrajit Ray	✓	✓	✓	✓	✓	X	X
Ms. Anjali Seth	X	✓	X	X	✓	✓	X
Mr. Massimo Venuti	✓	✓	✓	✓	✓	✓	X
Mrs. Varsha Jain	X	✓	✓	X	✓	X	X
Mr. Indrajit Banerjee	X	✓	✓	✓	✓	X	X
Mr. Anant Talaulicar	✓	✓	✓	✓	X	X	✓

(1) Mr. Partho Datta, Non-executive Independent Director of the Company, passed away on 1st May, 2021.

f) Familiarisation Programmes for Independent Directors:

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

Various familiarisation initiatives are carried out throughout the year on an on-going basis which include comprehensive update at Board and Committee meetings on Company's performance and industry scenario, and information on specific functions/ departments through presentations by senior executives. Further, an analysis on amendments in corporate laws and regulations applicable to the Company including its implications thereof are also compiled and circulated for information of Board members.

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

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

i. the industry in which the Company operates;

ii. business model and strategic plans of the Company;

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

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

to enable them to take informed decisions.

Corporate Governance Report (contd.)

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

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

I. Appointment of Director(s)

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

a. Corporate overview:

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

ii. Company's values;

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

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

b. Board and Management overview:

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

ii. Profile of Board members; and

iii. Names and contact details of members of core management team.

c. Reference Documents:

i. Code of Conduct for Directors and Senior Management Personnel;

ii. Code of Conduct for Prevention of Insider Trading;

iii. Corporate policies of the Company approved by the Board which, *inter alia*, include Whistle Blower Policy, Corporate Social Responsibility Policy, Nomination and Remuneration Policy, Risk Management Policy; and

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

II. Updates at Board Meetings

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

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

i. Company's performance vis-à-vis industry performance, business trends, update on plant operations, new orders/ share of business of customers, initiatives on Research & Development and other significant matters like, setting up of new facility/ies, acquisition(s);

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

iii. Strategic business plans including annual budgets;

iv. Presentations by head of function / senior management official(s) of key functions like Environment, Health & Safety (EHS), Research & Development (R&D), Marketing, Sourcing, Human Resources, giving an overview of the respective function, its staffing, progress in their respective areas including SWOT analysis, where relevant;

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

vi. Initiatives relating to health, safety and environment;

vii. Amendments to the Act, the Listing Regulations and other applicable laws;

viii. Adequacy of internal controls system including internal financial controls;

Corporate Governance Report (contd.)

ix. Any significant information relating to subsidiary companies;

x. Significant internal audit findings/observations;

xi. Corporate Social Responsibility initiatives undertaken;

xii. Changes at senior level management;

xiii. Litigations and compliance; and

xiv. Performance evaluation of the Board – as a whole, its committees and individual Directors.

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

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

III. Event Based updates

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

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

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

The Directors have unrestricted access to information and are free to interact with the senior management officials. The independent directors are invited to attend internal management review meetings where key strategic deliberations relating to business plans and human resources initiatives are discussed. Such forums provide an opportunity to the Board members to interact with project/ functional teams which gives an insight from business perspective and provides a platform for the management to receive strategic inputs from the directors.

Details of the familiarisation programmes undertaken during the financial year 2021-22 are given below:

Sr. No.	Date	Particulars of Familiarisation	No. of hours spent
1.	23rd April, 2021	Presentation by the Managing Director, the Director and Chief Operating Officer, the Director and Group Chief Financial Officer and the Director and Chief Executive Officer of Endurance Overseas Srl, Italy on Annual Business Plan of the Company and its subsidiaries. This presentation included operating and sales plan and budget of the Company and that at Group level for FY 2021-22.	3
2.		Presentation on Environment, Health and Safety ("EHS") of the Company encompassing following for FY 2021-22: • Group Safety Performance including measures implemented; • Corporate Safety initiatives; • Update on action taken on safety, risk management, zero effluent discharge and development of framework for sustainability reporting.	
3.	19th May, 2021	Presentation by the Director and Chief Executive Officer of Endurance Overseas Srl, Italy on European operations and the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated, for the FY 2020-21.	2
4.		Update on projects and programmes undertaken by the Company in terms of Corporate Social Responsibility Policy in the FY 2020-21.	
5.	10th August, 2021	Discussion on long-term strategic initiatives / business plans for domestic operations.	2

Corporate Governance Report (contd.)

Sr. No.	Date	Particulars of Familiarisation	No. of hours spent
6.	11th August, 2021	Presentation by the Director and Chief Executive Officer of Endurance Overseas Srl, Italy and the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated, for the quarter ended on 30th June, 2021.	1.5
7.	19th October, 2021	Discussion on long-term strategic initiatives / business plans for overseas operations.	1
8.	11th November, 2021	Presentation by the Director and Chief Executive Officer of Endurance Overseas Srl, Italy and the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated for the quarter and half year ended 30th September, 2021.	2.5
9.		Presentation on EHS covering following points – • Analysis of overall safety performance; • Corporate Safety initiatives; and • Environmental initiatives and sustainability performance.	
10.	20th and 21st December, 2021	Visit by Mr. Anant Talaulicar, Independent Director to the plants at Waluj, Aurangabad.	12
11.	2nd February, 2022	Visit by Mr. Anant Talaulicar, Independent Director to the plants at Chakan, Pune.	7
12.	8th February, 2022	Presentation by the Company Secretary and Executive Vice President – Legal on the amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, governing Related Party Transactions.	2
13.		Presentation by the Director and Chief Executive Officer of Endurance Overseas Srl, Italy and the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated for the quarter and nine-month period ended 31st December, 2021.	
Total number of hours			**33**

Attendance of Directors for the above programmes

Sr. No.	Name of Director	Whether attended	No. of hours spent up to previous year 2020-21	No. of hours spent during current year for 2021-22	Cumulative no. of hours spent as on 31st March, 2022
1.	Mr. Roberto Testore	Yes	33	14	47
2.	Mr. Soumendra Basu	Yes	40	14	54
3.	Ms. Anjali Seth	Yes	40	14	54
4.	Mr. Indrajit Banerjee	Yes	0.5	14	14.5
5.	Mr. Anant Talaulicar#	Yes	N.A.	26	26

N.A. = Not Applicable

Mr. Anant Talaulicar was appointed as an Additional Director (in the capacity as an Independent Director) with effect from 12th July, 2021.

V. Credit rating

During the year under review, CRISIL Ratings Limited (a subsidiary of CRISIL Limited), a credit rating agency registered with the SEBI, has upgraded the rating for long-term bank credit facilities and reaffirmed the rating for short-term bank credit facilities / Commercial Papers as CRISIL AA+/Stable and CRISIL A1+, respectively. ICRA Limited, a credit rating agency registered with SEBI had reaffirmed the ICRA AA+ (Stable) rating for long term borrowing and ICRA A1+ rating for short term borrowing.

Corporate Governance Report (contd.)

3. Audit Committee:

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

As on 31st March, 2022, the Committee comprised following directors as its members:

i. Mr. Indrajit Banerjee, Chairman;

ii. Mr. Soumendra Basu; and

iii. Ms. Anjali Seth.

Changes in composition during the financial year 2021-22

On 23rd April, 2021, Mr. Indrajit Banerjee, Non-executive Independent Director of the Company was co-opted as a member of the Audit Committee. Mr. Banerjee is an Associate Member of the Institute of Chartered Accountants of India and holds extensive industry experience in finance, strategy, legal, information technology, mergers & acquisitions (M&A) and general management functions.

Mr. Partho Datta, Non-executive Independent Director, passed away on 1st May, 2021 and consequently ceased to be the Chairman of the Audit Committee. Mr. Indrajit Banerjee, Non-executive Independent Director was appointed as Chairman of the Committee on 19th May, 2021.

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

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

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

The terms of reference of the Committee are as under:

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

2. Recommending the appointment, remuneration and terms of appointment of statutory auditors;

3. Approving payment to statutory auditors for any other services rendered by them;

4. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

5. Reviewing the adequacy of internal control systems including internal financial controls and risk management systems;

6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

7. Recommending appointment and removal of internal auditor and outsourced internal auditors for our Company's overall operations and its auditable units;

8. Discussing with internal auditors on any significant findings and follow-up thereon;

9. Examining the financial statements (in particular the investments made by any unlisted subsidiary);

10. Discussing nature and scope of audit and audit plans on a regular basis with statutory and the internal auditors as well as post-audit discussion to ascertain any area of concern;

11. Reviewing, with the management, performance of the statutory and internal auditors;

12. Reviewing compliance with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;

13. Reviewing and examining with the management annual financial statements before submission of the same to the Board. This will include:

    i. Matters required to be included in the directors' responsibility statement to be mentioned in the Board's report;

    ii. Any changes in accounting policies and practices and reasons for the same;

    iii. Major accounting entries based on exercise of judgment by the management;

Corporate Governance Report (contd.)

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; and

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. Management letters / letters of internal control weaknesses issued by the statutory auditors;

iii. Internal audit reports relating to internal control weaknesses;

iv. The appointment, removal and terms of remuneration of the chief internal auditor;

v. Statement of deviations:

a. quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations;

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

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

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

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

19. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and make appropriate recommendation to the Board to take steps in this matter;

20. Approving or subsequently modifying transactions with related parties including granting omnibus approval subject to the conditions prescribed in the Listing Regulations and the related party transactions policy;

21. Scrutinising inter-corporate loans and investments;

22. Ensuring valuation of undertakings or assets of our Company, wherever it is necessary;

23. Reviewing the functioning of the whistle blower mechanism;

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

25. Review of statutory compliances and legal cases;

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

27. To review the utilisation of loans and/ or advances from/investment by the Company in its subsidiary(ies) exceeding Rupees 1,000 million or 10% of the asset size of the respective subsidiary, whichever is lower including existing loans / advances / investments; and

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

During the financial year 2021-22, the Committee met four times *viz.* 19th May, 2021, 11th August, 2021, 11th November, 2021 and 8th February, 2022.

Corporate Governance Report (contd.)

Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	19th May, 2021	11th August, 2021	11th November, 2021	8th February, 2022
	No. of Meeting / Name of Directors		39th	40th	41st	42nd
1.	Mr. Indrajit Banerjee	Non-executive, Independent	👤	👤	👤	👤
2.	Ms. Anjali Seth	Non-executive, Independent	👤	👤	👤	👤
3.	Mr. Soumendra Basu	Non-executive, Independent	👤	👤	👤	👤

👤👤- *Presence of Directors*

4. Nomination and Remuneration Committee:

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

As on 31st March, 2022, the Committee comprised following directors as its members:

i. Ms. Anjali Seth, Chairperson;

ii. Mr. Soumendra Basu; and

iii. Mr. Indrajit Banerjee.

Changes in composition during the financial year 2021-22

On 22nd April, 2021, the Board of Directors co-opted Mr. Indrajit Banerjee, Non-executive Independent Director of the Company, as a member of the NRC.

On 1st May, 2021, Mr. Partho Datta, Non-executive Independent Director ceased to be a member of the NRC due to his sudden and sad demise.

All the Committee members are Non-executive Independent Directors as required under Section 178 of the Act and Regulation 19 of the Listing Regulations.

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

The terms of reference of the Committee are as under:

1. 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;
2. Formulation of criteria for evaluation of performance of independent directors and the Board;
3. Devising a policy on diversity of the Board;
4. 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;
5. Reviewing succession plans of Board members, key managerial personnel and senior management employees;
6. 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
7. Carry out any other functions as provided under the Act and the Listing Regulations and other applicable law.

During the financial year 2021-22, the Committee met thrice *viz.* on 23rd April, 2021, 19th May, 2021 and 12th July, 2021. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	23rd April, 2021*	19th May, 2021	12th July, 2021
	No. of Meeting / Name of Directors		13th	14th	15th
1.	Ms. Anjali Seth	Non-executive, Independent	👤	👤	👤
2.	Mr. Soumendra Basu	Non-executive, Independent	👤	👤	👤
3.	Mr. Indrajit Banerjee	Non-executive, Independent	👤	👤	👤

👤👤- *Presence of Directors*

** Mr. Partho Datta was granted leave of absence from attending the meeting due to ill-health.*

Corporate Governance Report (contd.)

Performance evaluation criteria for Independent Directors:

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

The performance evaluation of individual directors and the assessment of Committees' and Board's effectiveness for the financial year 2021-22 was conducted through online platform. Based thereon, the Board at its meeting held on 29th April, 2022, reviewed the performance assessment of the Board and its Committees. Feedback on performance of individual directors was given separately.

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

Remuneration of Directors:

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

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

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

ii. Details of remuneration to directors:

Executive directors are paid remuneration in the form of fixed pay, allowances, performance based incentives, annual retention bonus, perquisites and other benefits, as approved by the Board under the authority of shareholders. They are entitled to superannuation benefits from an approved life insurance company, which forms part of their perquisites. Annual increment is decided by the Board within the limits stipulated under Section 197(1) of the Act as approved by the Members and is effective from 1st April of every year. Their notice period is three months. The Company does not have any policy for service contracts. There is no separate provision for payment of severance fee and pension.

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

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

Meeting of	Sitting fees paid for each meeting attended
Board	₹ 60,000
Audit Committee	₹ 60,000
Nomination and Remuneration Committee	₹ 40,000
Corporate Social Responsibility Committee	₹ 40,000
Risk Management Committee	₹ 40,000
Stakeholders' Relationship Committee	₹ 25,000
Independent Directors' meeting	₹ 25,000

The Company has not granted any stock options to the directors and hence, it does not form part of the remuneration package payable to any Director. During the year, the Company did not advance any loan to any director or firm (s)/ company(ies) in which directors are interested.

Corporate Governance Report (contd.)

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

(Amount in million)

Sr. No.	Name of Director	Category	Salary*	Commission (for the FY 2021-22)	Sitting Fees	Others	Total
1.	Mr. Anurang Jain	Managing Director, Executive and Promoter	64.95	-	-	-	64.95
2.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	28.58	-	-	-	28.58
3.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	29.23	-	-	-	29.23
4.	Mrs. Varsha Jain	Director and Head – CSR and Facility Management, Executive	12.56	-	-	-	12.56
5.	Mr. Massimo Venuti	Non-executive, Non-Independent	-	-	-	-	-
6.	Mr. Roberto Testore	Non-executive, Independent	-	2.55	0.38	-	2.93
7.	Mr. Partho Datta^	Non-executive, Independent	-	0.22	-	-	0.22
8.	Mr. Soumendra Basu	Non-executive, Independent	-	3.00	0.92	-	3.92
9.	Ms. Anjali Seth	Non-executive, Independent	-	2.55	0.81	-	3.36
10	Mr. Indrajit Banerjee	Non-executive, Independent	-	2.40	0.85	-	3.25
11.	Mr. Anant Talaulicar^	Non-executive, Independent	-	1.61	0.27	-	1.88

* The variable salary of Mr. Ramesh Gehaney, Mr. Satrajit Ray and Mrs. Varsha Jain for the financial year 2021-22 was ₹ 5,536,248, ₹ 5,420,204 and ₹ 2,530,983 respectively.

^ Late Mr. Partho Datta and Mr. Anant Talulicar received Commission for the tenure served as Director on the Board of the Company during the financial year 2021-22

Notes:

1. During the financial year 2021-22, the remuneration paid to Executive and Non-executive Directors was within the ceiling prescribed under Section 197 of the Act. This was based on profit computed as per Section 198 of the Act, which was ₹ 5,565.44 million.
2. No commission has been paid to the Managing Director of the Company during the financial year 2021-22.
3. Apart from the sitting fees and the remuneration by way of commission paid/ payable to Independent Directors, none of the Independent Directors had any pecuniary relationship with the Company.

5. Corporate Social Responsibility Committee:

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

As on 31st March, 2022, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Soumendra Basu;

iii. Mr. Ramesh Gehaney; and

iv. Mrs. Varsha Jain.

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

Corporate Governance Report (contd.)

The terms of reference of the Committee were revised in the Board meeting held on 19th May, 2021 and encompass as follows:

i. Formulate and recommend to the Board, revisions to the Corporate Social Responsibility Policy ("CSR Policy");

ii. Recommend activities to fulfil the CSR obligations as prescribed under Section 135 of the Act and rules thereunder;

iii. Formulate and recommend to the Board, an annual action plan or any revision thereto, in pursuance of its CSR Policy, which shall include the following, namely:

   a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act;

   b. the manner of execution of such projects or programmes;

   c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;

   d. monitoring and reporting mechanism for the projects or programmes; and

   e. details of need and impact assessment, if any, for the projects undertaken by the Company.

iv. Monitor and review the progress of CSR projects approved by the Board and recommend revision/ course correction, if any.

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

During the financial year 2021-22, the CSR Committee met four times *viz.* on 19th May, 2021, 11th August, 2021, 11th November, 2021 and 8th February, 2022. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	19th May, 2021	11th August, 2021	11th November, 2021	8th February, 2022
	No. of Meeting/ Name of Directors		17th	18th	19th	20th
1.	Mr. Anurang Jain	Managing Director, Executive and Promoter				
2.	Mr. Soumendra Basu	Non-executive, Independent				
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive				
4.	Mrs. Varsha Jain	Director and Head – CSR and Facility Management, Executive				

- Presence of Directors

6. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee ("SRC") is constituted in compliance with the provisions of Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

As on 31st March, 2022, the SRC comprised following directors as its members:

i. Ms. Anjali Seth, Chairperson;

ii. Mr. Anurang Jain; and

iii. Mr. Satrajit Ray.

The terms of reference of the Committee areas under:

1. Enquiry into and redressal of grievances of shareholders / security holders and investors of the Company including complaints related to transfer / transmission/ transposition of shares, non-receipt of annual report, non-receipt of declared dividends, general meeting related, etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of service standards of the Registrar and Share Transfer Agent appointed by the Company.

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by shareholders of the Company; and

5. Carry out any other function as prescribed under the Listing Regulations, the Act and other applicable law(s).

Corporate Governance Report (contd.)

During the financial year 2021-22, the SRC met twice *viz.* on 22nd April, 2021 and 11th November, 2021. Details of attendance at the SRC meetings are tabulated below:

Sr. No.	Date of Meeting	Category	22nd April, 2021	11th November, 2021
	No. of Meeting / Name of Directors		10th	11th
1.	Ms. Anjali Seth	Non-executive, Independent		
2.	Mr. Anurang Jain	Managing Director, Executive and Promoter		
3.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive		

- *Presence of Directors*

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

Investor grievance and other communication:

The communication(s) and/ or correspondence received during the financial year 2021-22, were pertaining to:

a. Non-receipt of Annual Report; and

b. Non-receipt/ revalidation of dividend warrant.

During this period, the Company received and disposed of investor queries/ complaints. All the grievances were resolved to the satisfaction of shareholders and other investors, and as on 31st March, 2022, there were no pending issues to be addressed or resolved.

Demat suspense account:

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

7. Risk Management Committee:

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

As on 31st March, 2022, the Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Indrajit Banerjee;

iii. Mr. Ramesh Gehaney; and

iv. Mr. Satrajit Ray.

Changes in composition during the financial year 2021-22

On 1st May, 2021, Mr. Partho Datta, Non-executive Independent Director ceased to be a member of the RMC due to his sudden and sad demise.

On 19th May, 2021, the Board of Directors co-opted Mr. Indrajit Banerjee, Non-executive Independent Director of the Company, as a member of the RMC.

The terms of reference of the Committee are as under:

i. To review risk management policy;

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

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

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

Corporate Governance Report (contd.)

During the financial year 2021-22, the Committee met twice *viz.* on 10th August, 2021 and 2nd February, 2022. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	10th August, 2021	2nd February, 2022
	No. of Meeting / Name of Directors		**6th**	**7th**
1.	Mr. Anurang Jain	Managing Director, Executive and Promoter		
2.	Mr. Indrajit Banerjee	Non-executive, Independent Director		
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive		
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive		

- *Presence of Directors*

Recommendations made by any of the above Committees which were not accepted by the Board

During the year under review, there were no instances where the Board had not accepted any recommendation(s) made by any of the Committee of the Board. All the recommendations of the committees were accepted by the Board.

8. Other Committees

Finance Committee

As on 31st March, 2022, the Finance Committee comprised following directors as its members:

i. Mr. Anurang Jain, Chairman;

ii. Mr. Satrajit Ray; and

iii. Mr. Ramesh Gehaney.

The terms of reference of the Committee areas under:

i) To meet the fund requirements of the Company in the following manner:

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

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

   up to an aggregate amount not exceeding ₹ 12,500 million.

ii) To undertake following activities relating to admission, listing and withdrawal of CPs on BSE Limited ("BSE") and/ or National Stock Exchange of India Limited ("NSE") (BSE and NSE are collectively referred to as "Stock Exchanges") and National Securities Depository Limited (NSDL) and/ or Central Depository Services (India) Limited ("CDSL") (NSDL and CDSL are collectively referred to as "Depositories"):

1. to finalise, settle, approve, adopt and withdraw the Information Memorandum for listing of CPs issued by the Company, together with any addenda, corrigenda or supplements thereto ("Information Memorandum") and authorise official(s) to sign the Information Memorandum and take all such actions as may be necessary for filing of these documents including incorporating such alterations/ corrections/ modifications as may be required;

2. to decide the persons to whom the CPs, as issued from time to time, have to be allotted;

3. to decide terms and conditions for buy-back of CPs issued from time to time;

4. to nominate/ appoint/ authorise official(s) or such other person(s) or intermediaries for admission, listing and withdrawal of CPs on the Stock Exchanges and Depositories;

5. to do all such deeds and acts as may be required and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with Depositories, Registrar and Transfer Agent appointed for purposes of listing of CPs and such other agencies as may be required in this connection, and the power to authorise one or more officers of the Company to execute all or any of the afore stated documents;

6. to give such confirmations, declarations, certifications on behalf of the Board, as may be required under applicable laws, or as

Corporate Governance Report (contd.)

may be otherwise necessary or expedient in relation to the listing of CPs;

7. to authorise and approve the incurring of expenditure, including the payment of fees, commissions, remuneration and expenses in connection with the listing of CPs;

8. to do all such acts, deeds, matters and things and execute all such documents, etc. as it may, in its absolute discretion, deem necessary or desirable in connection with the listing of CPs;

9. to execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as it may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the listing of CPs and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Committee shall be conclusive evidence of the authority of the Committee in so doing; and

10. to delegate any of the above powers of the Committee to any of the Directors or officers of the Company.

During the financial year 2021-22, the Committee met once on 30th July, 2021. All members, except Mr. Anurang Jain were present at the meeting of the Committee.

9. GENERAL BODY MEETINGS:

Details of the Annual General Meeting(s) ("AGM") of the Company held during the preceeding three years are tabulated below:

AGM	Date and time of AGM	Location	Details of special resolution(s) passed at the AGMs, if any
20th AGM	8th August, 2019 at 2.30 p.m.	Tango Hall at Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad – 431003, Maharashtra	No special resolution was passed.
21st AGM	23rd September, 2020 at 2.00 p.m.	E-92, MIDC Industrial Area, Waluj, Aurangabad – 431136 Maharashtra#	No special resolution was passed.
22nd AGM	25th August, 2021 at 3.00 p.m.	E-92, MIDC Industrial Area, Waluj, Aurangabad – 431136 Maharashtra#	No special resolution was passed.

 # Meeting held through Video conferencing. Registered Office of the Company was deemed venue of the meeting.

During the financial year i.e. 2021-22, following special resolutions were passed by way of postal ballot by the Members of the Company:

Date of Postal Ballot Notice	Date of commencement and conclusion of Postal Ballot	Whether any Special resolution is passed
3rd May, 2021	From 6th May, 2021 to 4th June, 2021	Yes. Resolutions for re-appointment of Non-executive Independent directors viz. Mr. Soumendra Basu, Mr. Roberto Testore and Ms. Anjali Seth, as independent directors for a second term of five consequent years in terms of Section 149 of the Act. This included approval for continuation of Mr. Soumendra Basu as Non-executive Independent Director and Chairman on the Board of the Company after he attains the age of Seventy Five years.

Procedure for Postal Ballot:

i. The Postal Ballot exercise was conducted by Mr. Sunil Lalai, Company Secretary and Executive Vice President - Legal.

ii. Mrs. Sarika Kulkarni, Practicing Company Secretary was appointed as scrutinizer for scrutinizing the process of postal ballot through remote e-voting;

iii. Dispatch of the Postal Ballot Notice dated 3rd May, 2021, along with Explanatory Statement, to the Members of the Company was completed on 4th May, 2021;

Corporate Governance Report (contd.)

iv. Remote e-voting through postal ballot commenced on 6th May, 2021 and concluded on 4th June, 2021;

v. Based on the Scrutinizer's Report, the results of the remote e-voting were declared on 5th June, 2021.

10. Means of communication:

During the year under review, the Company published its financial results in Financial Express and Loksatta.

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

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

The Company's website link, www.endurancegroup.com/investor-relations, contains information as prescribed under the Act and the Listing Regulations, including the following:

i. Details of the contact person(s), Registrar and Transfer Agent of the Company, shareholding pattern, etc.

ii. Information published by the Company i.e. financial results and press release.

iii. Transcripts of conference calls, other communications to Stock Exchanges and Corporate presentation containing updated information on financial performance and details relating to the Company and its subsidiaries, discussed with institutional investors / analysts during meetings with them.

iv. Audio recordings of group meetings with institutional investors / analysts *(with effect from 1st April, 2022)*.

11. General Shareholder Information:

a) Twenty Third Annual General Meeting:

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

Date:	24th August, 2022
Time:	2.00 p.m. (IST)
Venue:	Meeting is through Video Conferencing / Other Audio Visual Means and has such there is no requirement to have a venue for the AGM. For details, kindly refer to the Notice of the AGM.

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

Particulars	**Date**
Financial reporting for the:	
1st quarter ending on 30th June, 2022	On or before 14th August, 2022
2nd quarter ending on 30th September, 2022	On or before 14th November, 2022
3rd quarter ending on 31st December, 2022	On or before 14th February, 2023
Financial year ending on 31st March, 2023	On or before 30th May, 2023

c) **Date of dividend payment:** The dividend, if declared by the shareholders at the Twenty Third AGM, shall be paid on or after 30th August, 2022 but on or before 22nd September, 2022.

d) Listing on Stock Exchanges:

Equity Shares of face value of ₹ 10/- each of the Company are currently listed on the following Stock Exchanges:

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

The listing fee payable to BSE and NSE, for the financial year 2021-22, has been paid in full on 20th April, 2022 and 28th April, 2022 respectively.

The securities of the Company have never been suspended from trading on any of the Stock Exchanges.

Corporate Governance Report (contd.)

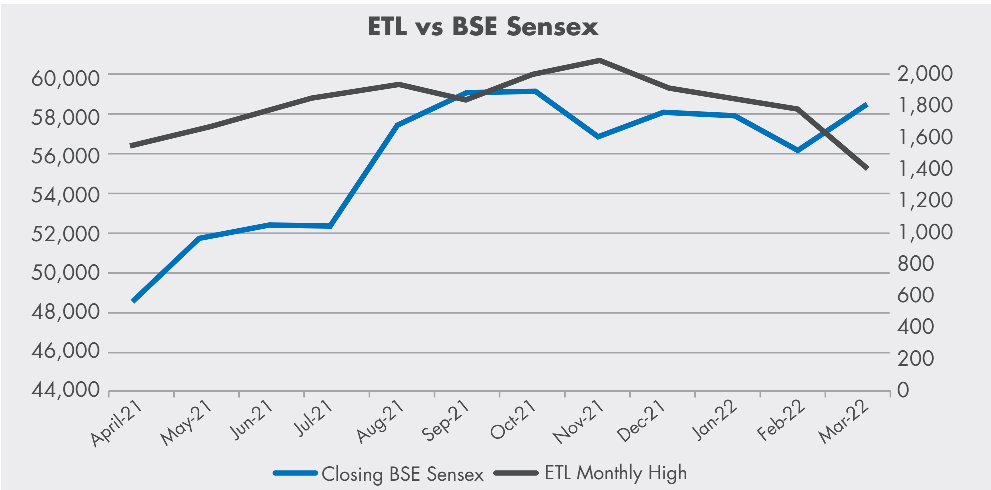
e) Market Price Data:

Monthly highs and lows of Company's shares during 2021-22 (₹ *vis-à-vis* CNX Nifty & BSE Sensex):

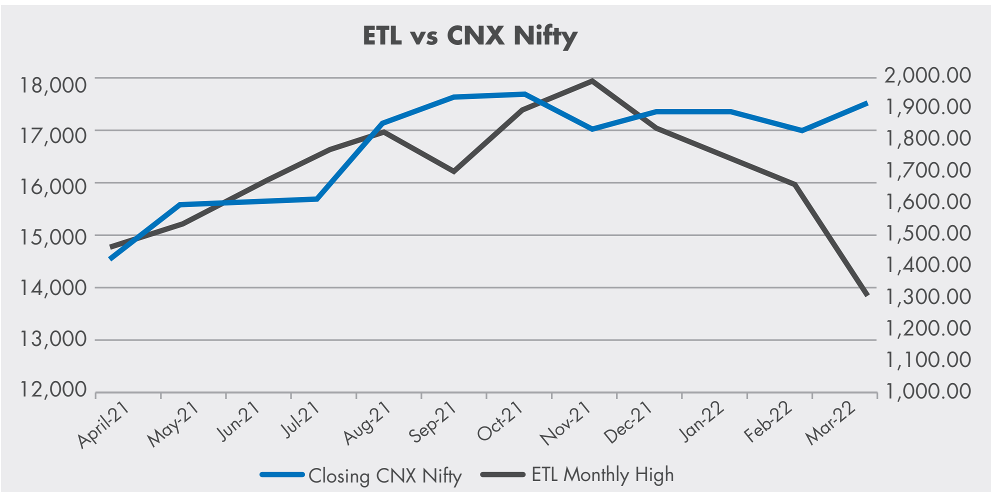
Month	BSE		NSE		Closing	Closing
	High	Low	High	Low	CNX Nifty	BSE Sensex
Apr-21	1,462.00	1,250.00	1,465.10	1,249.40	14,631.10	48,782.36
May-21	1,533.70	1,279.25	1,538.65	1,280.00	15,582.80	51,937.44
Jun-21	1,647.30	1,452.75	1,648.00	1,462.00	15,721.50	52,482.71
Jul-21	1,748.90	1,572.75	1,750.00	1,561.35	15,763.05	52,586.84
Aug-21	1,820.05	1,566.00	1,829.95	1,563.95	17,132.20	57,552.39
Sep-21	1,719.50	1,525.10	1,703.10	1,540.00	17,618.15	59,126.36
Oct-21	1,891.35	1,549.60	1,888.00	1,550.05	17,671.65	59,306.93
Nov-21	1,980.95	1,595.80	1,989.00	1,588.85	16,983.20	57,064.87
Dec-21	1,822.25	1,567.70	1,828.45	1,567.55	17,354.05	58,253.82
Jan-22	1,749.95	1,567.25	1,736.15	1,565.00	17,339.85	58,014.17
Feb-22	1,655.50	1,275.00	1,659.70	1,275.00	16,793.90	56,247.28
Mar-22	1,329.85	1,047.65	1,328.75	1,047.20	17,464.75	58,568.51

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 2021-22 (based on month end closing).

Endurance Technologies Limited Vs BSE Sensex, indexed to 100 on 31st March, 2022



Endurance Technologies Limited Vs CNX Nifty, indexed to 100 on 31st March, 2022



Corporate Governance Report (contd.)

f) **Registrar and Share Transfer Agent:**

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

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

g) **Share Transfer System:**

In terms of Regulation 40(1) of the Listing Regulations, transfer of securities held in physical mode has been discontinued w.e.f. 1st April, 2019. Accordingly, the transfer of securities would be carried out only in dematerialised form.

h) **Distribution of Shareholding:**

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on 31st March, 2022.

Category Distribution:

Categories	31st March, 2022	
	No. of shares	Percentage
Promoter	43,396,976	30.85%
Promoter Group	62,100,160	44.15%
Foreign Portfolio Investors (Corporate)	10,154,573	7.22%
Mutual Funds	11,602,223	8.25%
Other Bodies Corporate	11,206,772	7.97%
Public	2,202,144	1.56%
Total	**140,662,848**	**100%**

Distribution of Shareholding as on 31st March, 2022:

No. of shares held	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	73089	99.20%	1,769,245	1.26%
501 to 1000	266	0.36%	194,343	0.14%
1001 to 2000	108	0.15%	161,626	0.12%
2001 to 3000	29	0.04%	72,531	0.05%
3001 to 4000	13	0.02%	46,577	0.03%
4001 to 5000	11	0.01%	48,820	0.03%
5001 to 10000	34	0.05%	239,445	0.17%
10001 and above	125	0.17%	138,130,261	98.20%
Total	**73,675**	**100%**	**140,662,848**	**100%**

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

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

Corporate Governance Report (contd.)

Shares held in physical and electronic mode as on 31st March, 2022 are given in the table below:

Particulars	Position as on 31st March, 2022	
	No. of shares	% to total shareholding
Physical	23	0.00%
Dematerialised		
NSDL	139,464,258	99.15%
CDSL	1,198,567	0.85%
Sub-total	140,662,825	100%
Total	**140,662,848**	**100%**

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 Risk Management Policy which lays down the principles for hedging of forex risk.

l) **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations:**

There were no preferential allotment(s) or qualified institutions placement(s) made during the year under review.

m) **Address for correspondence:**

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

Link Intime India Private Limited (RTA)	Company
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Maharashtra Telephone - +91 22 49186000 Fascimile - +91 22 49186060 For requests pertaining to dematerialisation/ rematerialisation: Contact person: Mr. Chetan Choudhary E-mail: dematremat@linkintime.co.in For grievance redressal and other requests: Contact person: Mr. Jaiprakash E-mail: rnt.helpdesk@linkintime.co.in	E-92, MIDC Industrial Area, Waluj, Aurangabad – 431 136, Maharashtra Contact person: Mr. Sunil Lalai, Company Secretary and Executive Vice President – Legal and Compliance Officer Telephone: +91 (240) 2569600 Facsimile: +91 (240) 2551700 E-mail: investors@endurance.co.in

n) **Plant Locations:**

The Company has plants located at:

Sr. No.	Plant Address	Sr. No.	Plant Address
1.	Plot No. B-2, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	2.	Plot No. E-92 & 93, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
3.	Plot No. K-120, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	4.	Plot No. K-226/1 & K-227, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
5.	Plot No. K-226/2, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	6.	Plot No. K-228 & K-229, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.

Corporate Governance Report (contd.)

Sr. No.	Plant Address	Sr. No.	Plant Address
7.	Plot No. L-6/3, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	8.	Plot No. L-20, MIDC Industrial Area, Vitawa Village, Gangapur, Tal. Aurangabad - 431 109 Maharashtra.
9.	Plot No. B-1/2 & 1/3, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra.	10.	Plot No. B-20, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra.
11.	Plot No. B-22, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra.	12.	Plot No. 3, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand.
13.	Plot No. 7, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand.	14.	Plot No. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Shriperumburam Taluk, Kancheepuram Dist., Chennai - 602 105 Tamil Nadu.
15.	Plot No. E4 & E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad - 382 110 Gujarat.	16.	Plot 103/6, GIDC, Halol-2 & Halol Maswad Industrial Estate, Ta – Halol, Dist. Panchmahal - 389 350 Gujarat.
17.	Survey Nos. 28/4A, 28/4B, 28/5, 28/6, 28/7, 28/8 & 34/5, within village limit of Karinayakanahalli, Kasaba Hobli, Malur Taluka, Kolar District, 563130 Karnataka.	18.	G-102 & 103, SIPCOT Industrial Park, Vallam Vadagal Scheme, Village Vallam, Sriperumbudur, Dist. Kancheepuram, Chennai – 602105 Tamil Nadu.
19.	E-71, MIDC Industrial Area, Waluj, Aurangabad - 431 136, Maharashtra.		

12. Other Disclosures:

a) Related party transactions:

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

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

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

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

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

c) Vigil mechanism – cum – Whistle Blower Policy:

Pursuant to Section 177(9) of the Act, the Company has a Board adopted Vigil mechanism – cum – Whistle Blower Policy. The Vigil mechanism – cum – Whistle Blower Policy 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 of Directors and Senior Management Personnel and Endurance Code of Conduct for Employees leak / suspected

Corporate Governance Report (contd.)

leak of Unpublished Price Sensitive Information etc. which could be detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

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

d) Disclosure of material transactions:

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

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

No. of complaints filed during financial year	4
No. of complaints disposed of during the financial year	3
No. of complaints pending during the financial year	1 *

** The inquiry and investigation of one complaint has been completed and the IC is in the process of concluding the same.*

f) Fee paid to Statutory Auditors:

During the year the Company has not paid any other fee to M/s. S R B C & Co. LLP, Statutory Auditors, except fee for Statutory Audit. Please refer note 23.01 of the standalone financial statements for details of the fee paid to Statutory Auditors.

g) Compliance of Mandatory and Discretionary Requirements:

Mandatory:

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

Discretionary:

I. The Board:

The Company has a Non-Executive Independent Director as Chairman.

II. Shareholders' rights:

To ensure dissemination of Company's financial results to its shareholders, the Company publishes quarterly, half-yearly and annual results in newspapers having wide circulation in India and particularly in Aurangabad, where the registered office of the Company is located. These results are also filed with Stock Exchanges and uploaded on Company's website immediately after the Board meeting. The Company also conducts conference call to respond to any investor queries with regard to the financial results or operations of the Company.

III. Modified opinion(s) in audit report:

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

IV. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

Corporate Governance Report (contd.)

h) Subsidiary companies:

The Company had seven overseas subsidiaries, as at 31st March, 2022 *viz.*

Sr. No.	Name	CIN/ GLN	Type of subsidiary pursuant to regulation 16(1)(c) of Listing Regulations. i.e. [Material or otherwise]
1.	Endurance Overseas Srl, Italy (EOSRL)	N.A.	Material*
2.	Endurance SpA, Italy	N.A.	Otherwise
3.	Endurance Engineering Srl, Italy	N.A.	Otherwise
4.	Endurance Castings SpA, Italy	N.A.	Otherwise
5.	Endurance Adler SpA, Italy	N.A.	Otherwise
6.	Veicoli Srl, Italy	N.A.	Otherwise
7.	Endurance GmbH, Germany (*Formerly know as Endurance Amann GmbH*)	N.A.	Otherwise

N.A.= Not Applicable

** EOSRL and Endurance GmbH are the direct subsidiaries of the Company. EOSRL is the holding company of Endurance SpA, Endurance Engineering Srl, Endurance Castings SpA, Endurance Adler SpA and Veicoli Srl. Based on consolidated financial statements of FY 2021-22, in terms of Regulation 16(1)(c) of Listing Regulations, EOSRL is the material subsidiary of the Company.*

During the year under review, following corporate actions took place with respect to subsidiaries of the Company:

1. Change in shareholding of Endurance Adler SpA, Italy

   Endurance Adler SpA, Italy increased its paid-up share capital to Euro 840,000 from Euro 120,000. The increase was effective 26th May, 2021 and the entire increase in share capital was subscribed by Endurance Overseas Srl, Italy (EOSrl). Consequent thereto, EOSrl held 99.86% (838,800 shares of Euro 1 each) of the share capital of Endurance Adler SpA and the balance 0.14% (1,200 shares of Euro 1 each) was held by Amfin Holding SpA ("Amfin")

   On 28th March, 2022, Amfin transferred its holding of 1,200 shares to EOSrl. Pursuant thereto, EOSrl holds 100% share capital of Endurance Adler SpA.

2. Acquisition of Veicoli Srl

   During the period under review, EOSrl acquired 100% stake in Veicoli Srl, Italy for Euro 700,000. The date of acquisition was 12th November, 2021. Further on 14th December, 2021, share capital of Veicoli was increased to Euro 500,000 from Euro 470.59. The increase in share capital of Euro 499,529.41 was subscribed by EOSrl.

Materiality threshold:

The Company's Policy for Determining Material Subsidiaries is placed on the Company's website at www.endurancegroup.com/investor-relations.

Independent Director on the Board of Material Subsidiary(ies):

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

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

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

Corporate Governance Report (contd.)

1. Change in shareholding of Endurance Adler SpA, Italy

   Endurance Adler SpA, Italy increased its paid-up share capital to Euro 840,000 from Euro 120,000. The increase was effective 26th May, 2021 and the entire increase in share capital was subscribed by Endurance Overseas Srl, Italy (EOSrl). Consequent thereto, EOSrl held 99.86% (838,800 shares of Euro 1 each) of the share capital of Endurance Adler SpA and the balance 0.14% (1,200 shares of Euro 1 each) was held by Amfin Holding SpA ("Amfin")

   On 28th March, 2022, Amfin transferred its holding of 1,200 shares to EOSrl. Pursuant thereto, EOSrl holds 100% share capital of Endurance Adler SpA.

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i) Policy on dealing with related party transactions:

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

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

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

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

i. Orderly succession to Board and Senior Management:

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

The Company adopts a competency-based approach by identifying critical roles and coaching employees to shoulder such critical positions. This ensures succession planning with an aim to align with Company's growth and strategic plans, employee engagement and skill-development. The progress of such employees is monitored through structured individual development plans and the same is periodically reviewed by senior management team comprising the Managing Director, respective Management Committee member and the Chief Human Resources Officer.

ii. Information supplied to the Board:

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

In terms of quality and importance, the information supplied by Management to the Board, is precise and crisp with relevant details that are necessary for the directors to enable them fulfil their duties. The independent directors of the Company at their meeting held on 19th October, 2021 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

iii. Compliance Certificate:

The Managing Director and the Director and Group Chief Financial Officer have certified to the Board

Corporate Governance Report (contd.)

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 2021-22, the Board has carried out annual performance evaluation of Independent Directors, at its meeting held on 29th April, 2022. The Board acknowledged that each of the independent directors effectively contributed in strengthening the performance of the Board and respective Committees.

In terms of Section 149 read with Schedule IV to the Act, on the basis of the report of performance evaluation, the Board has to determine whether to extend or continue the term of appointment of Independent Director(s). During the year under review, there was no such occasion to decide on the extension or continuance of the term of appointment of any of the Independent Directors and hence, the question of taking a decision, in this regard, did not arise.

v. Independent Directors' Meeting:

In compliance with Schedule IV to the Act and Regulation 25(3) of the Listing Regulations, the Independent Directors held a separate meeting on 19th October, 2021 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; and

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

vi. Report on Corporate Governance:

This section, read together with the information given in the Board's Report, Management Discussion and Analysis section and General Shareholder Information, constitute the compliance report on Corporate Governance during the year. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the Listing Regulations.

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

i. Terms and Conditions of appointment of Independent Directors:

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

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

ii. Composition of various Committees:

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

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

The details of the composition of the aforesaid Committees are given earlier in this report and also placed on the Company's website at respective www.endurancegroup.com/investor-relations.

iii. Code of Conduct for Board of Directors and Senior Management Personnel

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 13th November, 2013 had adopted a Code of Conduct for Directors and Employees of the Company.

Subsequently, the Board at its meeting held on 10th November, 2020 adopted a revised Code of Conduct for Directors and Senior Management Personnel of the Company and the same has been placed on the website of the Company at www.endurancegroup.com/investor-relations.

Corporate Governance Report (contd.)

The Company has also Endurance Code of Conduct for all Employees of the Company.

All the Board Members, senior management personnel and employees of the Company have affirmed compliance with the respective Codes of Conduct for 2021-22. A declaration to this effect, signed by the Managing Director, is given in this Annual Report.

iv. Whistle Blower Policy/Vigil mechanism:

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

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

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

vi. Policy for determining 'material' subsidiaries:

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

vii. Policy on dealing with related party transactions:

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

viii. Details of familiarisation programmes imparted to independent directors:

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

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

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

Business Responsibility Report

Endurance Technologies Limited (the "Company") is committed to long-term value creation for all its stakeholders. The Company's governance philosophy is focussed on ethical and responsible conduct of business with accountability.

The Business Responsibility Report ("BRR") is a disclosure of the Company's non-financial performance for the year. Through this report, the Company communicates its progress on BRR principles that are mandated by the Securities and Exchange Board of India ("SEBI").

Section A: General Information

1.	Corporate Identity Number (CIN)	L34102MH1999PLC123296
2.	Name of the Company	Endurance Technologies Limited
3.	Registered address	E-92, MIDC Industrial Area, Waluj, Aurangabad - 431 136, Maharashtra
4.	Website	www.endurancegroup.com
5.	E-mail ID	investors@endurance.co.in
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Auto Components
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Aluminium die-cast products (including aluminium alloy wheels), suspension products, braking systems and transmission products, predominantly for 2-Wheelers and 3-Wheelers.
9.	Total number of locations where business activity is undertaken by the Company: i. Number of National Locations ii. Number of International Locations (Provide details of major 5)	The Company has nineteen plants in India at following locations: i. Waluj, Aurangabad (Maharashtra); ii. Chakan, Dist. Pune (Maharashtra); iii. Irungattaukottai, Sriperumbudur Taluk, Kancheepuram Dist., Chennai (Tamil Nadu); iv. Vallam, Sriperumbudur Taluk, Kancheepuram Dist., Chennai (Tamil Nadu); v. Pantnagar (Uttarakhand); vi. Sanand, Ahmedabad (Gujarat); vii. Halol, Dist. Panchmahal (Gujarat); and viii. Kolar (Karnataka). As on 31st March, 2022, the Company had seven subsidiaries in Europe operating through nine plants in Italy and Germany.
10.	Markets served by the Company – Local / State / National / International	The Company and its subsidiary companies cater to two, three and four-wheeler Original Equipment Manufacturer ('OEM') customers, in their respective geographies. The Company also exports to OEMs and caters to retail market in India and abroad.

Section B: Financial Details of the Company (Standalone)

1.	Paid up Capital:	₹ 1,406.63 million
2.	Total Turnover:	₹ 56,970.87 million
3.	Total profit after taxes (PAT):	₹ 3,817.43 million
4.	Total spending on Corporate Social Responsibility (CSR) (as % of PAT):	The total amount spent for the financial year 2021-22 on CSR was ₹ 111.10 million, towards projects and programmes approved by the Board of Directors, and ₹ 1.58 million was towards administrative overheads. The aggregate amount of ₹ 112.68 million spent towards CSR is 2.95% of the PAT of the Company for the year ended 31st March, 2022.

Business Responsibility Report (contd.)

5. List of activities in which CSR expenditure has been incurred: The Company's CSR initiatives are focussed around following broad areas, *viz.*

   (a) Village Development Projects with a thrust on promoting education, health and nutrition, agriculture oriented initiatives and means of livelihood, conservation of water, promoting sanitation, afforestation and community development;

   (b) Skill development through vocation training at Endurance Centre of Vocational Empowerment for enhancing employability;

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

   (d) Undertaking relief measures relating to COVID-19 pandemic; and

   (e) Setting up of atmospheric water harvesting units.

   Please refer Annexure II – 'Annual Report on CSR Activities' to the Board's Report for more details on Company's CSR projects / programmes.

Section C: Other Details

1.	Does the Company have any subsidiary company/ companies?	As on 31st March, 2022, the Company had seven subsidiaries: **Italy** 1. Endurance Overseas Srl (Direct Subsidiary); 2. Endurance SpA (Indirect Subsidiary#); 3. Endurance Engineering Srl (Indirect Subsidiary#); 4. Endurance Castings SpA (Indirect Subsidiary#); 5. Endurance Adler SpA (Indirect Subsidiary#); 6. Veicoli Srl, Italy (Indirect Subsidiary#); and **Germany** 7. Endurance GmbH, Germany *(Formerly known as Endurance Amann GmbH)* (Direct Subsidiary). #Holding through Endurance Overseas Srl
2.	Do the subsidiary company / companies participate in the Business Responsibility ("BR") Initiatives of the parent Company?	The overseas subsidiary companies have autonomy in operations. They abide by the principles of BR and Environmental, Social & Governance ("ESG"), as per the local laws applicable to them.
3.	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity / entities?	The BR initiatives of the Company are limited to its own operations. The suppliers, distributors and other entities, with which the Company does business and / or avails services, are governed by its 'Code of Conduct for Suppliers, Service Providers and Contractors'. Through this code the Company expects its vendors to demonstrate high standards and ethics in its business dealings, develop quality assurance methodologies, contribute to an ecologically sustainable development to reduce the impact of its business operations on the environment and take steps towards compliance commitment. It helps the Company ensure that all its vendors conduct business in line with the Company's values and principles. New vendors are enrolled only after affirmation of compliance to the aforementioned code, at the time of engagement.

Business Responsibility Report (contd.)

Section D: BR Information

1. Details of the Director / Directors responsible for BR

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

Sr. No.	Particulars	Details	
1.	DIN	00291662	02697676
2.	Name	Mr. Anurang Jain	Mr. Ramesh Gehaney
3.	Designation	Managing Director	Director and Chief Operating Officer

(b) Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	00291662
2.	Name	Mr. Anurang Jain
3.	Designation	Managing Director
4.	Telephone number	+91 240 2569600
5.	E-mail id	corporate@endurance.co.in and vjr@endurance.co.in

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

Principle No.	Requirement
1.	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.
2.	Businesses should provide goods and services in a manner that is sustainable and safe.
3.	Businesses should respect and promote the well-being of all employees, including those in their value chains.
4.	Businesses should respect the interests of and be responsive to all its stakeholders.
5.	Businesses should respect and promote human rights.
6.	Businesses should respect, and make efforts to protect and restore the environment.
7.	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
8.	Businesses should promote inclusive growth and equitable development.
9.	Businesses should engage with and provide value to their consumers in a responsible manner.

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

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7**	P8	P9
1.	Availability of Policy*	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Policy formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Conformity of policy to any national / international standards?	All policies are in conformity with the National Voluntary Guidelines and applicable laws and regulations.								
4.	Policy approved by the Board	Y	Y	Y	Y	Y	Y	N	Y	Y
	Policy signed by MD / owner / CEO / appropriate Board of Director?	Y	Y	Y	Y	Y	Y	N	Y	Y
5.	Specified committee of the Board / Director / Official, appointed to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6.	Indicate the link for the policy to be viewed online#	Relevant external policies are available at www.endurancegroup.com.								
7.	Policy communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	N	Y	Y

Business Responsibility Report (contd.)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7**	P8	P9
8.	Existence of an in-house structure within the Company to implement the policy / policies.	Y	Y	Y	Y	Y	Y	N	Y	Y
9.	Availability of a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies	Y	Y	Y	Y	Y	Y	N	Y	Y
10.	Assessment by an internal / external agency of the working of this policy	Y	Y	Y	Y	Y	Y	N	Y	Y

* *Policy(ies) include defined standard operating procedures (SOPs).*

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

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

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	✓	-	-

✓ There is no distinct policy on public advocacy. Please refer to the details given under Principle 7 of this Report.

3. Governance related to BRR

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

The BR performance of the Company is reviewed by the Board on an annual basis. The Managing Director and the senior management team review the performance of various BR parameters periodically, based on relevance.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes Business Responsibility Report annually, along with the Annual Report. The Annual Report of the Company is available at www.endurancegroup.com/investor-relations.

PRINCIPLE 1: INTEGRITY ETHICS, TRANSPARENCY AND ACCOUNTABILITY

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

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

C = Customer Centricity

I = Integrity

T = Team Work

T = Transparency

I = Innovation

These values are instilled across all levels in the Company through training programmes. These five pillars help the Company in fostering this culture and to continually improve the governance framework.

Business Responsibility Report (contd.)

Q1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company and its subsidiaries are committed to upholding the highest standards of business integrity and ensuring compliance with applicable regulation(s) and best international practices. The Company follows a zero tolerance policy towards lack of integrity.

The Company has a Code of Conduct for its employees. Further, considering the fiduciary duty of senior management team to practice and exhibit highest standards of ethical and professional conduct, the Company has also framed a separate code applicable to its Directors and Senior Management Personnel. Accordingly, the Company has two sets of codes, viz. the Endurance Code Conduct and the Code of Conduct for Directors and Senior Management Personnel.

Both the codes articulate the values that the Company wishes to foster at all levels and define desired behaviour. The objective of the codes is to bring better clarity and sharper focus on duties and responsibilities and the do's and don'ts with an emphasis on ethical aspects and fulfilment of fiduciary obligations. The codes also enable achieve conformity with the mission, values and goals of the organisation and to guide its employees to imbibe ethical behavior and encourage compliance at all levels.

The Code of Conduct for Directors and Senior Management Personnel is available on the website of the Company at www.endurancegroup.com/investor-relations. The Endurance Code of Conduct for all employees, is posted on Company's intranet portal '*MyEndurance*'.

The Company also has a Vigil Mechanism-cum-Whistle Blower Policy which provides, amongst other matters, a mechanism for directors and employees to report unethical behavior, suspected or actual fraud, and violation to its Codes of Conduct that could be detrimental to the Company and / or its stakeholders. The policy protects a whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Audit Committee is given a quarterly update on incidents reported, if any, under the policy. For more details, refer the Company's Vigil Mechanism-cum-Whistle Blower Policy posted on the web link www.endurancegroup.com/investor-relations.

Further, suppliers, service providers and contractors of the Company are governed by the 'Code of Conduct for Suppliers, Service Providers and Contractors' ("Code"). The Code emphasises on equitable treatment of workforce; commitment to ensure safe, healthy and sustainable environment-friendly workplace; zero tolerance towards statutory non-compliance; ethical conduct of business and avoiding conflict of personal interest; protection of Company's confidential information and intellectual property; and prohibition of insider trading. Any violation of the principles and requirements set out in the Code shall expose such vendor to disciplinary action. All new vendors are mandated to affirm the acceptance of this Code before any business relationship is initiated by the Company.

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

We have both structured as well as unstructured mechanisms for engaging with our stakeholders. In the reporting year, all grievances were satisfactorily resolved.

PRINCIPLE 2: SAFE AND SUSTAINABLE GOODS AND SERVICES

Sustainable Product Life-cycle management involves in-depth analysis of all processes and systems from the stage of receiving RFQs till the products / services reach the end consumer. The Company's objective is profitable growth by implementation of systems and manufacturing processes that minimise environmental impact while conserving energy and natural resources. The Company has also taken focussed initiatives in weight reduction of components, material substitution with safer materials and increasing the percentage of recycled input (raw) material. Practices have also been adopted for recycling of waste generated. In addition, the Company is embracing sustainable procurement practices. The manufacturing plants are located in proximity to its OEMs to reduce the carbon footprint associated with indirect greenhouse gas emissions.

The management professes continuous improvement of its processes and ensures regular review of its products and performance to achieve sustainable manufacturing.

Q1 & 2 - List up to three products, whose design has incorporated social or environmental concerns, risks and / or opportunities. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.

Business Responsibility Report (contd.)

b) Reduction during usage by consumers (energy, water) achieved since the previous year.

i. Weight reduction of casting components

Weight reduction of casting components has helped in reducing unsprung mass which gives better ride performance of vehicle. The Company has embarked upon intense engagement with OEMs to draw Value Analysis / Value Engineering ("VA/VE") initiatives which not only reduce the cost of components but also arrive at optimal solutions for waste reduction and optimal design specification to meet the requirement of Indian road conditions.

The cumulative weight reduction will lead to decrease in greenhouse gas emissions of 2-Wheelers and 3-Wheelers.

ii. Suspension components for 2-Wheelers

a) Discontinued procurement of hexavalent chromium passivation, as the same is hazardous.

b) Reduced percentage of Sulphuric acid by 98% in etching tank in Nickel-Chromium (Ni-Cr) plating shop.

c) Replaced diesel with Liquefied Petroleum Gas (LPG) in powder coating shop oven.

d) Initiatives aimed at reducing the generation of hazardous waste/ sludge e.g. installation of decanter, setting up of a new grinding line without use of filter paper.

iii. Braking systems

a) Introduced new generation braking systems with improved brake performance for safety of riders. Combined Braking System ("CBS") and Anti-Lock Braking Systems ("ABS") Modulator technologies have been leveraged to improve safety parameters.

b) Introduced steel-braided hoses for enhanced product safety, life and performance.

c) Replaced volatile compounds with solvent and water based cleaners.

d) Adopted induction heating process for heat treatment to lower the consumption of electricity and green-house emissions.

e) Conversion of all the plated parts to trivalent zinc plating from hexavalent zinc plating to reduce hazardous elements.

iv. Transmission

a) Replaced oil lubrication with beads with shot sleeve lubrication to reduce hazardous fume generation in high pressure aluminium die casting shop.

b) The process of chemical etching and drying operation of core plate was automated. This ensured operators' safety and ergonomics by eliminating manual contact with hazardous material.

c) Replaced furnace oil with Low Sulphur Heavy stock (LSHS) for use in melting furnace in high pressure aluminium die casting shop. This resulted in reduction of pollution and improved fuel efficiency.

d) Replaced electric motor with mechanical clutch for feeder unit on Petal Pasting machine to conserve energy.

e) Implemented VA / VE measures for thrust washer of clutch by changing bar route to Press Tool route. This helped to optimise consumption of material.

The Company manufactures components (with variations to suit requirements of respective OEM) under each product portfolio. Social and environmental concerns are given high consideration in all activities and decisions during the manufacturing processes.

In addition to the initiatives listed above, various organisation wide measures are being taken towards making the Company's manufacturing processes and products sustainable. They include:

a) Measures undertaken to drive carbon neutrality by reducing emission of Carbon Dioxide (CO_2) through reduction of electricity and fuel consumption. Simultaneously, in order to reduce the emission of CO_2 the Company is also

Business Responsibility Report (contd.)

exploring and leveraging alternate sources of electricity through solar and wind power, and tree plantation.

b) Increased application of alternative / renewable energy sources, viz. solar and wind energy.

c) Replacement of furnace oil in plants with natural gas.

d) Switched from painting to powder coating operations to reduce hazardous waste generation.

e) Focus on achievement of zero waste to landfill.

f) Plugging direct leakages to minimise air emissions.

g) Installation of advanced effluent treatment plants (ETP) and sewage treatment plants (STP) for water treatment to ensure that the effluent discharge does not exceed the permissible limits. Monitoring of parameters by the Environment, Health and Safety (EHS) team, external agency (appointed by the Company) and Pollution Control Boards (PCB).

h) Treated water from ETP / STP installed at all plants of the Company is further used for non-potable purpose.

i) Implementing Zero Liquid Discharge (ZLD) to reduce carbon footprint, eliminate liquid waste and maximise water usage efficiency. Treated water is re-used for primary purposes like plating operation, industrial cooling, coolant preparation etc.

j) Co-processing of hazardous wastes, which can be used as raw material or energy source to other industries.

k) Metal scrap generated is re-cycled.

l) Implementation of VA / VE measures in clutch holder by reducing machining and re-use of waste.

m) Installation of solar panels on the roof-tops to generate electricity.

n) Implementation of OCEMS (Online Continuous Effluent Monitoring System) for online monitoring of effluent and water recycling.

o) Setting up of integrated fire safety and hydrant system in the plants to prevent fire accidents.

p) Initiatives aimed at reducing the generation of hazardous waste / sludge.

q) Implementation of the process for solar drying of sludge from ETP to reduce contamination.

Q3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Vendor selection is an integral process to ensure sustainable sourcing. The Company has a robust vendor selection process which is based on various parameters that includes quality, cost, environmental and legal compliance, financial health and stability, management capabilities, succession planning and organisation structure.

The process is aimed towards strengthening the entire supply chain and to ensure a seamless and sustainable procurement process.

The Company has a defined sourcing strategy with below focus areas:

i. *Inculcating awareness regarding sustainability and green purchasing* amongst the vendors. In order to ensure this, the Company is monitoring consumption of electricity, water and fuel, and plans to recommend ways to help reduce the same.

ii. *Green Initiative* in the supply chain for waste water recycling, driving carbon neutrality and promoting use of alternate sources of energy and fuels.

iii. *Optimisation* of transportation and logistics to reduce greenhouse gas emissions and logistics cost.

iv. *Endurance Vendor Association* formed by the Company earlier, continues to eliminate interface

Business Responsibility Report (contd.)

losses and create trust between the Company and its vendors.

v. *Clean Sheet Costing* of sourced components.

vi. *Sourcing from best-cost suppliers* and negotiating volume discounts and increase their share of business to get lower weighted prices.

vii. *Continually review vendor base* so that best costs amongst vendors are obtained while ensuring material quality.

viii. *Pass-on of raw material cost* increase to customers, on a quarterly or bi-annual basis.

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

In order to mitigate the impact of COVID-19 on the supply chain, the Company advised implementation of various safety measures at the vendors' facilities to respond to immediate challenge of disruption faced in their respective manufacturing locations. Immediate actions like sanitisation of work places, providing of masks and shields and ensuring physical distancing, were taken. Awareness sessions were undertaken on protocols mandated by the government/regulatory authorities.

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

Most of the Company's vendors are located in proximity to its manufacturing facilities. The Company has developed a local direct (Tier I) and sub-supplier (Tier II) base of 233 vendors around its manufacturing locations. Engaging with small producers is encouraged; at present, 134 vendors (61%) are from the Micro, Small and Medium Enterprises (MSME) sector.

The Company works to build the capability of its vendors through a structured vendor upgradation programme. Life Time Suppliers ("LTS") for each product and category are identified. The Company, at periodic intervals, rationalises its suppliers based on vendor performance rating and developmental support in the past. Capabilities of LTS are enhanced through:

i. *Supplier (Quality) Improvement Programme* for vendor rating improvement of existing and potential LTS. Vendor rating of 44 suppliers improved in FY 2021-22 through this programme.

ii. *Trainings to suppliers* on various topics like Total Productive Maintenance (TPM), Supplier Quality Manual (SQM) awareness, Environment, Health and Safety (EHS) compliance, customer specific requirements. Total 220 suppliers were covered under ten different trainings / programmes during FY 2021-22.

iii. *Supplier engagement initiatives* such as 'Quality Month' celebration – 32 suppliers participated in 'Quality' success story competition held in November, 2021.

iv. *Check-sheet for assessment of supplier capability* has been prepared to focus on capability development of LTS and 20 Suppliers were assessed in FY 2021-22.

v. *Total Productive maintenance (TPM) implementation at suppliers*' facilities aims at overall efficiency improvement with defined targets of Safety, Productivity, Quality, Cost, Delivery and Morale (SPQCDM).

vi. *Monitoring of EHS compliance* of Tier I and Tier II suppliers based in Aurangabad. 232 suppliers are being monitored for mandatory EHS compliance requirements. The Company has also initiated proactive assessment of suppliers of surface treatment who fall under 'red category' zone by external agencies. The purpose of these audits is to assess and close the gaps relating to compliance and fulfilment of EHS requirements as mandated in the consent to operate issued by regulatory bodies to such suppliers. A total of 45 audits were conducted during the FY 2021-22.

vii. Ensuring that suppliers are equipped with defined 'must-have' facilities and hardware interlock requirements. The Company also provides adequate training to suppliers on this front.

Q5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has a mechanism to recycle products and waste by >10%. Following measures have been implemented either in-house or through authorised agencies:

Business Responsibility Report (contd.)

i. Recycling of Trimofin oil for use in machining process through briquetting process. Oil in aluminum scraps is extracted and after filtration, this oil is used as a coolant for machining. Water based coolant is recycled in coolant recovery plant and the same can be reused for grinding operation / process.

ii. Installation of compacting machines to remove coolants from aluminum grinding dust, which can be reused for machining processes.

iii. Heat generator from compressor is used in plating plant.

iv. Waste oil generated during front fork assembly is filtered for reuse.

v. Sludge generated from painting operations is recycled for reuse.

vi. Replaced single-used plastic gloves with reusable gloves.

vii. All manufacturing plants of the Company have installed ETP / STP for treatment of water which is cleaned for further non-potable use.

viii. In-house rejections of die casting parts, those received from customer and aluminium chips collected after the completion of machining process are melted and the alloy is used as raw material.

ix. Use of nickel and chrome recovered from plating processes.

x. Sludge generated from grinding operations is recycled through authorised agencies for use in fertilizer industry.

xi. Minimised the use of plastic in packing, this has been extended to vendors as well.

PRINCIPLE 3: WELL-BEING OF EMPLOYEES

The Company views employees as enablers of value creation and is committed to the well-being of the employees; and has various practices and policies that drive the learning and development process as well as focus towards health and wellness of the employees.

Q1. Total number of employees

On-roll employee count stands at 3,588 as on 31st March, 2022.

Q2. Total number of employees hired on temporary / contractual / casual basis

The total number of employees hired on temporary / contractual / casual basis, as on 31st March, 2022 were 6,065.

Q3. Number of permanent women employees

The number of permanent women employees as on 31st March, 2022 were 40.

Q4. Number of permanent employees with disabilities

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

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

Yes, we have twelve agreements entered into with labour unions for the Company's plants located at Waluj (Aurangabad, Maharashtra), Chakan (Dist. Pune, Maharashtra) and Pantnagar (Uttarakhand).

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

As of 31st March, 2022, 1,508 employees, representing 43.15% of our workforce, are members of labour unions.

Q7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. no.	Category	No. of complaints filed during the financial year	No. of complaints pending as on the end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	4	0
3.	Discriminatory employment	Nil	Nil

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Q8. What percentage of the under mentioned employees were given safety and skill up-gradation training in the last year?

- Permanent employees including women employees;
- Casual / Temporary / Contractual Employees;
- Employees with disabilities.

The Company ensures sustainable growth through continuous efforts to improve safety conditions for all its stakeholders and implementation of environment-friendly practices. Structured health and safety trainings are conducted for employees and contract workforce, across all the plants.

Further, training needs for skill upgradation of employees are identified based on their performance assessments, and roles and responsibilities at various levels.

During the FY 2021-22, trainings of equivalent to 4,817 man-days were imparted and workshops were conducted. The training topics included environment, health and safety (EHS). Considering the receding pandemic situation, these sessions were conducted both through online and offline modes and encompassed the following:

i. Sustainability awareness;

ii. Identification of near miss incidents;

iii. Contractor safety management awareness;

iv. Risk assessment HIRA (Hazard Identification);

v. Emergency preparedness and response;

vi. Use of personal protective equipment (PPEs);

vii. Fire safety, Behaviour based safety;

viii. Consequence management procedure; and

ix. Awareness of HSE policy, SOPs and guidelines laid down by the Company.

Apart from domain specific subjects, trainings provided to the on-roll employees are typically grouped as follows:

a) Induction programmes for the new joiners;

b) Leadership development programmes;

c) Behavioral training programmes (team work, result orientation and accountability, time management, planning and organising skills, etc.);

d) Technical training programmes (includes Quality / System Awareness programmes, DFMEA / PFMEA, 7QC Tools, Quality core tools, Die casting, Industry 4.0, etc.);

e) CITTI Values / Codes of Conduct / Balanced Score Card and Competency Framework workshop;

f) Safety related training programmes (firefighting, HIRA, EHS procedures, and sustainability reporting, etc.);

g) System related Programmes (such as IATF, ISMS, Success Factors demo, SOP awareness programmes etc.).

During the FY 2021-22, above-mentioned trainings spanned to around 2,331 man-days.

During the year under review, the Company continued with the activities under "Safety First" initiative, as one of the five focus areas of the initiatives taken towards organisation building culture. The activities implemented under this focus area encompassed:

- *Safety Champions Process*: Employees from different functions are trained to identify action points to improve safety conditions in plants and offices;
- *Management of Change*: This emphasises on EHS legal compliance during green field / brown field projects and internal lay out changes;
- *Visual Safety Leadership*: Interaction of senior executives in operations with shop-floor workforce on imbibing safety in their daily work and appreciating on display of safety conduct;
- *Consequence Management Policy:* This policy conveys zero tolerance towards non-compliance with safety norms and conditions;
- *Contractor Safety Management:* This prescribes the conditions relating to EHS that are mandatory to be fulfilled by contractors associated with the Company.

Steps initiated and precautionary measures taken to prevent the spread of COVID-19 pandemic in the organisation:

In order to prevent the spread of COVID-19 pandemic, the Company and its subsidiaries implemented various precautionary measures at all its locations, such as sanitisation, employee health monitoring, travel restrictions, increased use of audio / video conferencing for meetings and distribution of medicines to boost immunity. Advisory guidelines were issued from time to time, apprising the employees about the government mandated SOPs and best practices to

Business Responsibility Report (contd.)

be followed at work place. These include observing social distancing norms, restriction on gatherings and travel, sanitisation of workplaces, defining rules for use of common areas, entry controls, defining areas and routes reserved for visitors. Further, with the release of vaccine for prevention of COVID-19, the Company has also undertaken drive for vaccinating its employees.

PRINCIPLE 4: RESPECT AND RESPONSIVENESS TO ALL STAKEHOLDERS

The Company has undertaken various CSR initiatives to directly address the issues concerning disadvantaged, vulnerable and marginalised strata of society. This enables overall sustained growth and creates value for all its internal and external stakeholders.

Q1. Has the Company mapped its internal and external stakeholders?

The Company has identified employees, customers, investors, vendors, contractors, collaborators / technical partners, local community and government / regulators as its key stakeholders. There are different formal and informal mechanisms to engage with each of these stakeholders which helps to understand and respond to their needs.

Q2 & Q3. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders? Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

The Company undertakes initiative to identify disadvantaged and vulnerable stakeholders in and around its manufacturing locations. The focus is to identify unemployed and unskilled youth, villages in poor socio-economic conditions lacking basic needs such as safe drinking water and access to sanitation, children having limited or no access to basic education and absence of avenues for gainful employment.

Further, relief measures were also taken in the vicinity of its manufacturing plants to help the community reduce the gravity of economic hardship / livelihood problems faced by them due to the lockdown restrictions imposed to curtail the spread of pandemic.

Based on identification of their needs, the Company implemented following Corporate Social Responsibility ("CSR") programmes:

(a) *Vocational Training Centre* – for providing vocational training for gainful employment of youth;

(b) *Village Development Projects* – Developmental requirements assessed based on interaction with *Panchayats* of respective villages; CSR Initiatives are planned primarily focussing on health & nutrition, water & sanitation, agriculture & livelihood, education and community development.

(c) Supporting pre-primary education through *Balwadi*;

(d) *Undertaking relief measures relating to COVID-19 pandemic* – During the year under review, the COVID care centre set up for asymptomatic patients was intermittently functional / operational due to surge of COVID cases on account of Delta and Omicron outbreak.

In addition to the above, kits containing food and other essential hygiene items were also distributed to villagers; and

(e) *Setting up of atmospheric water harvesting units* – Two atmospheric water harvesting machines have been installed in close proximity to the Company's plants in Waluj, Aurangabad. These units could provide a solution to overcome the problem of water scarcity, especially for villages lacking natural water resource.

PRINCIPLE 5: RESPECT AND PROMOTE HUMAN RIGHTS

The Company is committed to meeting the fundamental principles of human rights, labour practices and anti-corruption. The Company derives human rights principles through the CITTI Values and compliance with applicable laws pertaining to human rights.

Q1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The principles of human rights are applicable to the Company as well as the subsidiary companies as per the regulations and guidelines applicable in respective geographies. The suppliers, contractors and other entities associated with the Company are governed by their respective policies.

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

During the year under review, there were no complaints received by the Company relating to violation of human rights.

Business Responsibility Report (contd.)

PRINCIPLE 6: RESPECT, PROTECT AND RESTORE THE ENVIRONMENT

The Company believes that pro-environment processes along with healthy and safe work conditions contribute immensely in achieving sustainable manufacturing. The Company continued with its focus towards health, safety and conservation of environment by implementing structured initiatives aimed as part of the Company's 'culture building' drive.

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

An Environment, Health and Safety ("EHS") policy has been framed by and for the Company. The overseas subsidiary companies adhere to applicable local regulations with respect to EHS.

The vendors are governed by their respective policies. Adherence to environmental laws and regulations is one of the pre-requisites for awarding a contract to any vendor.

During the year under review, the Company has initiated 'Green Sourcing' with the objective of improving sustainability index of its suppliers, thus promoting environmental awareness through resource and energy conservation. This project will be implemented in a phased manner and the Company will support its suppliers by sharing action plans for water conservation, energy conservation and reduction and recycling of waste.

Q2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for web page etc. such as climate change, global warming, etc.?

The Company has a dedicated team for conservation of energy – ENCON, which undertakes and implements various measures towards conservation of energy by identifying alternate source(s) of energy, use of cleaner fuels and processes aimed at driving carbon neutrality. The Company's efforts towards ensuring sustainability in all its products and processes is further augmented by implementation of zero liquid discharge in its plants, treatment of water for re-use, reduction in discharge of effluents, optimum use of material to reduce wastage, recycling of waste and reduction of air and water pollution, etc. Kindly refer Annexure I to the Board's Report for the initiatives taken by the Company during the FY 2021-22.

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

Yes, the Company identifies and assesses potential environmental risks.

Environmental risks are part of the Company's Risk Management Framework. Company has a structured and continuous process of identifying and assessing risks. It also has a robust process for mitigating key risks at all levels. A report based on risk monitoring mechanism is submitted biannually to the Risk Management Committee.

The Company is working towards ensuring 'zero' accidents, 'zero' liquid discharge (ZLD) and minimizing discharge of other effluents. Considering the nature of its processes, the Company takes adequate measures towards this, such as conducting regular proactive employee safety and environment audits, management review meetings, training and awareness sessions, and periodic employee health and safety meetings to manage this risk. In addition, necessary steps are being taken such as building adequate infrastructure for treating effluents and also tying up with local bodies for effective disposal or recycling of waste.

Q4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No.

Q5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Most of our plants are certified for ISO 14001, ISO 45001 and ISO/TS 16949:2009 standards. Most of our plants are also members of the International Automotive Taskforce (IATF), a taskforce formed by a group of automotive manufacturers to ensure worldwide quality and consistency among other things.

Please refer Annexure I to the Board's Report, which forms part of the Annual Report, for initiatives on energy efficiency.

Q6. Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB (Central / State Pollution Control Board) for the financial year being reported?

All emissions / waste generated at the plants are within permissible limits.

Business Responsibility Report (contd.)

Q7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year

Maharashtra Pollution Control Board, ("MPCB") vide letters dated 21st July, 2015 and 22nd July, 2015, had, *inter alia*, alleged contamination of ground water on account of the operations carried out at the Company's plant at K-228 & 229, Waluj, Aurangabad. The Company was directed to deposit ₹ 100 million in an escrow account of the District Collector, Aurangabad, towards remedial costs for ground water contamination and soil degradation.

In response thereto, the said amount was deposited and an appeal was made by the Company before the Hon'ble National Green Tribunal ("NGT"). Hearings were held before the Hon'ble NGT duly represented by the MPCB and the Company. In view of absence of information regarding the source of pollution/ water contamination, it was ordered that the industries in the Waluj area be directed to pay remediation costs only. Accordingly, out of ₹ 100 million, ₹ 79.1 million had been refunded to the Company as on 31st March, 2018 after adjusting the proposed remediation costs attributable to the Company which is sub-judice before the NGT. No hearing on the matter has been held after 10th July, 2018.

As of 31st March, 2022, there are no other material show cause/ legal notices received from CPCB / SPCB that are pending.

PRINCIPLE 7: RESPONSIBLE AND TRANSPARENT POLICY ADVOCACY

Q1. Is the Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.

The Company is a member of several leading Industry Associations, including:

- ACMA – Automobile Component Manufacturers Association
- SIAM – Society of Indian Automobile Manufacturers
- CII – Confederation of Indian Industries
- EFI – Employer Federation of India
- CMIA – Centre for Marathwada Industries and Agriculture
- NSC – National Safety Council
- MARG – Mutual Aid Response Group

Q2. Has the Company advocated/ lobbied through above associations for the advancement or improvement of public good? Yes / No

No. As a responsible corporate citizen, the Company's approach is to contribute to public policy formulation through recognised industry associations only.

PRINCIPLE 8: PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company's philosophy on discharging its social responsibility is to maximise the positive impact on the livelihood and welfare of the local communities in the areas of operation. The projects and initiatives are administered through the Corporate Social Responsibility ("CSR") Policy available at www.endurancegroup.com/sustainability.

In line with the provisions of Companies Act, 2013 ("Act"), the Board of the Company has constituted a CSR Committee which reviews the implementation of the CSR Policy. Kindly refer 'Annexure II – Annual Report on CSR activities', to the Board's report for details.

Q1 & 2. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? Are the programmes / projects undertaken through in-house team/ own foundation / external NGO / government structures / any other organisation?

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

- Vocational Training Centre;
- Village Development Project;
- Sevak Trust Balwadi;
- Relief measures relating to COVID-19 pandemic; and
- Setting up of atmospheric water harvesting units.

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

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

The CSR Committee reviews the progress on the initiatives to assess the impact on the beneficiaries of the projects.

Business Responsibility Report (contd.)

Vocational Training Centre ("VTC")

VTC is primarily aimed at providing skill-building training in chosen vocation to the youth who were unable to pursue structured education due to various reasons. The VTC empowers them by enhancing their employability. In addition to providing training in their chosen vocation, attention is also paid to overall personality development of the beneficiaries by including sessions on physical fitness, spoken English and basic computer literacy.

The impact of the vocational training is measured in the form of employment generated and self-employment after completion of the training. The CSR Committee, constituted by the Board of Directors of the Company, reviews the quantitative impact through the EVA (i.e. Economic Value Added) for each course.

Village Development Project ("VDP")

Villages under the said project are selected based on assessment of their developmental needs (on defined parameters). The activities are mostly focussed on health, sanitation, education, livelihood and community development. In case of VDP, the impact can be measured based on the improvement in the standard of living of villagers and availability of adequate infrastructure, especially for education and medical facilities.

Sevak Trust *Balwadi*

Balwadi provides pre-primary education to children from nearby villages and localities in Aurangabad, Maharashtra. The objective of running a *balwadi* is to provide quality education accessible to under-privileged sections of the society.

Relief measures relating to COVID-19 pandemic

A COVID-19 care centre was set-up in Waluj, Aurangabad with a capacity of 91 beds and is equipped with adequate medical facilities to provide proper medical treatment to COVID-19 patients. The centre catered to asymptomatic patients during the Delta and Omicron waves of COVID-19 pandemic.

In addition to the above, kits containing food and other essential hygiene items were distributed to nearby villages.

The above-mentioned measures taken by the Company through Sevak Trust were primarily aimed to provide economic and medical support to villagers and other economically weaker sections of the society, during the challenging times of COVID-19 pandemic. While the impact thereof is difficult to quantify, these steps helped the beneficiaries in terms of access to specialised medical care and services.

Setting up of atmospheric water harvesting units

The Company has installed two atmospheric water harvesting machines in close proximity to the Company's plants at Waluj, Aurangabad. These unit capture and collect the water present in the air as vapour or small water droplets and convert them into potable water.

The objective of this activity is to find a solution to overcome the problem of water scarcity, especially for villages lacking natural water sources.

Q4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

(in ₹ million)

Focus Area	Amount spent in financial year 2021-22
Village Development Project	50.44
Vocational Training Centre	49.02
Sevak Trust Balwadi	0.10
Relief measures relating to COVID-19	9.90
Setting up of atmospheric water harvesting units	1.64
Total	**111.10**

Details of projects undertaken during the financial year 2021-22 are given in response to Q3 above.

Q5. Have you taken steps to ensure that these community development initiatives are successfully adopted by the community?

Yes, the Company has engaged with Sevak Trust, who further, in consultation with external agencies having adequate experience in this domain, ensures effective implementation of the CSR initiatives.

The CSR initiatives are structured in such a manner that its implementation requires active participation by the beneficiaries. In the Village Development Project, apart from providing services, the villagers also contribute a notional amount towards developmental work in the villages such as construction of toilets, mangers for cattle, etc. Similarly, the students enrolling in the Endurance Centre of Vocational Empowerment (ECoVE) pay a nominal fee as a token of their commitment for the course enrolled at VTC. These inclusive measures create a sense of undertaking amongst the beneficiaries to

Business Responsibility Report (contd.)

sustain the development work implemented at respective villages and also to successfully complete the vocational course chosen by them.

The progress of CSR activities is also monitored at periodic intervals by the CSR Committee of the Company.

PRINCIPLE 9: PROVIDES VALUES TO CONSUMER RESPONSIBLY

Customer Centricity is one of the core values of the Company. There are mechanisms in place that aim to minimise customer complaints and grievances, while ensuring prompt redressal. In order to make the Company's redressal mechanism more meaningful, a structured system has been developed and implemented.

The Company primarily caters to 2-Wheelers and 3-Wheelers OEMs. There is a robust mechanism instituted in the Company to deal with issues and complaints reported by OEMs. Issues can be raised through their online portals, e-mail communications, during plant visits or at meetings.

The Company also caters to retail market through its aftermarket business. Complaints are raised through any of the following modes:

- Lodging of complaint on dedicated customer care number 0240 - 2569723;
- Sending complaints through email at customercare@endurance.co.in;
- Communicate the complaint at the customer care desk at local office / distributor.

All the complaints / concerns / grievances are tracked by the senior management team till its resolution.

Q1. What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?

All complaints are acknowledged on receipt and attended on priority for ensuring resolution as per defined time schedule and organisational hierarchy. There were no customer complaints pending as on 31st March, 2022.

Q2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The information displayed on the product label is as per the applicable laws and in line with the prevalent market practice.

Q3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and pending as at the end of financial year?

There is no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as of 31st March, 2022.

Q4. Did your Company carry out any consumer survey / consumer satisfaction trends?

A customer satisfaction survey is conducted every year and 'Customer Satisfaction Index' is plotted. Results of the survey are analysed to understand the areas of improvement. Vendor ratings provided by customers is also a measure of customer satisfaction.

Independent Auditor's Report

**To
the Members of
Endurance Technologies Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Endurance Technologies Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Accounting for income from government grants (Refer note 35 (a) of the standalone financial statements)	
The Company recognises grant income under the Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on sale of goods, as management believes that the reasonability of grant income is reasonably certain. The Company has recognised ₹594.89 million as grant income during the year. Accordingly, income from government grant is considered a key audit matter.	We have performed the following procedures: 1. Obtained and read the eligibility certificate and the addenda to the eligibility certificate received by the Company from the Government of Maharashtra. 2. Read the terms and conditions attached in the PSI Scheme issued by the Government of Maharashtra. 3. Assessed and tested the compliance by the Company in relation to recognition of income in accordance with Ind-AS. 4. Tested the accounting entries effected in the books of accounts with the underlying workings. 5. Obtained the details of amounts collected till date; and tested with the underlying bank records. 6. Assessed the disclosures in the standalone financial statements for compliance with relevant Ind-AS.

Independent Auditor's Report (Contd.)

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the standalone Ind AS financial statements and our auditor's report 'thereon'), which we obtained prior to the date of this auditors report and Corporate Overview and other Statutory Reports (comprising of Management Discussion and Analysis, Board's Report and Business Responsibility Report) included in the Annual report, which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

Independent Auditor's Report (Contd.)

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 (a) to the standalone 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 – Refer Note 33 to the standalone financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

Independent Auditor's Report (Contd.)

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person) or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 38 (b) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 22089802AJFKVA5712

Place of Signature: Los Angeles, USA
Date: May 19, 2022

Annexure 1

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Endurance Technologies Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that :

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) Property, Plant and Equipment have been physically verified by the management during the current year in accordance with a regular planned programme of verifying them over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022. Accordingly, the requirement to report on clause 3 (i) (d) of the Order is not applicable to the Company.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the requirement to report on clause 3 (i) (e) of the Order is not applicable to the Company.

(ii) (a) The inventory has been physically verified by the management during the year except for inventory lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and the procedure of such verification by the management is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed during physical verification and in respect of such confirmations.

(b) As disclosed in note 14 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns and statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has provided interest free loans to other parties (i.e., employees) as follows:

Particulars	**Loans (₹ in million)**
Aggregate amount granted during the year - Others (i.e., employees)	15.24
Balance outstanding as at the balance sheet date - Others (i.e., employees)	11.03

Other than the above the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties .

(b) The terms and conditions of the grant of loans to other parties (i.e., employees) are not prejudicial to the Company's interest. During the year the Company has not made any investments, provided guarantees, or given security.

(c) The Company has granted interest free loans during the year to other parties (i.e., employees) where the schedule of repayment of principal has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans to other parties (i.e., employees) which are overdue for more than ninety days. Accordingly, the requirement to

Annexure 1 (Contd.)

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

report on clause 3 (iii) (d) of the Order in respect of employees is not applicable.

(e) There were no loans granted to other parties (i.e., employees) which has fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3 (iii) (f) of the Order is not applicable to the Company.

(iv) There are no loans, guarantees, and security in respect of which provisions of section185 and section 186 of the Companies Act, 2013 ('the Act') are applicable . The Company has made investments which is in compliance with the provisions of section 186 of the Act .

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of other machinery products and generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, customs duty, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of income-tax, sales-tax, service tax, excise duty and value added tax which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in million)**	Period to which amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	4.67	2006-2017	Assistant / Deputy Commissioner
Central Excise Act, 1944	Excise Duty	21.14	2012-2018	Joint / Additional Commissioner
Central Excise Act, 1944	Excise Duty	20.63	2006-2008	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	9.49	2008-2017	CESTAT
Finance Act, 1994	Service Tax	1.37	2014-2017	Assistant / Deputy Commissioner
Income Tax Act,1961	Income Tax	428.3	2010-2018	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax	155.05	2009-2012	Income Tax Appellate Tribunal
Income Tax Act,1961	Income Tax	9.13	2007-2008	High Court

** The Company has deposited amounts under protest against above dues - ₹ 84.15 million with Income tax authorities, and ₹0.81million with Central Excise authorities.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, the requirement to report on clause 3 (ix) (a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year. Accordingly, the requirement to report on clause 3 (ix) (c) of the Order is not applicable to the Company.

Annexure 1 (Contd.)

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company did not have any associates or joint ventures during the year.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company did not have any associates or joint ventures during the year.

(x) (a) The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the cost auditor or the secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), 3 (xii)(b) and 3 (xii) (c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi) (a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi) (b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group and accordingly, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 42 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that

Annexure 1 (Contd.)

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts which are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 37 to the financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 22089802AJFKVA5712

Place of Signature: Los Angeles, USA
Date: May 19, 2022

Annexure 2

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Endurance Technologies Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Endurance Technologies Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

Annexure 2 (Contd.)

to the Independent Auditor's Report of even date on the Standalone Financial Statements of Endurance Technologies Limted

standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 22089802AJFKVA5712

Place of Signature: Los Angeles, USA
Date: May 19, 2022

Balance Sheet

as at 31st March, 2022

₹ in million

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	15,083.92	13,683.67
(b) Capital work-in-progress	3A	837.84	889.18
(c) Other intangible assets	3	565.57	266.69
(d) Intangible assets under development	3A	54.03	31.65
(e) Investments in subsidiaries	4	3,637.61	3,637.61
(f) Financial assets			
(i) Investments	4A	11.53	11.53
(ii) Other financial assets	5	88.25	59.49
(g) Deferred tax assets (net)	17A	38.22	19.55
(h) Other non-current assets	6	412.53	312.97
		20,729.50	**18,912.34**
2. Current assets			
(a) Inventories	7	3,666.79	3,295.33
(b) Financial assets			
(i) Investments	4B	2,094.50	1,699.26
(ii) Trade receivables	8	8,010.88	8,125.08
(iii) Cash and cash equivalents	9	1,031.00	342.54
(iv) Bank balances other than (iii) above	9A	0.42	0.38
(v) Loans	5A	11.03	12.61
(vi) Other financial assets	5B	1,635.74	1,779.46
(c) Other current assets	6A	213.54	209.47
		16,663.90	**15,464.13**
Total Assets (1+2)		**37,393.40**	**34,376.47**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	28,661.85	25,675.94
		30,068.48	**27,082.57**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	-	3.31
(ia) Lease liabilities	11A	19.67	23.96
(ii) Other financial liabilities	12	279.68	89.63
(b) Provisions	13	88.48	210.72
		387.83	**327.62**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	316.99	460.06
(ia) Lease liabilities	14A	6.38	7.60
(ii) Trade payables:	15		
a) Total outstanding dues of micro enterprises and small enterprises		843.66	827.59
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,455.61	4,440.81
(iii) Other financial liabilities	12A	359.02	255.48
(b) Other current liabilities	16	543.42	512.73
(c) Provisions	13A	282.51	298.87
(d) Current tax liabilities (net)	17	129.50	163.14
		6,937.09	**6,966.28**
Total Equity and Liabilities (1+2+3)		**37,393.40**	**34,376.47**
Significant accounting policies	2		

See accompanying notes forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2022
Place: Los Angeles, USA

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

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

Date: 19th May, 2022
Place: Mumbai

Statement of Profit and Loss

for the year ended 31st March, 2022

₹ in million

	Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	Revenue from operations	18	56,970.87	47,730.30
II	Other income	19	243.94	135.53
III	**Total income (I + II)**		**57,214.81**	**47,865.83**
IV	**Expenses:**			
(a)	Cost of materials consumed	20A	37,451.79	29,691.86
(b)	Purchases of stock-in-trade (traded goods)	20B	540.73	446.01
(c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	20C	(409.26)	(444.32)
(d)	Employee benefits expense	21	2,903.13	2,865.60
(e)	Finance costs	22	18.20	47.97
(f)	Depreciation and amortisation expense	3	2,037.38	2,034.15
(g)	Other expenses	23	9,197.90	7,855.33
	Total expenses (IV)		**51,739.87**	**42,496.60**
V	**Profit before exceptional items and tax (III-IV)**		**5,474.94**	**5,369.23**
VI	Exceptional items	41	314.50	112.25
VII	**Profit before tax (V - VI)**		**5,160.44**	**5,256.98**
VIII	**Tax expense:**			
(a)	Current tax expense		1,365.88	1,425.85
(b)	Deferred tax (Credit) / Charge		(22.87)	(90.86)
	Total tax expense	24	**1,343.01**	**1,334.99**
IX	**Profit for the year (VII - VIII)**		**3,817.43**	**3,921.99**
X	Other comprehensive income			
(a)	Item that will not be reclassified to profit and loss in subsequent years			
	- Remeasurements of defined benefit plan		16.65	(9.44)
(b)	Income-tax effect		(4.19)	2.38
	Total other comprehensive gain/(loss) for the year		**12.46**	**(7.06)**
XI	**Total comprehensive income for the year (IX + X)**		**3,829.89**	**3,914.93**
XII	Basic and diluted earnings per equity share (₹) (Face value per equity share ₹ 10)	31	27.14	27.88
	Significant accounting policies	2		

See accompanying notes forming part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2022
Place: Los Angeles, USA

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

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

Date: 19th May, 2022
Place: Mumbai

Statement of Changes in Equity

for the year ended 31st March, 2022

A Equity Share Capital

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning and at the end of the year	1,406.63	1,406.63

B Changes in other equity

₹ in million

Particulars	Securities premium	General reserve	Retained earnings	Total equity
Balance as at 1st April, 2020	160.40	1,208.89	20,391.72	21,761.01
Profit for the year	-	-	3,921.99	3,921.99
Other comprehensive loss for the year, net of tax	-	-	(7.06)	(7.06)
Subtotal	**-**	**-**	**3,914.93**	**3,914.93**
Balance as at 31st March, 2021	160.40	1,208.89	24,306.65	25,675.94

₹ in million

Particulars	Securities premium	General reserve	Retained earnings	Total equity
Balance as at 1st April, 2021	160.40	1,208.89	24,306.65	25,675.94
Profit for the year	-	-	3,817.43	3,817.43
Other comprehensive income for the year, net of tax	-	-	12.46	12.46
Payment of dividend (Refer note 38)	-	-	(843.98)	(843.98)
Subtotal	**-**	**-**	**2,985.91**	**2,985.91**
Balance as at 31st March, 2022	160.40	1,208.89	27,292.56	28,661.85

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2022
Place: Los Angeles, USA

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

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

Date: 19th May, 2022
Place: Mumbai

Cash flow Statement
for the year ended 31st March, 2022

₹ in million

	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A	**Cash flow from operating activities**		
	Profit before tax	5,160.44	5,256.98
	Adjustments for:		
	Depreciation and amortisation expense	2,037.38	2,034.15
	Incentive received	-	(1.37)
	Finance costs incurred	12.14	42.60
	Profit on sale of property, plant and equipment (net)	(36.92)	(12.16)
	Excess provision/creditors written back	(21.39)	(10.07)
	Unrealised exchange (gain)/loss (net)	19.01	16.46
	Income from investments in mutual funds	(112.78)	(37.35)
	Interest income	(4.99)	(23.34)
	Operating profit before working capital changes	**7,052.89**	**7,265.90**
	Movement in working capital		
	Adjustments for (increase)/decrease in operating assets		
	Inventories	(371.46)	(637.04)
	Trade receivables	118.50	(3,391.04)
	Other financial assets	123.70	(521.19)
	Other assets	(12.79)	(8.46)
	Adjustments for increase/(decrease) in operating liabilities		
	Trade payables	59.94	1,319.51
	Provisions	(121.17)	49.35
	Other current liabilities	30.69	205.93
	Other financial liabilities	17.80	(17.90)
	Cash generated from operating activities	**6,898.10**	**4,265.06**
	Direct taxes paid (net of refunds)	(1,408.86)	(1,297.29)
	Net cash generated from operating activities	**5,489.24**	**2,967.77**
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment; and intangible assets (including capital work in progress, intangible assets under development and capital advances)	(3,575.60)	(1,996.51)
	Proceeds from sale of property, plant and equipment	64.12	461.93
	(Investments in) /redemption of mutual funds, net	(282.46)	(1,288.74)
	Decrease in other bank balances	(0.04)	0.33
	Interest received	4.48	23.78
	Net cash used in investing activities	**(3,789.50)**	**(2,799.21)**

Cash Flow Statement (Contd.)

for the year ended 31st March, 2022

₹ in million

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
C	**Cash flow from financing activities**		
	Repayments of short term borrowings (net)	(146.48)	(1,027.41)
	Dividend paid	(843.94)	(0.01)
	Finance costs paid	(13.12)	(44.15)
	Repayment of lease liability	(7.74)	(6.99)
	Net cash used in financing activities	**(1,011.28)**	**(1,078.56)**
	Net increase/(decrease) in cash and cash equivalents	**688.46**	**(910.00)**
	Cash and cash equivalents at the beginning of the year	342.54	1,252.54
	Cash and cash equivalents at the end of the year	1,031.00	342.54
	Net increase/(decrease) in cash and cash equivalents	**688.46**	**(910.00)**

Significant accounting policies (Refer Note 2)

See accompanying notes forming part of the financial statements.

Notes:

1 Figures in brackets represent outflows.

2 Previous year figures have been regrouped, wherever necessary, to conform to current year's presentation.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2022
Place: Los Angeles, USA

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

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

Date: 19th May, 2022
Place: Mumbai

Notes forming part of financial statements

1 Corporate Information

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

The Company sells its products in India as well as exports to foreign countries.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is E-92, MIDC Industrial area, Waluj, Aurangabad, Maharashtra - 431136, India.

The financial statements for the year ended 31st March, 2022 were approved by the Board of Directors and authorized for issue on 19th May, 2022.

2 Significant Accounting Policies

2.01 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable.

2.02 Basis of preparation and presentation

These financial statements consist of standalone financial statements of the Company and have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained under accounting policy 2.16. The financial statements are presented in INR and all values are rounded off to the nearest million (INR 000,000), except as stated otherwise.

2.03 Use of estimates and assumptions

The preparation of these financial statements requires the management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of useful lives of property, plant and equipment.

Useful lives of Property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.04 Revenue from contract with customer

Revenue is recognized when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. The timing of when the Company transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Company based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer. Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

Generally, the normal credit period is 30 to 60 days upon delivery for customers in India and 30 to 120 days for overseas customers. The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, discounts etc.), the Company estimates the amount of consideration to

Notes forming part of financial statements (contd.)

which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Warranty obligations

The Company provides warranties for general repairs of defects as per terms of the contract with customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

Revenue from job work

The Company provides job work services to its customers. Such services are sold separately and are not bundled together with the sale of Company's goods. Revenue from job work is accounted as and when such services are rendered.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 2.16 Financial instruments – Financial assets at amortized cost.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.05 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to note 2.14.2 Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a

Notes forming part of financial statements (contd.)

modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.06 Foreign Currency and derivatives

The functional currency of the Company is the Indian Rupee.

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date; and exchange gains and losses arising on settlement or translation are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

The Company uses derivative financial instruments, such as foreign currency forward contracts and fixed currency swaps, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

2.07 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.08 Government grants and export incentives

1. Government grants

   Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to income are deferred and recognized in the profit or loss over the periods necessary to match them with the costs that they are intended to compensate and are presented within other operating revenues.

2. Export benefits

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

   Export benefits in the nature of Merchandise Exports from India Scheme (MEIS) and Duty Drawback are recognized on accrual basis in the year of export.

Notes forming part of financial statements (contd.)

Effective January 1, 2021, Remission of Duties and Taxes on Export Product (RODTEP) scheme has been introduced replacing MEIS. Export benefits in the nature of RODTEP are recognized on accrual basis in the year of export.

3. Government grant in respect of loan

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

2.09 Employee benefits

1. Defined contribution plan:

Provident fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the Central Government Provident Fund and the Family Pension Fund and the same is charged to the Statement of Profit and Loss in 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 of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

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

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. For the employees of specified grades, who have completed 10 years of service, an amount equal to 30 days salary is payable for each completed year of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees.

3. Compensated absences:

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of unutilized compensated absence on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to profit or loss and are not deferred. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees.

2.10 Taxes

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to tax authorities.

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

Notes forming part of financial statements (contd.)

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment.

The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method depending on which method predicts better resolution of the treatment.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred taxes

Deferred tax is recognized using liability method. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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.

2.11 Property, plant and equipment

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

Depreciation on Property, plant and equipment has been provided on a straight-line basis 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 on straight line basis in the manner specified in Schedule II to the Companies Act, 2013, whichever is higher.

The residual values, useful life and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Notes forming part of financial statements (contd.)

2.12 Intangible Assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

i) Technical knowhow is amortized over a period ranging from six to ten years;

ii) Software is amortized over a period of three years.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

2.13 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Management must be committed to the sale expected within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.14 Impairment of financial and non financial assets

1. Financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost for e.g., deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from

Notes forming part of financial statements (contd.)

default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Company estimates the following provision matrix at the reporting date:

Particulars	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

*Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortized cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

2. Non-financial assets

The Company assesses, at each reporting date, whether there is any indication that the carrying amount of non financial asset may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount, (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss. The Company bases its impairment calculation on budgets and forecast calculations.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

2.15 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares, packing materials and loose tools & instruments are valued at the lower of cost and net realizable value. Cost is ascertained on a weighted average basis. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a. Raw materials, stores & spares and tools & instruments: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes forming part of financial statements (contd.)

2.16 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

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

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets including derivative financial instruments are subsequently measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognized in the Statement of Profit and Loss.

Investment in subsidiaries

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

Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments. Trade, other payables and derivative financial instruments are measured subsequently at FVTPL. Loans and borrowings are subsequently measured at amortized costs using EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR.

Equity instruments

All equity instruments in scope of Ind AS 109, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is needed on initial recognition and is irrevocable. If the Company decides to classify an equity instruments as at FVOCI then all fair value changes on the instrument excluding dividends are recognized in OCI. There is no recycling from OCI to profit or loss even on sale of instrument. However, the Company may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the

Notes forming part of financial statements (contd.)

Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Reclassification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.17 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 - Earnings per Share. Basic earnings per share is computed by dividing the net profit or loss after tax for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.18 Research and development expenses

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

2.19 Cash flow statement

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

2.20 Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is

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

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

All other assets are classified as non-current.

Notes forming part of financial statements (contd.)

A liability is current when it is

- expected to be settled in its normal operating cycle
- held primarily for the purpose of trading
- due to be settled within 12 months after the reporting period, or
- does not have any unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

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

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

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

2.21 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for identical assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other disclosures

1) There are no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.
2) The valuation techniques used above are consistent with all periods presented.

Valuation Techniques used to determine fair value

1) Investments in Mutual Funds - are valued at net asset value declared by Association of Mutual Funds in India (AMFI) at the reporting date.
2) Derivatives (recurring fair value measurement) - at values are determined by counter parties / banks using market observable data.

2.22 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

2.23 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders. A corresponding amount is recognized directly in equity.

2.24 Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation

Notes forming part of financial statements (contd.)

and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represent the revenue, total expenses and the net profit of the sole reportable segment.

2.25 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements.

Product warranty expenses:

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

2.26 Other income

Dividends

Dividend income from investments is recognized when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Others

The Company recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

2.27 Changes in accounting policies and disclosures

I New and amended accounting standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

a. Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).The amendments include the following practical expedients:

i) A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;

ii) Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;

iii) Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the standalone financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Notes forming part of financial statements (contd.)

b. Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after 1 April, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April, 2021.

These amendments had no impact on the standalone financial statements of the Company.

c. Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the standalone financial statements of the Company.

d. Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the standalone financial statements of the Company.

e. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the standalone financial statements of the Company.

II Standards notified but not yet effective.

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

Notes forming part of financial statements (contd.)

3 Property, plant and equipment

₹ in million

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	As at 1st April, 2021 (a)	Additions during the year (b)	Deductions during the year (c)	As at 31st March, 2022 (d=a+b-c)	Up to 1st April, 2021 (e)	For the year (f)	Deductions during the year (g)	Up to 31st March, 2022 (h=e+f-g)	As at 31st March, 2022 (i=d-h)
A) TANGIBLE ASSETS (at cost)									
Freehold land	150.20	-	-	150.20	-	-	-	-	150.20
	(456.75)	-	(306.55)	(150.20)	-	-	-	-	(150.20)
Buildings	3,630.19	507.33	0.21	4,137.31	563.60	135.47	0.06	699.01	3,438.30
	(3,405.27)	(354.93)	(130.01)	(3,630.19)	(466.22)	(127.36)	(29.98)	(563.60)	(3,066.59)
Plant and equipment	16,097.31	2,774.95	618.26	18,254.00	8,129.06	1,707.09	593.30	9,242.85	9,011.15
	(15,223.23)	(1,178.45)	(304.37)	(16,097.31)	(6,652.97)	(1,747.07)	(270.98)	(8,129.06)	(7,968.25)
Wind energy generators	67.79	38.20	-	105.99	63.65	0.98	-	64.63	41.36
	(75.57)	(4.20)	(11.98)	(67.79)	(75.56)	(0.07)	(11.98)	(63.65)	(4.14)
Computers	185.01	57.06	2.54	239.53	153.69	23.04	2.52	174.21	65.32
	(178.46)	(7.93)	(1.38)	(185.01)	(131.92)	(23.15)	(1.38)	(153.69)	(31.32)
Electrical fittings	107.12	12.64	0.37	119.39	43.49	11.06	0.30	54.25	65.14
	(101.10)	(6.81)	(0.79)	(107.12)	(34.30)	(9.91)	(0.72)	(43.49)	(63.63)
Vehicles	218.40	14.01	23.38	209.03	105.10	28.92	15.17	118.85	90.18
	(225.24)	(5.81)	(12.65)	(218.40)	(84.22)	(31.30)	(10.42)	(105.10)	(113.30)
Furniture and fixtures	179.12	9.50	6.52	182.10	89.41	15.41	6.33	98.49	83.61
	(171.88)	(7.90)	(0.66)	(179.12)	(73.23)	(16.68)	(0.50)	(89.41)	(89.71)
Office equipments	182.39	15.66	4.19	193.86	122.14	23.69	4.09	141.74	52.12
	(169.26)	(14.94)	(1.81)	(182.39)	(99.47)	(24.40)	(1.73)	(122.14)	(60.25)
Right of use assets									
Land	2,157.19	-	17.20	2,139.99	49.44	26.27	-	75.71	2,064.28
	(2,159.59)	-	(2.40)	(2,157.19)	(25.28)	(26.56)	(2.40)	(49.44)	(2,107.75)
Buildings	43.57	2.22	-	45.79	15.04	8.49	-	23.53	22.26
	(39.91)	(3.66)	-	(43.57)	(6.63)	(8.41)	-	(15.04)	(28.53)
Total - A	**23,018.29**	**3,431.57**	**672.67**	**25,777.19**	**9,334.62**	**1,980.42**	**621.77**	**10,693.27**	**15,083.92**
Previous year as at 31st March, 2021	(22,206.26)	(1,584.63)	(772.60)	(23,018.29)	(7,649.80)	(2,014.91)	(330.09)	(9,334.62)	(13,683.67)
B) INTANGIBLE ASSETS (at cost)									
(Other than internally generated)									
Technical know-how	240.96	337.37	-	578.33	15.07	34.61	-	49.68	528.65
	(74.65)	(221.57)	(55.26)	(240.96)	(67.02)	(3.30)	(55.25)	(15.07)	(225.92)
Software	184.02	18.50	0.48	202.04	143.25	22.35	0.48	165.12	36.92
	(152.13)	(31.89)	-	(184.02)	(127.31)	(15.94)	-	(143.25)	(40.77)
Total - B	**424.98**	**355.87**	**0.48**	**780.37**	**158.32**	**56.96**	**0.48**	**214.80**	**565.57**
Previous year as at 31st March, 2021	(226.78)	(253.46)	(55.26)	(424.98)	(194.33)	(19.24)	(55.25)	(158.32)	(266.69)
Total - A+B	**23,443.27**	**3,787.44**	**673.15**	**26,557.56**	**9,492.94**	**2,037.38**	**622.25**	**10,908.07**	**15,649.49**
Previous year as at 31st March, 2021	(22,433.04)	(1,838.09)	(827.86)	(23,443.27)	(7,844.13)	(2,034.15)	(385.34)	(9,492.94)	(13,950.36)

ASSET HELD FOR SALE	As at 1st April, 2021	Addition during the year	Sale during the year	Transfers during the year	As at 31st March, 2022
Freehold land and building	-	-	-	-	-
	-	(404.07)	(404.07)	-	-

Other Notes:

i) Freehold land includes land procured from Karnataka Industrial Areas Development Board (KIADB) on lease-cum-sale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years. Accordingly, the same is grouped under freehold land.

ii) Figures in brackets represent figures of previous year.

iii) Refer note no 14.01 for details of security provided in respect of current borrowings.

Notes forming part of financial statements (contd.)

₹ in million

3A Capital work-in-progress	Amounts in CWIP for a period of				
Aging as on 31st March, 2022	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	607.30	88.73	141.81	-	837.84
Projects temporarily suspended	-	-	-	-	-

₹ in million

3A Intangible assets under development	Amounts in Intangible assets under development for a period of				
Aging as on 31st March, 2022	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	50.51	3.52	-	-	54.03
Projects temporarily suspended	-	-	-	-	-

₹ in million

3A Capital work-in-progress	Amounts in CWIP for a period of				
Aging as on 31st March, 2021	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	693.33	149.48	46.37	-	889.18
Projects temporarily suspended	-	-	-	-	-

₹ in million

3A Intangible assets under development	Amounts in Intangible assets under development for a period of				
Aging as on 31st March, 2021	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	4.77	26.88	-	-	31.65
Projects temporarily suspended	-	-	-	-	-

iv) There are no immovable properties whose title deeds are not held in the name of the Company or which are jointly held with others, other than properties where the Company is the lessee and the lease arrangements are duly executed in the favour of the lessee.

v) Projects in progress as at March 31, 2022 include ₹234.06 million which are overdue; the details of which are as follows

Projects in progress	To be completed in			
	Less than 1 year	Between 1-2 years	Total	Remarks
1. Drive shaft assembly plant (L-6, Waluj)				
Building	23.57	-	23.57	New product line. Project subsequently capitalised in April 2022.
Plant and equipment	162.07	-	162.07	
Other assets	35.40	-	35.40	
2. Disc brake				
Internal road work	8.56	-	8.56	Internal road construction in E-71 plot, Waluj.

Notes forming part of financial statements (contd.)

Projects in progress	To be completed in			
	Less than 1 year	Between 1-2 years	Total	Remarks
3. Other assets	0.94	-	0.94	Miscellaneous plant and equipment.
4. Intangible assets under development				
Technical knowhow	3.52	-	3.52	ATPC clutch knowhow under absorption process.
	234.06	**-**	**234.06**	

4 Investments in subsidiaries

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investments in equity shares (all fully paid, measured at cost, unquoted) :		
Investment in subsidiaries		
Endurance GmbH (Refer note 25)	1,930.62	1,930.62
Endurance Overseas Srl (Refer note 26)	1,706.99	1,706.99
Total	**3,637.61**	**3,637.61**

4A Non-current investments

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
I Other investments (unquoted investments, all fully paid)*		
Watsun Infrabuild Pvt Ltd	1.45	1.45
[145,201 (Previous year 145,201) equity shares of face value ₹ 10 each]		
Marathwada Auto Cluster	10.00	10.00
[10,000 (Previous year 10,000) shares of face value ₹ 100 each]		
National Savings Certificates	0.04	0.04
(Lodged with Government authorities)		
Total	**11.49**	**11.49**
II Quoted investments*		
Indian Overseas Bank	0.04	0.04
[2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]		
Total quoted investments	**0.04**	**0.04**
Total Investments (I+II)	**11.53**	**11.53**
Aggregate book value of quoted investments	0.04	0.04
Aggregate market value of quoted investments	0.04	0.04
Aggregate amount of unquoted investments	11.49	11.49
Aggregate value of impairment in value of investments	Nil	Nil

* Refer note 32 for determination of their fair value

Notes forming part of financial statements (contd.)

4B Current investments

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investment in mutual funds (unquoted)*		
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	239.38	130.20
9,736,027.729 units(Previous year 5,538,789.639 units)		
ICICI Prudential Overnight Fund - Direct Plan - Growth	60.00	315.19
523,552.307 units(Previous year 2,840,009.348 units)		
HDFC Corporate Bond Fund - Direct Plan - Growth	263.34	250.44
9,944,428.346 units (Previous year 9,944,428.346 units)		
SBI Magnum Gilt Fund - Direct Growth	62.50	60.03
1,148,912.216 units (Previous year 1,148,912.216 units)		
SBI Magnum Ultra Short Duration Fund - Direct Growth	253.65	-
51,795.666 units (Previous year NIL)		
SBI Banking and PSU Fund - Direct Growth	90.96	-
34,093.171 units (Previous year NIL)		
SBI Corporate Bond Fund - Direct Plan Growth	90.96	-
7,120,685.853 units (Previous year NIL)		
IDFC Low Duration Fund - Growth Direct Plan	206.99	100.16
6,496,810.517 units (Previous year 3,266,945.686 units)		
UTI Overnight Fund - Growth Direct Plan	-	482.73
(NIL, Previous year 171,323.563 units)		
Kotak Floating Rate fund - Growth Direct Plan	212.41	200.25
173,067.799 units (Previous year 173,067.799 units)		
Aditya Birla Sunlife Banking and PSU Debt Fund - Growth Direct Plan	168.34	160.26
553,166.818 units (Previous year 553,166.818 units)		
Axis Banking and PSU Debt Fund - Direct Growth	161.87	-
74,010.823 units (Previous year Nil)		
IDFC Cash fund - Growth - Direct Plan	60.01	-
23,341.53 units (Previous year Nil)		
Kotak Overnight Fund - Growth Direct Plan	62.50	-
55,127.206 units (Previous year Nil)		
UTI Corporate Bond Fund - Direct Plan	161.59	-
12,056,305.793 units (Previous year Nil)		
Total	**2,094.50**	**1,699.26**
Aggregate value of impairment in value of investments	Nil	Nil

* Refer note 32 for determination of their fair value

5 Other non-current financial assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security deposits	85.17	59.30
Sales tax receivable	3.08	0.19
Total	**88.25**	**59.49**

Notes forming part of financial statements (contd.)

5A Loans

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans to employees	11.03	12.61
Total	**11.03**	**12.61**

5B Other current financial assets

(unsecured, considered good unless otherwise stated)

₹ in million

	Particulars	As at 31st March, 2022	As at 31st March, 2021
(a)	Interest accrued on deposits	0.52	0.01
(b)	Receivable for sale of property, plant and equipment	6.55	0.11
(c)	Foreign currency derivative assets	0.54	0.33
(d)	Government incentives receivables	1,612.11	1,734.15
(e)	Export incentive (MEIS, Duty drawback)	6.53	40.77
(f)	Others	9.49	4.09
	Total	**1,635.74**	**1,779.46**

6 Other non-current assets

(unsecured, considered good unless otherwise stated)

₹ in million

	Particulars	As at 31st March, 2022	As at 31st March, 2021
(a)	Capital advances	266.23	184.73
(b)	Prepayments	17.60	8.88
(c)	Income tax paid in advance less provision	23.70	24.77
(d)	Deposit under protest [Refer note 28 (a)]	20.85	20.85
(e)	Income tax deposited under protest	84.15	73.74
	Total	**412.53**	**312.97**

6A Other current assets

(unsecured, considered good unless otherwise stated)

₹ in million

	Particulars	As at 31st March, 2022	As at 31st March, 2021
(a)	Advances for supplies	125.20	146.14
(b)	Prepayments	78.55	43.25
(c)	Others[1]	9.79	20.08
	Total	**213.54**	**209.47**

[1]Includes amount of ₹ 0.81 million (Previous year ₹ 2.21 million) paid to various regulatory authorities under protest.

Also includes wind power receivable and other receivables.

Notes forming part of financial statements (contd.)

7 Inventories

(valued at lower of cost and net realisable value)

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
(a)	Raw materials and components	1,017.98	1,091.07
(b)	Work-in-progress	926.76	789.64
(c)	Finished goods (other than those acquired for trading)	1,230.60	981.25
(d)	Stock-in-trade (acquired for trading)	106.09	83.30
(e)	Stores, spares and packing material	348.89	314.74
(f)	Loose tools and instruments	36.47	35.33
	Total	**3,666.79**	**3,295.33**
	Included above, Goods-in-transit in respect to		
(i)	Raw materials and components	277.28	168.52
(ii)	Finished goods (Other than those acquired for trading)	323.75	273.61
	Total	**601.03**	**442.13**

8 Trade receivables

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
	Unsecured :		
i)	Considered good	8,010.88	8,125.08
ii)	Credit impaired	1.27	1.27
	Less: Allowance for credit impaired	(1.27)	(1.27)
	Total	**8,010.88**	**8,125.08**

Ageing schedule:

₹ in million

Particulars		Outstanding for following periods from due date of payment					
		Less than 6 months	Between 6 months- 1 year	Between 1 - 2 years	Between 2 - 3 years	More than 3 years	Total
31st March, 2022							
i)	Trade receivables considered good	8,009.43	0.79	0.58	0.04	0.04	8,010.88
ii)	Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv)	Disputed Trade Receivables– considered good	-	-	-	-	-	-
v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	1.27	1.27
Total		**8,009.43**	**0.79**	**0.58**	**0.04**	**1.31**	**8,012.15**

Notes forming part of financial statements (contd.)

₹ in million

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	Between 6 months- 1 year	Between 1 - 2 years	Between 2 - 3 years	More than 3 years	Total
31st March, 2021						
i) Trade receivables considered good	8,121.41	1.29	2.19	0.09	0.10	8,125.08
ii) Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	1.27	1.27
Total	**8,121.41**	**1.29**	**2.19**	**0.09**	**1.37**	**8,126.35**

Notes:

1 Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.

2 The normal credit period allowed by the Company ranges from 30 to 60 days for customers in India and 30 to 120 days for overseas customers.

3 No trade receivables are due from Directors or other officers of the Company, either severally or jointly. Trade receivables include ₹ 4.45 million (previous year ₹ 8.60 million) due from the Company's subsidiary Endurance Adler S.p.A.

9 Cash and cash equivalents

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Cash on hand	0.52	0.28
(b) Cheques on hand	-	0.52
(c) Balances with banks:		
i) In current accounts	280.48	341.74
ii) In deposit accounts - with original maturity of less than three months	750.00	-
Total	**1,031.00**	**342.54**

9A Other bank balances

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other bank balances (in earmarked accounts)		
(i) In current account for equity dividend	0.30	0.26
(ii) Balance held as margin money against letters of credit*	0.12	0.12
Total	**0.42**	**0.38**

* Represents margin money amounting to ₹ 0.12 million (Previous year ₹ 0.12 million) against various guarantees and letters of credit issued by banks on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.

Notes forming part of financial statements (contd.)

10 Share Capital

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

₹ in million

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
A Authorised, issued, subscribed and paid-up share capital				
Authorised:				
Equity shares of ₹ 10 each	165,000,000	1,650.00	165,000,000	1,650.00
(Previous year ₹ 10 each)				
Total	**165,000,000**	**1,650.00**	**165,000,000**	**1,650.00**
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	140,662,848	1,406.63	140,662,848	1,406.63
(Previous year ₹ 10 each)				
Total	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

B Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

₹ in million

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year				
- Equity shares	140,662,848	1,406.63	140,662,848	1,406.63
No of shares outstanding at the end of the year	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

C Notes

i) Details of shares held by the promotors in the Company are as follows:

Particulars		No. of shares as at 31st March, 2022	%	No. of shares as at 31st March, 2021	%
Equity shares:					
1	Mr. Anurang Jain	43,396,976	30.85	43,396,976	30.85
2	Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3	Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4	Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02
5	Mrs. Varsha Jain*	80	0.00	80	0.00
6	Mr. Rohan Jain*	80	0.00	80	0.00

* % below 0.01%.

Notes forming part of financial statements (contd.)

ii) Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

Particulars		No. of shares as at 31st March, 2022	%	No. of shares as at 31st March, 2021	%
Equity shares:					
1	Mr. Anurang Jain	43,396,976	30.85	43,396,976	30.85
2	Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3	Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4	Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02

1 Held by Mr. Anurang Jain in his capacity as the family trustee of the Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11th June, 2016 as amended by a deed of amendment dated 23rd June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these equity shares.

2 Held by Mrs. Suman Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15th June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these equity shares.

3 Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15th June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these equity shares.

iii) The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets after deducting all its liabilities in proportion to the number of equity shares held.

10A Other equity

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
(a)	Securities premium (refer note (i) below)		
	Balance at the beginning and at the end of the year	160.40	160.40
(b)	General reserve (refer note (ii) below)		
	Balance at the beginning and at the end of the year	1,208.89	1,208.89
(c)	Retained earnings		
	Balance at the beginning of the year	24,306.65	20,391.72
	Profit for the year	3,817.43	3,921.99
	Remeasurements of defined benefit plans, net of tax	12.46	(7.06)
	Dividend (Refer note 38)	(843.98)	-
	Balance at the end of the year	27,292.56	24,306.65
	Total	**28,661.85**	**25,675.94**

(i) Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act 1956. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

Notes forming part of financial statements (contd.)

11 Non current borrowings

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Measured at amortised cost		
Deferred sales tax loan (Refer note 11.01)	-	3.31
Total	**-**	**3.31**

11A Non current lease liabilities

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Right of use lease liability (Refer note 11.01 & 40)	19.67	23.96
Total	**19.67**	**23.96**

11.01 Maturity profile

₹ in million

Particulars	Right of use lease liability	Deferred sales tax loan	Total
Current maturities			
2022-23	6.38	3.31	9.69
Non-current maturities			
2023-24	5.08	-	5.08
2024-25	3.53	-	3.53
2025-26 to 2027-28	11.06	-	11.06
Total	**19.67**	**-**	**19.67**

12 Other non-current financial liabilities

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Security deposits received from dealers	58.96	34.55
(b) Retention money payable	48.41	55.08
(c) Deferred payable for technical knowhow	172.31	-
Total	**279.68**	**89.63**

12A Other current financial liabilities

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Interest accrued but not due on borrowings	0.90	1.10
(b) Foreign currency derivative liabilities	33.99	2.92
(c) Unpaid equity dividend	0.30	0.26
(d) Payables on purchase of property, plant and equipment	323.83	251.20
Total	**359.02**	**255.48**

Notes forming part of financial statements (contd.)

13 Non-current provisions

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
(a)	Provision for employee benefits:		
	Provision for gratuity (Refer note 29)	63.25	185.64
(b)	Provision for others:		
	Provision for warranty (Refer note 13A.01)	25.23	25.08
	Total	**88.48**	**210.72**

13A Current provisions

₹ in million

Particulars			As at 31st March, 2022	As at 31st March, 2021
(a)	Provision for employee benefits:			
	i)	Provision for compensated absences	111.36	149.35
	ii)	Provision for gratuity (Refer note 29)	115.96	101.47
(b)	Provision for others:			
	i)	Provision for warranty (Refer note 13A.01)	55.19	48.05
	Total		**282.51**	**298.87**

13A.01 Details of provision for warranty (Refer note 13 (b) and 13A (b))

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carrying amount as at 1st April	73.13	75.23
Provision made during the year	55.86	29.12
Discounting/unwinding effect	(0.78)	0.11
Amount paid/utilised during the year	(47.79)	(31.33)
Carrying amount as at 31st March	80.42	73.13

Provision for warranty: The Company gives warranties on certain products from the date of sale, for their satisfactory performance during the warranty period as per the contracts with buyers. Provision for warranty claims arising out of such obligation is made based on such warranty period.

14 Current borrowings

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
Measured at amortised cost			
A.	Secured borrowings (Refer note 14.01)		
	a) Packing credit loans from banks:	313.68	450.00
Total secured borrowings (A)		**313.68**	**450.00**
B.	Unsecured borrowings		
	Current maturities of long term debt (Refer note 11.01)	3.31	10.06
Total (A+B)		**316.99**	**460.06**

Notes forming part of financial statements (contd.)

14.01 Details of security provided in respect of current borrowings

Fund based secured working capital facilities outstanding from a consortium member bank as on March 31, 2022 is ₹ 313.68 million [Previous year ₹ 450million].

The total working capital facilities sanctioned by the consortium member banks are secured by

a) first pari passu charge on, both present and/or future, current assets including inventory and receivables,

b) second pari passu charge on, both present and/or future, movable property, plant and equipment located at identified premises of the Company.

c) second pari pasu charge on identified immovable properties of the Company

14.02 Details of interest rates for current borrowings

Short term foreign currency loans availed during FY2021-22 carries interest rate linked to LIBOR rates with mutually agreed spread [effective interest rate is ~1 % p.a. (previous year 1.5% p.a. to 2.49%)] . Effective January 1, 2022; LIBOR rates have been discontinued and have been replaced by Standard Overnight Financing Rate (SOFR) with exemptions for certain categories of USD LIBOR tenors beyond December 31, 2021 upto June 30, 2023.The Company's short term foreign currency loans fall under the exempted category; and hence LIBOR rates will be applicable until the date of loan settlement.

Short term rupee denominated borrowings carry interest cost linked to MCLR with mutually agreed spread [effective interest rate ranges from 1.7 % p.a. to 7 % p.a. (previous year 1.7 % p.a. to 7.6 % p.a..)].

14.03 Returns to banks

In regard to the above borrowings; the quarterly returns and statements filed by the Company with the banks during the year are in agreement with the books of accounts.

14A Current lease liabilities

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Right of use lease liability (Refer note 11.01 & 40)	6.38	7.60
Total	**6.38**	**7.60**

15 Trade payables

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade payable for goods and services		
i) Total outstanding dues of micro enterprises and small enterprises (Refer note 30)	843.66	827.59
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,455.61	4,440.81
Total	**5,299.27**	**5,268.40**

Notes forming part of financial statements (contd.)

Trade payables ageing schedule:

₹ in million

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
31st March, 2022					
i) MSME trade payables	842.74	-	-	-	842.74
ii) Other trade payables	4,112.50	343.11	-	-	4,455.61
iii) Disputed MSME trade payables	-	0.92	-	-	0.92
Total	**4,955.24**	**344.03**	**-**	**-**	**5,299.27**

₹ in million

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
31st March, 2021					
i) MSME trade payables	827.59	-	-	-	827.59
ii) Other trade payables	4,440.81	-	-	-	4,440.81
Total	**5,268.40**	**-**	**-**	**-**	**5,268.40**

16 Other current liabilities

₹ in million

	Particulars	As at 31st March, 2022	As at 31st March, 2021
(a)	Advances received from customers	77.57	49.11
(b)	Income received in advance	6.23	3.35
(c)	EPCG deferred payable	8.21	8.21
(d)	Statutory remittances (contributions to PF, ESIC, Withholding taxes, Goods and Service tax etc.)	451.41	452.06
	Total	**543.42**	**512.73**

17 Current tax liabilities (net)

₹ in million

	Particulars	As at 31st March, 2022	As at 31st March, 2021
(a)	Provision for income tax (net of advance taxes and taxes deducted at source)	129.50	163.14
	Total	**129.50**	**163.14**

Notes forming part of financial statements (contd.)

17A Deferred tax assets

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(129.61)	(129.89)
Fair valuation of current investments	(15.17)	(0.44)
Others	(1.31)	(0.67)
Total	**(146.09)**	**(131.00)**
Deferred tax assets		
On account of temporary differences in		
Provision for employee benefits	93.14	109.85
Provision for doubtful debts	0.32	0.32
Expenses disallowed	89.90	39.62
Others	0.95	0.76
Total	**184.31**	**150.55**
Net deferred tax assets	**38.22**	**19.55**

18 Revenue from operations (Refer note 18.01)

₹ in million

	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Revenue from contracts with customers	56,044.28	46,589.65
(b)	Other operating revenue	926.59	1,140.65
	Total	**56,970.87**	**47,730.30**

18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Revenue from contracts with customers		
i)	**Goods transferred at a point in time**		
	Sale of manufactured goods		
	Shock absorbers	21,303.37	18,528.05
	Disc brake assembly (including rotary disc)	5,711.92	4,696.00
	Aluminium die casting parts	16,330.47	13,293.53
	Alloy wheels	3,836.42	3,091.52
	Clutch and clutch parts	4,029.65	3,582.33
	Others	3,818.90	2,561.95
	Total - (A)	**55,030.73**	**45,753.38**
	Sale of traded goods		
	Components and spares	816.78	618.39
	Total - (B)	**816.78**	**618.39**
	Total - (A+B)	**55,847.51**	**46,371.77**

Notes forming part of financial statements (contd.)

₹ in million

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
ii)	**Services transferred over time**		
	Job work receipts	196.77	217.88
	Revenue from contracts with customers (i+ii)	**56,044.28**	**46,589.65**
	Other operating revenue comprises:		
	Scrap sales	192.37	168.14
	Government incentives (Refer note 35 (a))	633.90	872.18
	Wind power generation	4.55	5.21
	Export incentives (Refer note 35 (c))	95.77	95.12
	Total	**926.59**	**1,140.65**

18.02 Revenue from contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Outside India	2,264.80	1,849.56
India	53,779.48	44,740.09

18.03 Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue as per contracted price	56,374.79	46,860.48
Adjustments:		
Discounts	330.51	270.83
Revenue from contracts with customers	**56,044.28**	**46,589.65**

19 Other income

₹ in million

Particulars			For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Interest income			
	i)	Bank deposits	0.62	18.21
	ii)	Others	4.37	5.13
(b)	Other non operating income			
	i)	Excess provision/creditors' balances written back	21.39	10.07
	ii)	Income from investments in mutual funds*	112.79	37.35
	iii)	Profit on sale of property, plant and equipment (net)	36.92	12.16
	iv)	Miscellaneous income	55.30	37.46
(c)	Net gain on foreign currency transactions (other than considered as finance cost)		12.55	15.15
	Total		**243.94**	**135.53**

* Includes gain on sale of investments ₹ 52.53 million (previous year ₹ 35.60 million) and gain on fair value changes ₹ 60.26 million (previous year ₹ 1.75 million).

Notes forming part of financial statements (contd.)

20A Cost of materials consumed

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening stock (including goods in transit)	1,091.07	912.13
Add: Purchases	37,502.64	29,972.07
	38,593.71	**30,884.20**
Less: Closing stock (including goods in transit)	1,017.98	1,091.07
Cost of materials consumed	37,575.73	29,793.13
Cost of materials capitalised	(123.94)	(101.27)
Total	**37,451.79**	**29,691.86**
Material consumed comprises		
i) Aluminium alloy	10,171.04	6,963.34
ii) Others	27,404.69	22,829.79
Total	**37,575.73**	**29,793.13**

20B Purchases of stock-in-trade (traded goods)

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Components and spares	540.73	446.01
Total	**540.73**	**446.01**

20C Changes in inventories of finished goods, stock-in-trade and work-in-progress

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Inventories at the end of the year		
Finished goods	(1,230.60)	(981.25)
Work-in-progress	(926.76)	(789.64)
Stock-in-trade	(106.09)	(83.30)
Inventories at the beginning of the year		
Finished goods	981.25	719.52
Work-in-progress	789.64	657.65
Stock-in-trade	83.30	32.70
Net (increase)/decrease	**(409.26)**	**(444.32)**

21 Employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Salary, wages and bonus	2,599.34	2,568.24
(b) Contribution to provident and other funds (Refer note 29)	226.76	224.00
(c) Staff welfare expenses	77.03	73.36
Total	**2,903.13**	**2,865.60**

Notes forming part of financial statements (contd.)

22 Finance costs

₹ in million

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Interest expenses on		
	i) Others	12.14	27.30
(b)	Other borrowing costs		
	i) Discounting charges on commercial paper	-	15.30
	ii) Bank charges	6.06	5.37
	Total	**18.20**	**47.97**

23 Other expenses

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Stores and spares consumed	1,054.22	897.65
Packing material consumed	523.67	415.97
Tools and instruments consumed	187.46	195.18
Processing charges	1,518.73	1,390.66
Labour charges	1,231.80	1,054.33
Power, water and fuel	2,038.36	1,764.32
Rent	76.98	74.59
Repairs and maintenance:		
Plant and machinery	628.95	522.53
Building	40.80	31.37
General	202.23	158.37
Insurance	80.83	84.29
Rates and taxes	16.45	20.77
Travelling and conveyance	198.33	148.64
Freight	768.81	653.62
Advertisement	1.58	2.25
Donation	-	0.45
Payment to auditors (Refer note 23.01)	8.10	7.52
Directors fees and travelling expenses	19.02	13.47
Warranty claims	60.12	32.19
Expenditure on corporate social responsibility (Refer note 37)	111.10	60.00
Miscellaneous expenses	509.06	414.26
Total	**9,276.60**	**7,942.43**
Expenses capitalised	(78.70)	(87.10)
Total	**9,197.90**	**7,855.33**

23.01 Payment to auditors

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
As auditor		
Audit fee	8.00	7.50
Expenses reimbursed	0.10	0.02
Total	**8.10**	**7.52**

Notes forming part of financial statements (contd.)

24 Taxes

Income tax expense

(i) Statement of Profit and Loss Section

₹ in million

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Current Tax expenses	1,365.88	1,425.85
(b)	Deferred tax charge	(22.87)	(90.86)
	Total	**1,343.01**	**1,334.99**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Net gain / (loss) on remeasurement of defined benefit plan	16.65	(9.44)
(b)	Income tax charged to OCI on remeasurement of defined benefit plan	(4.19)	2.38

(iii) Reconciliation of effective tax rate

₹ in million

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Accounting profit before income tax	5,160.44	5,256.98
(b)	Enacted tax rate in India	25.17%	25.17%
(c)	Computed tax expense	1,298.78	1,323.08
(d)	Reconciliation items		
	Investment allowance reversal	0.25	1.04
	CSR expenditure & Donation	111.10	60.45
	Gain to be set off against carried forward losses	-	(23.17)
	Adjustment to Property, plant and equipment baalnces on account of EPCG	22.32	23.02
	Gain on sale of mutual funds	-	(88.67)
	Others	15.78	48.10
	Lease written off	26.27	26.56
(e)	Net adjustment	175.72	47.33
(f)	Tax expense/ (saving) on net adjustment (e x b)	44.23	11.91
(g)	Net tax expense recognised in Statement of Profit and Loss (c+f)	**1,343.01**	**1,334.99**

25 Endurance GmbH, Germany

The total investment of the Company in Endurance GmbH, Germany (a wholly owned subsidiary of the Company) as on 31st March, 2022 amounts to ₹ 1,930.62 million (Euro 30.93 million) [Previous year ₹ 1,930.62 million (Euro 30.93 million)]

26 Endurance Overseas Srl, Italy (EOSrl)

The total investment of the Company in EOSrl as at 31st March, 2022 amounts to ₹ 1,706.99 million (Euro 25.83 million) [Previous year ₹ 1,706.99 million (Euro 25.83 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

Notes forming part of financial statements (contd.)

of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Operating Segment' represents a single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2.

In accordance with Ind AS - 108, disclosures in regard to "Operating Segments" have been included in the consolidated Ind AS financial statements and therefore no separate disclosure on segment information is given in these financial statements.

28 Contingent liabilities and commitments

(a) Contingent liabilities (To the extent not provided for)

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
i)	Excise matters[1]	55.93	80.53
ii)	Service tax matters[1]	1.36	0.06
iii)	Sales tax (VAT and CST) matters[1]	-	44.07
iv)	Income tax matters[1]	592.48	592.48
v)	Employees related matters[1]	0.50	0.50
vi)	Environment pollution control matters[2]	20.85	20.85

1 Future cash outflow, if any, in respect of these matters are determinable only on receipt of judgements / decisions pending at various stages before the appellate authorities.

2 Represents deposits with Maharashtra Pollution Control Board, based on order passed by Hon'ble National Green Tribunal (NGT). The matter is presently subjudiced with NGT.

(b) Commitments

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	- Tangible assets	737.43	918.63
(ii)	Other commitment		
	- Aluminium alloy	5,650.47	1,658.12
Total		**6,387.90**	**2,576.75**

29 In conformity with the principles set out in the Indian Accounting Standard (Ind AS) 19 Employee Benefits, details for defined contribution and benefit plans are given below:

(a) Defined contribution plan:

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Employers contribution to provident fund/pension fund	134.79	136.75
Employers contribution to superannuation fund	17.24	15.18
Employers contribution to ESIC	1.65	1.74
Employers contribution to Labour welfare fund	0.17	0.18
Total	**153.85**	**153.85**

Note: Above contributions are included in contribution to provident fund and other funds reported in note 21 of employee benefits expense.

Notes forming part of financial statements (contd.)

(b) Defined benefit plan:

The defined benefit plan comprises gratuity (included in contribution to provident and other funds in note 21). The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method. The present value of accrued gratuity is provided in the books after reducing the fund value with Life Insurance Corporation of India.

I Reconciliation of benefit obligation:

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Liability at the beginning of the year	656.86	612.76
Interest cost	39.47	36.09
Current service cost	59.51	58.80
Benefits paid*	(60.52)	(61.40)
Remeasurement (gain) / loss	(16.50)	10.61
Liability at the end of the year	678.82	656.86

*Includes amounts directly paid by the Company.

II Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fair value of plan assets at the beginning of the year	369.75	380.71
Interest income	26.57	22.48
Contributions	140.99	0.47
Benefits paid	(37.04)	(36.87)
Mortality Charges and Taxes	(0.49)	(1.88)
Return on plan assets - gain / (loss)	(0.16)	4.84
Fair value of plan assets at the end of the year	499.61	369.75
Actual return on plan assets	26.41	27.32

III Amount to be recognized in the Balance Sheet

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Liability at the end of the year	678.82	656.86
Fair value of plan assets at the end of the year	499.61	369.75
Amount to be recognized in Balance Sheet - Net liability	179.21	287.11

IV Expenses recognized in the Statement of Profit and Loss under the head employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current service cost	59.51	58.80
Interest cost	12.91	13.61
Expenses recognized in Statement of Profit and Loss	72.42	72.41

In respect of funded benefits with respect to gratuity, the fair value of plan assets represents the amounts invested through "Insurer Managed Funds"

Notes forming part of financial statements (contd.)

V Remeasurement for the year

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Experience (gain)/ loss on plan liabilities	14.28	(25.99)
Financial (gain)/ loss on plan liabilities	(30.78)	36.60
Experience (gain)/ loss on plan assets	0.58	(9.56)
Financial (gain)/ loss on plan assets	(0.42)	4.71

VI Amount recognized in statement of other comprehensive income (OCI)

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening amount recognized in OCI	128.33	122.56
Remeasurement for the year - obligation (gain)/ loss	(16.50)	10.61
Remeasurement for the year - plan assets (gain)/ loss	0.16	(4.84)
Total remeasurements cost / (credit) for the year recognized in OCI	(16.34)	5.77
Closing amount recognized in OCI	111.99	128.33

VII Principal actuarial assumptions:

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Discount rate	7.00%	6.30%
Rate of return on plan assets	6.20%	6.20%
Salary escalation rate	7.00%	7.00%
Withdrawal rate	8.00%	8.00%

(i) The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated terms of the obligations.

(ii) Salary escalation rate is the estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

(iii) Withdrawal rate is employee's turnover rate based on the Company's past and expected employee turnover.

(iv) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the years ending, assessed on 31st March, 2022

₹ in million

Years ending	Amount
31st March, 2023	115.96
31st March, 2024	75.68
31st March, 2025	83.76
31st March, 2026	80.83
31st March, 2027	149.21
31st March, 2028 to 31st March, 2032	401.55

(v) Weighted Average duration of defined benefit obligation: 9.94 years

Notes forming part of financial statements (contd.)

(vi) Sensitivity analysis:

Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2022 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Defined Benefit Obligation	638.94	615.00	723.59	704.14

₹ in million

B. Effect of 1 % change in the assumed salary escalation rate	1% Increase		1% Decrease	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Defined Benefit Obligation	716.92	697.28	644.13	620.24

₹ in million

C. Effect of 1 % change in the assumed withdrawal rate	1% Increase		1% Decrease	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Defined Benefit Obligation	678.43	654.70	679.23	659.21

30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The principal amount and the interest due thereon remaining unpaid to suppliers:

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Principal amount due to micro and small enterprises less than 45 days	842.74	827.59
Principal amount due to micro and small enterprises more than 45 days	0.92	-
Interest due on the principal amount to micro and small enterprises more than 45 days	0.41	-

31 Earnings per share (EPS)

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
a)	Earnings for the purpose of basic / diluted earnings per share -		
	Net profit after tax (₹ in million)	3,817.43	3,921.99
	Earnings attributable to equity share holders (₹ in million)	3,817.43	3,921.99
b)	Weighted number of ordinary shares for the purpose of basic earnings per share (in nos)	140,662,848	140,662,848
c)	Weighted number of ordinary shares for the purpose of diluted earnings per share (in nos)	140,662,848	140,662,848
d)	Nominal value of equity shares ₹ each	10.00	10.00
e)	Basic and diluted earnings per share ₹ each	27.14	27.88

Notes forming part of financial statements (contd.)

32 Fair Value Measurements

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financials instruments

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security Deposits	85.17	59.30	85.17	59.30
(b) Trade receivable	8,010.88	8,125.08	8,010.88	8,125.08
(c) Loans to employees	11.03	12.61	11.03	12.61
(d) Interest accrued on deposits	0.52	0.01	0.52	0.01
(e) Cash in hand	0.52	0.28	0.52	0.28
(f) Cheques on hand	-	0.52	-	0.52
(g) Balance with banks in current account	1,030.78	342.00	1,030.78	342.00
(h) Balance held as Margin money against borrowings	0.12	0.12	0.12	0.12
(i) Receivable for sale of Property, plant and equipment	6.55	0.11	6.55	0.11
(j) Government incentives receivable	1,612.11	1,734.15	1,612.11	1,734.15
(k) Other financial assets	19.10	45.05	19.10	45.05
(l) Other non current investments	0.04	0.04	0.04	0.04
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	2,094.50	1,699.26	2,094.50	1,699.26
(b) Non current investments quoted	0.04	0.04	0.04	0.04
(c) Foreign currency derivative assets	0.54	0.33	0.54	0.33
Financial assets measured at fair value through Other Comprehensive Income				
(a) Other non current investments	11.45	11.45	11.45	11.45
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowing	-	3.31	-	3.31
(b) Non current lease liabilities	19.67	23.96	19.67	23.96
(c) Current borrowing	316.99	460.06	316.99	460.06
(d) Security deposits received from dealers	58.96	34.55	58.96	34.55
(e) Retention money	48.41	55.08	48.41	55.08
(f) Current lease liabilities	6.38	7.60	6.38	7.60
(g) Interest accrued but not due on borrowings	0.90	1.10	0.90	1.10
(h) Payables on purchase of Property, plant & equipment	323.83	251.20	323.83	251.20
(i) Trade payable	5,299.27	5,268.40	5,299.27	5,268.40
(j) Unpaid equity dividend	0.30	0.26	0.30	0.26
(k) Deferred payable for technical knowhow	172.31	-	172.31	-
Financial liabilities measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	33.99	2.92	33.99	2.92

Notes forming part of financial statements (contd.)

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds and foreign currency derivatives) is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credit rated instrument.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(c) The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the end of reporting period was assessed to be insignificant.

Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed , either directly or indirectly

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data

The following table presents our assets and liabilities measured at fair value on recurring basis at 31st March, 2022 and 31st March, 2021.

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2022			
Investment in mutual funds	2,094.50	-	-
Equity	0.04	-	-
Other non current investments	-	-	11.45
Foreign currency derivative assets	0.54	-	-
Foreign currency derivative liabilities	33.99	-	-

Notes forming part of financial statements (contd.)

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2021			
Investment in mutual funds	1,699.26	-	-
Equity	0.04	-	-
Other non current investments	-	-	11.45
Foreign currency derivative assets	0.33	-	-
Foreign currency derivative liabilities	2.92	-	-

During the year ended 31st March, 2022, there were no transfers between Level 1 and Level 2 fair value measurement.

33 Financial Instruments and Risk Review

I. Capital Management

The Company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed on a quarterly basis.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a quarterly basis and implements capital structure improvement plan when necessary.

The Company uses net debt to equity ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Debt-to-equity ratio is as follows:

₹ in million

Particulars	31st March, 2022	31st March, 2021
Net Debt (A)[1]	(2,782.46)	(1,546.87)
Equity (B)	30,068.48	27,082.57
Debt Ratio (A / B)	-0.1	-0.1

1 Net debt includes non current borrowings, current borrowings, current maturities of non current borrowings and right-of-use lease obligation, net off current investments and cash and cash equivalents

II. Financial Risk Management Framework

The Company is exposed primarily to market risk (fluctuations in foreign currency exchange rates and interest rate), credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to contractual terms. Credit risk encompasses, the risk of default, the risk of deterioration of creditworthiness of the counterparty as well as concentration of risks.

Financial instruments that are subject to exposure to credit risk consist of trade receivables, investments and other financial assets.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from operating activities, primarily from trade receivables.

Notes forming part of financial statements (contd.)

Trade receivables

Trade receivables consist of receivables arising primarily due to sale of goods. These receivables are unsecured and mature at the end of a specified credit period depending upon the terms of contract of each customer, which ranges from 30-60 days for customers in India and 30-120 days for overseas customers. The Company's customers primarily consist of Original Equipment Manufacturers ("OEM") for its primary products and Dealers for spare parts.

The Company assesses the credit risk of its customers and dealers at the time of acceptance of the customer as well as on an ongoing basis. Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The credit limit of these customers and dealers is continuously monitored and recalibrated based on the credit risk assessment. Most of the OEM's have high credit ratings which helps the Company mitigate credit risk.

The Company assesses at each reporting date whether a trade receivable or a group of trade receivables is impaired. The Company recognizes lifetime expected credit losses for all trade receivables that do not constitute a financing transaction and which are due for more than six months. The expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The maturity profile of various trade receivables is as given below:

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2022				
Estimated total gross carrying amount	5,885.04	2,125.84	1.27	8,012.15
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	5,885.04	2,125.84	-	8,010.88

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2021				
Estimated total gross carrying amount	6,211.94	1,913.14	1.27	8,126.35
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	6,211.94	1,913.14	-	8,125.08

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.

The Movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	1.27	1.27
Movement in the expected credit loss allowance on trade receivables calculated at lifetime	-	-
expected credit losses		
Balance at the end of the year	1.27	1.27

Notes forming part of financial statements (contd.)

Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 70% of total receivables as of 31st March, 2022 (69% as at Previous year), however there was no default on account of those customers in the past.

The Company considers the trade receivables to have low risk of defaults since the customers have strong capacity to fulfil their obligations and even if there are adverse changes in economic and business conditions, the Company is of the view that it will not adversely affect the ability of the customers to fulfil their obligations.

The Company considers write-off of receivables on case to case basis, depending upon the circumstances of each delayed receivable, and when the Company is of the view that recovery seems unlikely after reasonable efforts.

The maturity profile of various financial assets is as given below:

₹ in million

Particulars	31st March, 2022		31st March, 2021	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	8,010.88	-	8,125.08	-
Total	**8,010.88**	**-**	**8,125.08**	**-**

Investments and other financial assets

Investments consist mainly of investments in subsidiaries and investments in mutual funds and fixed deposits. Other financial assets consist of Government incentive receivables, export incentive receivables and security deposits for business purposes.

Investments in mutual funds are primarily those instruments which have been approved by the Board and are in low-risk category and are continuously monitored by the investment committee of the Board. The Company considers credit risk in investments as well as in other financial assets to be very low.

ii) Liquidity Risk

Liquidity risk is the risk that the Company may not be in a position to meet its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure availability of adequate funds for business. The Company generates sufficient internal accruals and generally the purpose of borrowings is to meet temporary fund flow mismatches and sometimes to meet regular capital expenditures. The Company maintains a very low debt to equity ratio.

The maturity profile of various financial liabilities is as given below. These amounts have been drawn up based on the undiscounted cash flows of various financial liabilities based on the earliest date on which the Company can be required to pay.

₹ in million

Particulars	31st March, 2022		31st March, 2021	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	5,299.27	-	5,268.40	-
Other financial liabilities	359.02	279.68	255.48	89.63
Working capital demand loans / Term loans	316.99	-	460.06	3.31
Right to use lease liabilities	6.38	19.67	7.60	23.96
Total	**5,981.66**	**299.35**	**5,991.54**	**116.90**

Notes forming part of financial statements (contd.)

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk like commodity prices risk.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations which have floating rate indebtedness. The Company also maintain deposits of cash and cash equivalents with banks which are subject to periodic resets.

Interest rate sensitivity

The sensitivity analysis below demonstrates the sensitivity to a reasonable possible change in interest rates on the debt obligations of the Company and on the cash and cash equivalents.

₹ in million

For the year ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Financial statement item	Variable rate WCDL / CC balance / ECB
31st March, 2022	INR	+100	(3.14)	Debt obligation	313.68
	INR	-100	3.14	Debt obligation	313.68
31st March, 2021	INR	+100	(4.50)	Debt obligation	450.00
	INR	-100	4.50	Debt obligation	450.00

2) Foreign Currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At a standalone level the Company is exposed to currency risk of changes in EURO, USD, CHF, CNY, GBP, SGD and JPY. However, the risk of changes in foreign exchange rates on the statement of profit or loss and other comprehensive income is not material. The Company has an exposure to changes in foreign exchange (primarily EURO) on account of its investments in its subsidiaries.

Wherever, transactions are undertaken in foreign currency, the Company hedges the risk of foreign exchange fluctuation by using derivative financial instruments in line with its risk management policies. The investment in subsidiaries being long term in nature is unhedged. The information on derivative instruments and the unhedged foreign currency exposures are as follows:

(a) Derivative financial instruments

The Company uses derivative financial instruments, such as foreign currency forward contracts and fixed currency swaps, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 48 months.

Notes forming part of financial statements (contd.)

Details of Forward Exchange Contract

Particulars	Currency	As at 31st March, 2022		As at 31st March, 2021	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD-INR	USD	4.80	363.43	5.07	372.47
No. of Contracts		28		29	
Forward contract - JPY -INR	JPY	26.80	16.71	-	-
No. of Contracts		1			
Forward contract - EUR - INR	EURO	4.43	372.30	0.62	53.72
No. of Contracts		24		15	
Forward contract - CNY -INR	CNY	0.09	1.13	-	-
No. of Contracts		1			

(b) Foreign currency exposures that are not hedged by derivative instruments

Particulars	Currency	As at 31st March, 2022		As at 31st March, 2021	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
I. PCFC (net of EEFC)	USD	(1.28)	(96.98)	-	-
II. Trade receivables :	USD	1.92	145.35	1.36	99.72
	EURO	1.37	115.16	1.23	105.79
			260.51		**205.51**
III. Trade payable and capital creditors:	USD	(0.43)	(32.29)	(1.03)	(75.59)
	EURO	(0.36)	(30.29)	(0.23)	(19.65)
	GBP	(0.03)	(3.18)	(0.02)	(2.11)
	CNY	-	-	(0.06)	(0.67)
	SGD*	-	-	(0.00)	(0.17)
			(65.76)		**(98.19)**
Total	USD	0.21	16.08	0.33	24.13
	EURO	1.01	84.87	1.00	86.14
	GBP	(0.03)	(3.18)	(0.02)	(2.11)
	CNY	-	-	(0.06)	(0.67)
	SGD*	-	-	(0.00)	(0.17)

* Amount below 0.01 million

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, EURO, GBP, CHF, JPY and CNY exchange rates, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Notes forming part of financial statements (contd.)

₹ in million

For the year ended	Currency	Change in rate	Effect on profit before tax
31st March, 2022	USD	+10%	1.61
	USD	-10%	(1.61)
	EUR	+10%	8.49
	EUR	-10%	(8.49)
	GBP	+10%	(0.32)
	GBP	-10%	0.32
	CNY	+10%	-
	CNY	-10%	-
	SGD	+10%	-
	SGD	-10%	-
31st March, 2021	USD	+10%	2.41
	USD	-10%	(2.41)
	EUR	+10%	8.61
	EUR	-10%	(8.61)
	GBP	+10%	0.21
	GBP	-10%	(0.21)
	CNY	+10%	(0.07)
	CNY	-10%	0.07
	SGD	+10%	(0.02)
	SGD	-10%	0.02

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.

iii) Commodity Price risk

The Company is exposed to risks in fluctuation of prices of certain raw materials, which are used as key inputs in the production process, especially ferrous and non-ferrous metals. Historically, as a practice, and as per our understanding with customers, the Company has passed on an increase in the cost of metals, especially aluminium and steel to its customers and does not foresee a significant risk to its statement of profit and loss on account of fluctuations in the material prices.

34 Related party disclosure as required by Ind-AS 24 is annexed. Key Management Personnel (KMP) has been identified as per Ind-AS 24.

35 Government incentives:

(a) Industrial Promotion Subsidy:

Incentive under Mega Project Scheme - PSI 2013

The Company recognises grant income under the Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on sale of goods, as management believes that the realisability of the grant income is reasonably certain.

The Company has recognized an amount of ₹ 594.89 million (previous year ₹ 872.18 million) as grant income under Mega Project scheme PSI 2013 in the year ended 31st March, 2022.

The Company has also recognized ₹ 39.01 million against balance related to PSI 2007 scheme for which sanction was received in March 2022.

The total grant income recognized during the year is ₹ 633.90 million.

Notes forming part of financial statements (contd.)

(b) EPCG benefit:

During FY 2018-19 the Company had imported plant and equipment under EPCG scheme and saved customs duty of ₹ 19.11 million against the export obligation of ₹114.67 million, the duty saved was capitalized. The pending export obligation as on 31st March, 2022 is ₹ 49.27 million (previous year ₹ 49.27 million).

In accordance with Ind-AS 20, ₹ Nil (previous year ₹ 1.37 million) is recognized as incentive received.

(c) Export Incentive:

Effective January 1, 2021, Remission of Duties and Taxes on Export Product (RoDTEP) scheme has been introduced by the Central Government which has replaced Merchandise Exports from India Scheme (MEIS). The Central Government has notified the products and the rates of benefit in September 2021. Accordingly, the Company has recognized ₹18.34 million (₹ 4.71 million for the period Jan-Mar 21 and ₹ 13.63 million for the year ended 31st March 2022) as export incentive in FY 2021-22.

During the year, the Company also recognized ₹ 30.41 million (previous year ₹ 27.26 million) as export incentive under duty drawback scheme.

Further the Company also recognized ₹ 47.02 million (previous year ₹ 31.82 million) as incentive under advance authorisation license scheme.

36 The capital and revenue expenditure incurred by the in-house R&D Units (hereinafter referred as "R&D Centre") are as under:

₹ in million

Particulars	R&D Centre at					
	Test Track	Driveshaft	E-93	B-1/3	K-226/2	K-226/1
i) Capital expenditure						
(Including CWIP)						
For the period ended 31st March, 2022	1.50	32.78	2.97	0.64	24.54	4.33
For the year ended 31st March, 2021	15.58	38.17	10.91	7.13	8.49	2.92
ii) Revenue expenditure						
For the period ended 31st March, 2022						
Salaries/wages	1.63	3.74	89.13	34.88	48.77	30.49
Materials/consumables/spares/tools	1.03	0.02	11.77	0.55	107.75	11.22
Utilities	1.24	-	6.64	1.70	7.77	2.68
Any other expenditure directly relating to R & D	10.30	1.68	20.06	20.92	52.89	15.72
Total Revenue expenditure	**14.20**	**5.44**	**127.60**	**58.05**	**217.18**	**60.11**
For the year ended 31st March, 2021						
Salaries/wages	1.34	0.23	89.49	31.95	43.92	31.60
Materials/consumables/spares/tools	0.28	0.08	6.90	0.33	59.63	2.74
Utilities	2.08	-	6.68	1.96	6.08	2.26
Any other expenditure directly relating to R & D	11.87	0.59	16.69	19.37	26.00	8.16
Total Revenue expenditure	**15.57**	**0.90**	**119.76**	**53.61**	**135.63**	**44.76**

All the in-house R&D units except Test Track and Driveshaft have been recognized by Department of Scientific and Industrial Research.

Notes forming part of financial statements (contd.)

37 Corporate social responsibility (CSR)

i) Pursuant to Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year and that approved by the board is ₹ 111.11 million (previous year ₹ 103.97 million).

ii) The Company has contributed during the year ended 31st March, 2022 ₹ 111.10 million (Previous year ended 31st March, 2021 ₹ 60.0 million) to Sevak Trust and salary of CSR staff ₹ 1.58 million (Previous year ₹ 1.46 million).

₹ in million

Nature of expenditure	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Sevak Trust has implemented following projects:		
i) Construction/acquisition of any asset	37.57	18.80
ii) On the purpose other than (i) above		
Village Development Project (VDP)	50.44	19.77
Vocational Training Centre (VTC)	11.45	8.99
HP World on wheels Computer Training	-	1.23
General activities	1.64	0.71
Balwadi	0.10	0.12
iii) Covid 19 Pandemic	9.90	10.39
Total paid to Sevak Trust	**111.10**	**60.00**
Salary of CSR staff (included in Employee benefits expense)	1.58	1.46
Total	**112.68**	**61.46**

iii) In the previous year, with the contribution to PM-Cares Fund of ₹ 50.0 million and the Sevak Trust spending on various projects of ₹ 61.46 million, the Company's spending on CSR activities stood at ₹ 111.46 million. There was an excess spending of ₹ 7.49 million for FY 2020-21 over its spending requirement of ₹ 103.97 million, which the Company has carried forward in FY 2021-22. Below is the summary of CSR spending done by the Company:

₹ in million

Financial Year	Opening balance of excess amount spent / (shortfall in amount spent)	Amount required to be spent during the year	Amount spent during the year	Closing balance of excess amount spent / (shortfall in amount spent)
2020-21	50.00	103.97	61.46	7.49
2021-22	7.49	111.11	112.68	9.06

In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

38 Subsequent events:

(a) The Company has entered into a definitive agreement on 18th May, 2022 to acquire 100% of equity share capital in Maxwell Energy Systems Private Limited ("Maxwell") in a phased manner. The total consideration for the acquisition is up to ₹ 3,080 million. Subject to customary closing adjustments and fulfilment of conditions precedent, the Company plans to invest ₹ 1,350 million for acquisition of 51% stake in Maxwell, which is planned during the first quarter of financial year 2022-23. The balance 49% shall be purchased in a phased manner in five tranches, spread over next five financial years.

Maxwell is in the business of embedded electronics, particularly in battery management systems ("BMS") for vehicles including electric vehicles ("EV") and for stationary storage systems. This acquisition will strengthen the Company's offerings to its automotive OEM customers especially for the EV segment. BMS business has a good potential for growth in the automotive sector and has synergy with the Company's existing business of auto components.

(b) On 19th May, 2022, the Board of Directors of the Company proposed a dividend of ₹ 6.25 per equity share of face value ₹ 10 each in respect of the year ended 31st March, 2022. The dividend payout is subject to approval of the shareholders at the Annual General Meeting.

Notes forming part of financial statements (contd.)

During the current year, final dividend for the year ended 31st March, 2021 was declared and paid at ₹ 6 per equity share of face value ₹ 10 each.

39 (a) Coronavirus Disease (COVID-19) has impacted the normal business operations of the Company by way of interruption in production and sale of finished goods, supply chain disruption, limited availability of personnel etc during first quarter of the year.

The Company has performed a detailed assessment of its liquidity position and the recoverability of the assets as at the balance sheet date and has concluded that based on current indicators of future economic conditions, the carrying value of the assets will be recovered. Management believes that it has fully considered all the possible impact of known events in the preparation of the standalone Ind AS financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

(b) The ongoing Russia-Ukraine crisis has not impacted the normal business operations of the Company. Management believes that it has fully considered all the possible impact of known events in the preparation of the standalone Ind AS financial statements. However, the impact assessment is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

40 Company as lessee

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movement during the year:

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
As at 1st April	31.56	34.89
Additions	2.22	3.66
Accretion of interest	2.26	2.80
Payments	(9.99)	(9.79)
As at 31st March	26.05	31.56
Current	*6.38*	*7.60*
Non current	*19.67*	*23.96*

The maturity analysis of lease liability is disclosed in note 11.01

The effective interest rate for lease liabilities is 8.0%, with maturity between 2021-2028

The following are the amounts recognized in the statement of profit or loss:

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation expense of right-of-use assets	8.49	8.41
Interest expense on lease liabilities	2.26	2.80
Total amount recognized in profit or loss	**10.75**	**11.21**

During the year the Company had total cash outflows for leases of ₹ 9.99 million (previous year ₹ 9.79 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 2.22 million (previous year ₹ 3.66 million)

41 During the current year, the Company announced a Voluntary Separation scheme (VSS) for its employees at B-1/3 Chakan plant, Maharashtra. One hundred and seventy seven employees opted for the scheme. The company settled their dues on 19th June, 2021. The Company also paid ₹ 314.50 million as separation Compensation to the said employees on 19th June, 2021 which is disclosed as an exceptional item in the statement of profit and loss.

During the previous year, the Company had announced a VSS for its employees at its B-2 Waluj plant, Maharashtra. Eighty six employees opted for the scheme. The Company settled the dues to employees on 1st December, 2020. The Company also paid ₹ 112.25 million as separation Compensation to the said employees on 27th November, 2020 which is disclosed as an exceptional item in the statement of profit and loss.

Notes forming part of financial statements (contd.)

42 Ratios to the financial statements are annexed.

43 Other statutory information:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) Details of transactions during the year with companies struck off by the MCA are as follows:

₹ in million

Name of the company	Balance outstanding as at 31.03.2022	Relationship, if any
Vision Facility Management Pvt. Ltd	0.17*	None

* Movement in balance on account of GST related to previous years.

₹ in million

Name of the company	Balance outstanding as at 31.03.2021	Relationship, if any
Vision Facility Management Pvt. Ltd	0.01	None

(iii) The Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond the statutory period,

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2022
Place: Los Angeles, USA

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

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

Date: 19th May, 2022
Place: Mumbai

Notes forming part of financial statements (contd.)

Related Party Disclosure

(For the year ended 31st March, 2022)

(Refer Note 34)

a) List of Related Parties and nature of relationships

S.No.	Description of Relationship	Name of Related Party/Persons
1	Holding Company	None
2	Subsidiaries Direct / Indirect	Endurance GmbH, Germany (Direct Subsidiary)
		Endurance Overseas S.r.L., Italy (Direct Subsidiary)
		Endurance S.p.A, Italy (Indirect Subsidiary)
		Endurance Engineering S.r.L., Italy (Indirect Subsidiary)
		Endurance Castings S.p.A., Italy (Indirect Subsidiary)
		Endurance Adler S.p.A, Italy (Indirect Subsidiary)
		Veicoli Srl (Indirect Subsidiary)
3	Fellow Subsidiaries	None
4	Associates	None
5	Key Management Personnel	Mr. Naresh Chandra, Chairman (upto 10th November, 2020)
		Mr. Soumendra Basu, Chairman (w.e.f. 10th November, 2020)
		Mr. Anurang Jain, Managing Director
		Mr. Satrajit Ray, Director and Group CFO
		Mr. Ramesh Gehaney, Director and COO
		Mrs. Varsha Jain, Director and Head – CSR and Facility Management (w.e.f. 10th November, 2020)
		Mr. Partho Datta, Independent Director (upto 1st May, 2021)
		Mr. Roberto Testore, Independent Director
		Ms. Anjali Seth, Independent Director
		Mrs. Falguni Nayar, Independent Director (upto 9th February, 2021)
		Mr. Indrajit Banerjee, Independent Director (w.e.f. 9th February, 2021)
		Mr. Anant Talaulicar, Independent Director (w.e.f. 12th July, 2021)
		Mr. Massimo Venuti, Non-executive Director
6	Relatives of Key Management Personnel with whom transactions have taken place	Mr. Naresh Chandra (family trustee of Anurang Rhea Trust) - Father of Mr. Anurang Jain
		Mrs. Suman Nareshchandra Jain (family trustee of NC Trust) - Wife of Mr. Naresh Chandra
		Mrs. Varsha Jain - Wife of Mr. Anurang Jain
		Ms. Rhea Jain - Daughter of Mr. Anurang Jain
		Mr. Rohan Jain - Son of Mr. Anurang Jain
7	Enterprises Owned or controlled by Key Management personnel and/or their Relatives	Varroc Engineering Limited (upto 10th November, 2020)

Notes forming part of financial statements (contd.)

Related Party Disclosure

(For the year ended 31st March, 2022)

(Refer Note 34)

b) Transactions carried out with the related parties in ordinary course of business (Previous year figures are in brackets)

₹ in million

Nature of Transactions	Subsidiaries	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Purchase of raw material and components	1.61	-	-	-	1.61
	(1.91)	-	-	(2.22)	(4.14)
Purchase of Property, plant & equipment	-	-	-	-	-
	(1.94)	-	-	-	(1.94)
Purchase of Technical-Know How	116.16	-	-	-	116.16
	-	-	-	-	-
Purchase of services	-	-	-	-	-
	(5.85)	-	-	-	(5.85)
Sale of products	38.72	-	-	-	38.72
	(14.45)	-	-	-	(14.45)
Sale of Property, plant & equipment	2.37	-	-	-	2.37
	(5.06)	-	-	-	(5.06)
Sale of services	2.44	-	-	-	2.44
	(1.60)	-	-	-	(1.60)
Remuneration* - Short Term Employee Benefits	-	135.32	9.21	-	144.53
	-	(98.26)	(11.29)	-	(109.55)
Directors' Sitting Fees	-	3.21	-	-	3.21
	-	(2.22)	-	-	(2.22)
Directors' Commission	-	12.75	-	-	12.75
	-	(10.75)	-	-	(10.75)
Professional Fees	-	-	-	-	-
	-	(1.86)	-	-	(1.86)
Reimbursement of Travelling & Other Expenses	-	0.10	0.02	-	0.12
	-	(0.01)	(0.02)	-	(0.03)
Dividend Paid	-	430.18^	202.80#	-	632.98
	-	-	-	-	-
Interest Receipts	1.37	-	-	-	1.37
	(0.27)	-	-	-	(0.27)
Expenses Recovered	-	0.00	-	-	0.00
	-	-	-	(0.00)	(0.00)
Other Income	-	-	-	-	-
	-	-	-	(0.00)	(0.00)
Balances Outstanding as at 31st March, 2022					
i) Payables	25.52	14.34	0.34	-	40.20
	-	(3.56)	(0.27)	-	(3.83)
ii) Receivables	4.45	-	-	-	4.45
	(8.60)	-	-	-	(8.60)
iii) Investments	3,637.61	-	-	-	3,637.61
	(3,637.61)	-	-	-	(3,637.61)

* *Post employment benefits payable in the form of gratuity and other long term benefits in the form of compensated absences are calculated on the basis of actuarial valuation. Amount payable for individual employees as at 31st March, 2022 (31st March, 2021) cannot be separately identified and therefore has not been included in above. There are no termination benefits, share based payments given to Key Management Personnel and their relatives.*

^ *Includes ₹ 169.80 million (₹ Nil) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.*

Includes ₹ 101.46 million (₹ Nil) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 101.34 million (₹ Nil) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.

Notes forming part of financial statements (contd.)

Related Party Disclosure

(For the year ended 31st March, 2022)

(Refer Note 34)

c) Disclosure in respect of material transactions with related parties (Previous year figures are in brackets)

₹ in million

Nature of Transactions	Endurance Overseas S.r.L., Italy	Endurance Adler S.p.A, Italy	Varroc Engineering Limited (upto 10.11.2020)	Total
Purchase of raw material and components	-	1.61	-	1.61
	-	(1.91)	(2.22)	(4.14)
Purchase of Property, plant & equipment	-	-	-	-
	-	(1.94)	-	(1.94)
Purchase of Technical-Know How	116.16	-	-	116.16
	-	-	-	-
Purchase of Services	-	-	-	-
	-	(5.85)	-	(5.85)
Sale of products	-	38.72	-	38.72
	-	(14.45)	-	(14.45)
Sale of Property, plant & equipment	-	2.37	-	2.37
	-	(5.06)	-	(5.06)
Sale of services	-	2.44	-	2.44
	-	(1.60)	-	(1.60)
Interest Receipts	-	1.37	-	1.37
	-	(0.27)	-	(0.27)
Other Income	-	-	-	-
	-	-	(0.00)	(0.00)
Balances Outstanding as at 31st March, 2022				
i) Payables	25.52	-	-	25.52
	-	-	-	-
ii) Receivables	-	4.45	-	4.45
	-	(8.60)	-	(8.60)

Outstanding balances as at the year end are unsecured and settlement occurs in cash and cash equivalents. There are no guarantees provided or received for any related party receivables/payables.

Notes forming part of financial statements (contd.)

42 Ratios to the financial statements (refer note 42):

#	Ratio: Numerator Denominator	FY 2021-22 ₹ in million	Times/%	FY 2020-21 ₹ in million	Times/%	Change	% change	Reasons for change
(a)	Current Ratio							
	Current assets	16,663.90	2.4	15,464.13	2.2	0.2	9.1%	
	Current liabilities	6,937.09		6,966.28				
(b)	Debt-Equity Ratio							
	Net debt	(2,782.46)	-0.09	(1,546.87)	-0.06	0.03	-50.0%	Short term bank PCRE loan repaid.
	Shareholders' equity	30,068.48		27,082.57				
(c)	Debt Service Coverage Ratio							
	Earnings available for debt service	5,866.95	268.8	5,998.74	99.5	169.3	170.2%	Debt repaid.
	Debt service	21.83		60.26				
(d)	Return on Equity (ROE)							
	Net profit after taxes	3,817.43	13.4%	3,921.99	15.6%	-2.2%	-14.1%	
	Average shareholders' equity	28,575.53		25,125.11				
(e)	Inventory turnover ratio							
	Cost of goods sold	37,583.26	10.8	29,693.55	10.0	0.8	8.0%	
	Average inventory	3,481.06		2,976.81				
(f)	Trade Receivables turnover ratio							
	Net credit sales	56,241.20	7.0	46,763.00	7.3	-0.3	-4.1%	
	Average trade receivables	8,067.98		6,431.33				
(g)	Trade payables turnover ratio							
	Net credit purchases	38,043.37	7.2	30,418.09	6.6	0.6	9.1%	
	Average trade payables	5,283.84		4,612.18				
(h)	Net capital turnover ratio							
	Total income	57,214.81	5.9	47,865.83	5.6	0.3	5.4%	
	Working capital	9,726.81		8,497.85				
(i)	Net profit ratio							
	Net profit	3,817.43	6.7%	3,921.99	8.2%	-1.5%	-18.3%	
	Total income	57,214.81		47,865.83				
(j)	Return on Capital employed (ROCE)							
	Earnings before interest and taxes	5,172.58	17.8%	5,299.58	20.2%	-2.4%	-11.9%	
	Capital employed	28,994.51		26,172.25				
(k)	Return on investment							
	Closing market value - Investment market value - Sum (Cash flows)		3.8%		4.0%	-0.2%	-4.6%	
	Investment market value + Sum (Weight x Cash flow)							

Notes

1 Finance cost excludes bank charges.

2 Total debt includes non current borrowings, current borrowings, current maturities of non current borrowings and right-of-use lease obligation, net off current investments and cash and cash equivalents.

3 Earnings available for debt service includes net profit after tax, depreciation and finance cost excluding bank charges.

4 Debt service includes finance cost exluding bank charges, current maturities of long term borrowings and current portion of lease liabilities.

5 Net credit sales includes sale of products, sale of services, wind power sale and scrap sale.

6 Net credit purchases includes raw material purchases and purchases of stock-in-trade (traded goods).

Independent Auditor's Report

To
the Members of
Endurance Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Endurance Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Accounting for income from government grants (as described in Note 36 (a) of the consolidated financial statements)	
The Company recognises grant income under the Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on sale of goods, as management believes that the reasonability of grant income is reasonably certain. The Company has recognised ₹594.89 million as grant income during the year.	We have performed the following procedures: 1. Obtained and read the eligibility certificate and the addenda to the eligibility certificate received by the Company from the Government of Maharashtra. 2. Read the terms and conditions attached in the PSI Scheme issued by the Government of Maharashtra. 3. Assessed and tested the compliance by the Company in relation to recognition of income in accordance with Ind-AS.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Accordingly, income from government grant is considered a key audit matter.	4. Tested the accounting entries effected in the books of accounts with the underlying workings. 5. Obtained the details of amounts collected till date; and tested with the underlying bank records. 6. Assessed the disclosures in the consolidated financial statements for compliance with relevant Ind-AS.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the consolidated Ind AS financial statements and our auditor's report 'thereon'), which we obtained prior to the date of this auditor's report and Corporate Overview and other Statutory Reports (comprising of Management Discussion and Analysis, Board's Report and Business Responsibility Report) included in the Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Independent Auditor's Report (Contd.)

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of seven subsidiaries whose financial statements include total assets of ₹ 25,711.31 million as at March 31, 2022, and total revenues of ₹ 18,793.01 million and net cash outflows of ₹1,795.34 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

These subsidiaries are located outside India whose financial statements and other financial information

Independent Auditor's Report (Contd.)

have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of the subsidiary companies as noted in the 'Other Matter' paragraph, there are no matters which require reporting as specified in paragraph 3 (xxi) of the Order as all the subsidiaries are located outside India.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies, since none of the subsidiaries are incorporated in India no separate report is being issued with reference to these consolidated financial statements of the Holding Company. Also refer Annexure 2 to our independent auditors' report dated May 19, 2022, issued on the standalone financial statements of the Holding Company regarding internal controls over financial reporting;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

Independent Auditor's Report (Contd.)

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 28 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32 to the consolidated financial statements in respect of such items as it relates to the Group;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2022.

iv. a) The management of the Holding Company which is a company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company which is a company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 37 (b) to the consolidated financial statements, the Board of Directors of the Holding Company incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 22089802AJFKXK5929

Place of Signature: Los Angeles, USA
Date: May 19, 2022

Consolidated Balance Sheet

as at 31st March, 2022

₹ in million

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	24,558.24	23,509.25
(b) Capital work-in-progress	3A	1,190.54	929.92
(c) Goodwill	25	1,756.84	1,739.83
(d) Other intangible assets	3	831.76	776.59
(e) Intangible assets under development	3A	2.61	31.65
(f) Financial assets			
(i) Investments	4	11.94	11.95
(ii) Loans	5	-	26.78
(iii) Other financial assets	5A	93.13	66.04
(g) Deferred tax assets (net)	17A	751.39	602.43
(h) Other non-current assets	6	886.11	738.91
		30,082.56	**28,433.35**
2. Current assets			
(a) Inventories	7	7,011.40	6,118.49
(b) Financial assets			
(i) Investments	4A	4,855.90	4,431.36
(ii) Trade receivables	8	9,703.70	10,409.76
(iii) Cash and cash equivalents	9	4,025.99	5,132.87
(iv) Bank balances other than (iii) above	9A	0.42	0.38
(v) Loans	5B	37.16	53.19
(vi) Other financial assets	5C	1,852.82	1,809.93
(c) Current tax assets (net)	6A	449.91	334.97
(d) Other current assets	6B	556.29	641.41
		28,493.59	**28,932.36**
3. Asset held for sale	41	-	109.78
Total Assets (1+2+3)		**58,576.15**	**57,475.49**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	37,793.30	34,214.54
Equity attributable to the shareholders of the Company		**39,199.93**	**35,621.17**
Non-controlling interests		-	0.24
Total equity		**39,199.93**	**35,621.41**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	1,939.21	3,549.79
(ia) Lease liabilities	11.1	159.84	242.04
(ii) Other financial liabilities	12	107.46	89.79
(b) Provisions	13	591.48	733.60
(c) Deferred tax liabilities (net)	17A	6.29	5.11
		2,804.28	**4,620.33**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	2,055.28	2,376.64
(ia) Lease liabilities	14.1	141.81	242.51
(ii) Trade payables:	15		
a) Total outstanding dues of micro enterprises and small enterprises		843.66	827.59
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,569.81	11,955.71
(iii) Other financial liabilities	12A	640.29	543.16
(b) Other current liabilities	16	854.05	826.13
(c) Provisions	13A	282.51	298.87
(d) Current tax liabilities (net)	17	184.53	163.14
		16,571.94	**17,233.75**
Total Equity and Liabilities (1+2+3)		**58,576.15**	**57,475.49**
Significant accounting policies	2		

See accompanying notes to the consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2022
Place: Los Angeles, USA

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

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

Date: 19th May, 2022
Place: Mumbai

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

₹ in million

		Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I		Revenue from operations	18	75,491.40	65,470.18
II		Other income	19	410.38	307.13
III		**Total income (I + II)**		**75,901.78**	**65,777.31**
IV		**Expenses:**			
	(a)	Cost of materials consumed	20A	44,284.25	34,976.46
	(b)	Purchases of stock-in-trade (traded goods)	20B	863.81	896.20
	(c)	Changes in stock of finished goods, stock-in-trade and work-in-progress	20C	(946.62)	(167.08)
	(d)	Employee benefits expense	21	6,943.58	6,760.57
	(e)	Finance costs	22	63.54	137.59
	(f)	Depreciation and amortisation expense	3	3,817.26	3,991.38
	(g)	Other expenses	23	14,700.00	12,601.92
		Total expenses (IV)		**69,725.82**	**59,197.04**
V		**Profit before exceptional items and tax (III-IV)**		**6,175.96**	**6,580.27**
VI		Exceptional items	40	314.50	112.25
VII		**Profit before tax (V - VI)**		**5,861.46**	**6,468.02**
VIII		Tax expense:			
		Current tax expense		1,474.03	1,581.85
		Short/(excess) provision for tax relating to prior years		0.48	(18.84)
		Total current tax expense		1,474.51	1,563.01
		Deferred tax (credit)/charge		(220.14)	(290.68)
		Total tax expense	24	**1,254.37**	**1,272.33**
IX		**Profit for the year (VII - VIII)**		**4,607.09**	**5,195.69**
X		Other comprehensive income			
		Items that will not be reclassified to profit and loss in subsequent years			
		Remeasurements of defined benefit plans		18.69	(24.20)
		Income-tax effect		(4.76)	6.49
		Total		**13.93**	**(17.71)**
		Items that will be reclassified to profit and loss in subsequent years			
		Exchange differences on translation of foreign operations		(329.00)	379.96
		Gains/(losses) on cash flow hedges		181.05	-
		Income-tax effect of cash flow hedges		(50.06)	-
		Total		**(198.01)**	**379.96**
		Total other comprehensive (loss)/income for the year		**(184.08)**	**362.25**
XI		**Total comprehensive income for the year (IX + X)**		**4,423.01**	**5,557.94**
XII		**Profit for the year attributable to:**			
		Shareholders of the Company		4,607.09	5,197.06
		Non controlling interest		-	(1.37)
		Total		**4,607.09**	**5,195.69**
XIII		**Total comprehensive income for the year attributable to:**			
		Shareholders of the Company		4,423.01	5,559.31
		Non controlling interest		-	(1.37)
		Total		**4,423.01**	**5,557.94**
XIV		Basic and diluted earnings per equity share (₹)	33	32.75	36.95
		(Face value per equity share ₹ 10)			
		Significant Accounting Policies	2		

See accompanying notes to the consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2022
Place: Los Angeles, USA

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

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

Date: 19th May, 2022
Place: Mumbai

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

A Equity Share Capital

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning and at the end of the year	1,406.63	1,406.63

B Changes in other equity

₹ in million

Particulars	Reserves and Surplus				Other Comprehensive Income		Equity attributable to shareholders of the Company	Non Controlling Interests	Total Equity
	Securities premium	General reserve	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve			
Balance as at 1st April, 2020	160.40	1,193.98	209.32	25,789.13	1,300.98	-	28,653.81	-	28,653.81
Profit for the year	-	-	-	5,197.06	-	-	5,197.06	(1.37)	5,195.69
Other comprehensive income for the year, net of tax	-	-	-	(17.71)	379.96	-	362.25	-	362.25
Non controlling interest created on acquisition of subsidiary	-	-	-	-	-	-	-	3.03	3.03
Allocated to Non-controlling Interest	-	1.42	-	-	-	-	1.42	(1.42)	-
Subtotal	**-**	**1.42**	**-**	**5,179.35**	**379.96**	**-**	**5,560.73**	**0.24**	**5,560.97**
Balance as at 31st March, 2021	**160.40**	**1,195.40**	**209.32**	**30,968.48**	**1,680.94**	**-**	**34,214.54**	**0.24**	**34,214.78**

₹ in million

Particulars	Reserves and Surplus				Other Comprehensive Income		Equity attributable to shareholders of the Company	Non Controlling Interests	Total Equity
	Securities premium	General reserve	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve			
Balance as at 1st April, 2021	160.40	1,195.40	209.32	30,968.48	1,680.94	-	34,214.54	0.24	34,214.78
Profit for the year	-	-	-	4,607.09	-	-	4,607.09	-	4,607.09
Other comprehensive income/(loss) for the year, net of tax	-	-	-	13.93	(329.00)	130.99	(184.08)	(0.01)	(184.09)
Acquistion of non controlling interest in subsidiary	-	-	-	(0.27)	-	-	(0.27)	(0.23)	(0.50)
Payment of dividend (Refer note 37)	-	-	-	(843.98)	-	-	(843.98)	-	(843.98)
Subtotal	**-**	**-**	**-**	**3,776.77**	**(329.00)**	**130.99**	**3,578.76**	**(0.24)**	**3,578.52**
Balance as at 31st March, 2022	**160.40**	**1,195.40**	**209.32**	**34,745.25**	**1,351.94**	**130.99**	**37,793.30**	**-**	**37,793.30**

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2022
Place: Los Angeles, USA

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

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

Date: 19th May, 2022
Place: Mumbai

Consolidated Cash Flow Statement

for the year ended 31st March, 2022

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A Cash flow from operating activities		
Profit before tax	5,861.46	6,468.02
Adjustments for:		
Depreciation and amortisation expense	3,817.26	3,991.38
Incentive received	-	(1.37)
Allowance for doubtful debts	1.04	(0.90)
Bad debts written off	0.75	1.00
Finance costs incurred	56.89	131.67
Excess provision/creditors written back	(21.67)	(10.07)
Profit on sale of property, plant and equipment (net)	(47.23)	(47.60)
Interest income	(4.04)	(26.96)
Income from investments in mutual funds	(162.51)	(43.49)
Unrealised exchange loss differences (net)	19.01	16.45
Exchange difference arising on consolidation	(107.04)	170.29
Operating profit before working capital changes	**9,413.92**	**10,648.42**
Movement in working capital		
Adjustments for (increase)/decrease in operating assets		
Inventories	(892.91)	(466.48)
Trade receivables	713.21	(3,556.35)
Other financial assets	155.69	(483.48)
Other assets	76.40	77.37
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	(343.46)	1,849.85
Provisions	(146.89)	(220.10)
Other current liabilities	24.78	152.75
Other financial liabilities	14.79	(48.38)
Cash generated from operating activities	**9,015.53**	**7,953.60**
Direct taxes paid (net of refund)	(1,599.99)	(1,738.76)
Net cash generated from operating activities	**7,415.54**	**6,214.84**
B Cash flow from investing activities		
Acquisition of property, plant and equipment; and intangible assets (including capital work in progress, intangible assets under development and capital advances)	(5,290.28)	(3,750.74)
Proceeds on sale of property, plant and equipment	94.96	636.70
(Increase)/Decrease in other bank balances	(0.04)	0.33
Investment in equity shares	-	(0.02)
Investment in mutual funds and other instruments, net	(262.03)	(2,739.60)
Acquisition of subsidiaries (Refer note 26)	(58.79)	(80.50)
Acquisition of non-controlling interest in subsidiary	(0.50)	-
Interest received	3.53	27.40
Net cash used in investing activities	**(5,513.15)**	**(5,906.43)**

Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2022

₹ in million

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
C	**Cash flow from financing activities**		
	Proceeds from long term borrowings	259.63	2,851.90
	Repayment of long term borrowings	(1,710.51)	(2,860.34)
	Repayment of short term borrowings (net)	(386.78)	(912.10)
	Finance costs paid	(67.03)	(133.89)
	Dividend paid	(843.94)	(0.01)
	Repayment of lease liability	(271.32)	(375.69)
	Net cash used in financing activities	**(3,019.95)**	**(1,430.13)**
	Net decrease in cash and cash equivalents	**(1,117.56)**	**(1,121.72)**
	Cash and cash equivalents taken over on acquisition (Refer note 26)	10.68	45.84
	Adjusted net decrease in cash and cash equivalents	**(1,106.88)**	**(1,075.88)**
	Cash and cash equivalents at the beginning of the year	5,132.87	**6,208.75**
	Cash and cash equivalents at the end of the year	4,025.99	**5,132.87**
		(1,106.88)	**(1,075.88)**

Significant accounting policies 2

See accompanying notes forming part of the consolidated financial statements.

Notes:

1 Figures in brackets represent outflows.

2 Previous year figures have been regrouped, wherever necessary, to conform to current year's presentation.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2022
Place: Los Angeles, USA

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

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

Date: 19th May, 2022
Place: Mumbai

Notes Forming Part of Consolidated Financial Statements

1 Corporate Information

Endurance Technologies Limited ("the Company" or "the Holding Company") and its subsidiaries (collectively referred to as "the Group") is in the business of manufacturing and selling of aluminium die casting (including alloy wheel), suspension, transmission and braking products with operations spread across India, Italy and Germany.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is E-92, M.I.D.C. Industrial Area, Waluj, Aurangabad – 431136 (Maharashtra), India.

These financial statements for the year ended 31st March, 2022 were approved by the Board of Directors and authorised for issue on 19th May, 2022.

2 Significant Accounting Policies

2.01 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable.

2.02 Basis of preparation and presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policy 2.19. The consolidated financial statements are presented in INR and all values are rounded off to the nearest million (INR 000,000), except as stated otherwise.

2.03 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries (disclosed below).

The control exists when; the Group has power over the entity and, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over the entity. Power is demonstrated through existing rights that gives the Group the ability to direct relevant activities, those which significantly affect the entity's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The financial statements of the Group companies are consolidated on a line by line basis and intra-group balances, transactions including unrealised gain/ loss from such transactions and cash flows relating to transactions between the Group companies are eliminated upon consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except otherwise stated. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Notes Forming Part of Consolidated Financial Statements (contd.)

The following subsidiary companies are considered in the consolidated financial statements:

Name of the Company	Country of Incorporation or Residence	Voting Power %	
		As at 31st March, 2022	As at 31st March, 2021
Endurance Overseas Srl (EOSRL)	Italy	100%	100%
Endurance SpA	Italy	100%	100%
Endurance Castings SpA	Italy	100%	100%
Endurance Engineering Srl	Italy	100%	100%
Endurance Adler SpA (Refer note 26 b)	Italy	100%	99%
Veicoli Srl, Italy (Refer note 26 a)	Italy	100%	-
Endurance GmbH*	Germany	100%	100%

* Formerly known as Endurance Amann GmbH

2.04 Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

2.05 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.04 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

2.06 Use of estimates and assumptions

The preparation of consolidated financial statements, in conformity with the recognition and measurement principles of Ind AS, requires management to make estimates and assumptions that affect the reported balances of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Key source of estimation of uncertainty at the date of consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment.

Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.07 Revenue from contract with customer

Revenue is recognised when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Group expects to be entitled in exchange for those goods or services. The timing of when the Group transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Group based on the underlying agreements has determined that the transfer of control to the customer

Notes Forming Part of Consolidated Financial Statements (contd.)

and therefore revenue recognition, in regard to the domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer.

Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

Generally, the normal credit period is 30 to 60 days upon delivery for customers in India and 30 to 120 days for overseas customers. The nature of contracts of the Group are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, discounts etc.), the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Warranty obligations

The Group provides warranties for general repairs of defects as per terms of the contract with customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37-Provisions, Contingent Liabilities and Contingent Assets.

Revenue from job work

The Group provides job work services to its customers. Such services are sold separately and are not bundled together with the sale of goods. Revenue from job work is accounted as and when such services are rendered.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 2.19 Financial instruments – Financial assets at amortised cost.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.08 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the

Notes Forming Part of Consolidated Financial Statements (contd.)

estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy 2.17 (ii) for Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.09 Foreign Currency and derivatives

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement or translation are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

For the purpose of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations are translated to Indian Rupees at exchange rate at the end of each reporting period.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve (FCTR) in the statement of changes in equity. When a foreign operation is disposed off, the relevant amount in the FCTR is reclassified to statement of profit and loss.

The functional currency and presentation currency of the Company is the Indian Rupee whereas the functional currency of foreign subsidiaries is the Euro.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

The Group uses derivative financial instruments, such as foreign currency forward contracts and fixed currency swaps, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

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

Notes Forming Part of Consolidated Financial Statements (contd.)

the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.11 Government grants and Export incentives

(i) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to income are deferred and recognised in the profit or loss over the periods necessary to match them with the costs that they are intended to compensate and presented within other operating revenues.

(ii) Export benefits

Export benefits are accrued in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Export benefits in nature of Merchandise Exports from India Scheme (MEIS) and Duty Drawback is recognised on accrual basis in the year of export.

Effective 1st January, 2021, Remission of Duties and Taxes on Export Product (RODTEP) scheme has been introduced replacing MEIS. Export benefits in the nature of RODTEP are recognized on accrual basis in the year of export.

(iii) Government Grant in respect of Loan

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

2.12 Employee benefits

1. Defined Contribution Plan:

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

2. Defined Benefit Plan:

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

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

(i) Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. For the employees of specified grades, 30 days salary is payable for each completed year of service, upon completion of 10 years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India

Notes Forming Part of Consolidated Financial Statements (contd.)

for future payment of gratuity to the eligible employees.

(ii) **Employees severance indemnity :** Foreign subsidiaries give their employees post employment benefits. Such benefits fall within the defined benefit plans, of certain existence and amount, but with uncertain manifestation. The liability is determined as current value of the defined benefit obligation at the balance sheet date, in accordance with current regulations, adjusted to take account of actuarial gains / losses. The amount of the defined benefit obligation has been calculated by an external actuary according to the "Projected credit unit" method.

3. Compensated Absences:

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of unutilised compensated absence on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to profit or loss and are not deferred. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees.

2.13 Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current tax and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of current tax and deferred tax.

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to tax authorities.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment.

The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method depending on which method predicts better resolution of the treatment.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred taxes:

Deferred tax is recognised using liability method. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes Forming Part of Consolidated Financial Statements (contd.)

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

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

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

2.14 Property, plant and equipment

Property, plant and equipment (including capital work in progress) are stated at cost of acquisition or construction where cost includes amount added/ deducted on revaluation less accumulated depreciation / amortisation and impairment losses, if any.

All costs directly relating to the acquisition and installation of property, plant and equipment are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Depreciation on property, plant and equipment is provided at the rates determined on a straight line basis over the useful life estimated by the Management or on the basis of depreciation rates prescribed under respective domestic laws, whichever is higher.

The useful lives and method of depreciation of the Property, plant & equipment are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

2.15 Intangible Assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

i) Technical knowhow is amortised over a period of five to ten years;

ii) Software is amortised over a period of three years.

iii) Patents, Trade Marks and Brands are amortised over a period of five to ten years.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

2.16 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

Notes Forming Part of Consolidated Financial Statements (contd.)

- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Additional disclosures are provided in Note 41. All other notes to the consolidated financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.17 Impairment

(i) Financial assets

The Group assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g. deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Group estimates the following provision matrix at the reporting date:

Particulars	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Group usually provides for the same unless there is clear visibility of recovery.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(ii) Non-financial assets

The Group assesses, at each reporting date, whether there is any indication that the carrying amount of non financial asset may not be

Notes Forming Part of Consolidated Financial Statements (contd.)

recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount, (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss. The Group bases its impairment calculation on budgets and forecast calculations.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

(iii) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU unit and then to the other assets of the CGU unit pro-rata on the basis of the carrying amount of each asset in the CGU unit.

2.18 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares, packing materials and loose tools & instruments are valued at the lower of cost and net realizable value. Cost is ascertained on a weighted average basis.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a. Raw materials, stores & spares and tools & instruments: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b. Finished goods and work in progress: cost includes cost of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.19 Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less, to be cash equivalents. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets including derivative financial instruments are subsequently measured at fair value through profit

Notes Forming Part of Consolidated Financial Statements (contd.)

or loss unless it is measured at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in Statement of Profit and Loss.

Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments. Trade, other payables and derivative financial instruments are measured subsequently at FVTPL. Loans and borrowings are subsequently measured at amortised costs using EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition an fees or costs that are an integral part of the EIR.

Equity instruments

All equity instruments in scope of Ind AS 109, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is need on initial recognition and is irrevocable. If the Group decides to classify an equity instruments as at FVOCI then all fair value changes on the instrument excluding dividends are recognised in OCI. There is no recycling from OCI to profit or loss even on sale of instrument. However, the Group may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Reclassification of financial assets and financial liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if

Notes Forming Part of Consolidated Financial Statements (contd.)

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

Hedge accounting

The Group uses interest rate swaps to hedge variability in its cash flows from interest payments arising from floating rate liabilities i.e., when interests are paid according to benchmark market interest rates.

The Group also uses commodity swaps to hedge variability in its cash flows from changes in commodity prices, primarily electricity and fuel. Changes in the price of these commodities could have a significant effect on the Group's results by affecting costs and thereby, product margins.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than or equal to twelve months.

At the inception of the hedge relationship, the Group formally designates and documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of the hedged item. The Group documents its risk management objective and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). Hedges that meet the strict criteria for hedge accounting are accounted for as cash flow hedges.

Changes in the fair value (net of tax) of the derivative contracts that are designated and effective as hedges of future cash flows are recognised in the cash flow hedge reserve within Other Comprehensive Income (OCI), and any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Amounts so recognised in OCI are later reclassified to profit or loss when the hedge item affects profit or loss or are treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Amounts accumulated in Other Equity through OCI are reclassified to the consolidated statement of profit and loss in the periods in which the forecast transactions affect profit or loss.

For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in Other Equity is retained there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in Other Equity is immediately reclassified to profit or loss for the year as a reclassification adjustment.

2.20 Earning per share (EPS)

Basic and diluted earnings per share is reported in accordance with Ind AS 33 - Earnings per Share. Basic earnings per share is computed by dividing the net profit or loss attributable to equity holders after deducting attributable taxes for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.21 Research and development expenses

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

2.22 Segment reporting

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Segment Information'

Notes Forming Part of Consolidated Financial Statements (contd.)

represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

2.23 Cash flow statement

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

2.24 Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

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

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle
- held primarily for the purpose of trading
- due to be settled within 12 months after the reporting period, or
- does not have any unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

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

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

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

2.25 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.26 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes Forming Part of Consolidated Financial Statements (contd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other disclosures

1) There are no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

2) The valuation techniques used above are consistent with all periods presented.

Valuation Techniques used to determine fair value

1) Investments in Mutual Funds - are valued at net asset value declared by Association of Mutual Funds in India (AMFI) at the reporting date.

2) Derivatives (recurring fair value measurement) - at values are determined by counter parties / banks using market observable data.

3) Investment in short term funds - are valued at value declared by Asset management company at the reporting date.

2.27 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders. A corresponding amount is recognized directly in equity.

2.28 Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

Product warranty expenses

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

2.29 Other income

Dividend

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Others

The Group recognises income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

2.30 Changes in accounting policies and disclosures

I New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1st April, 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

a. Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).The amendments include the following practical expedients:

i) A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;

Notes Forming Part of Consolidated Financial Statements (contd.)

ii) Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;

iii) Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

b. Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated 18th June, 2021, applicable for annual periods beginning on or after 1st April, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1st April, 2021.

These amendments had no impact on the consolidated financial statements of the Group.

c. Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30th June, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30th June, 2022 from 30th June, 2021. The amendment applies to annual reporting periods beginning on or after 1st April, 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1st April, 2020.

These amendments had no impact on the consolidated financial statements of the Group.

d. Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the consolidated financial statements of the Group.

e. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the consolidated financial statements of the Group.

II Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group's consolidated financial statements.

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3 Property, plant and equipment and intangible assets

₹ in million

Particulars	Gross Block							Depreciation/Amortisation						Net Block
	As at 1st Apr, 2021	Adjustment (Refer note 41)	Additions on Acquisition (Refer note 26)	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st Mar, 2022	As at 1st April, 2021	Adjustment (Refer note 41)	For the year	Deductions during the year	Translation Adjustment	As at 31st Mar, 2022	As at 31st Mar, 2022
	(a)	(b)	(c)	(d)	(e)	(f)	(g)= (a+b+c+d-e+f)	(h)	(i)	(j)	(k)	(l)	(m) = (h+i+j-k+l)	(n) = (g-m)
A) TANGIBLE ASSETS														
Freehold Land	889.45	3.71	-	-	-	-18.26	874.90	-	-	-	-	-	-	874.90
	(1,165.53)	-	(4.47)	-	(306.55)	(26.00)	(889.45)	-	-	-	-	-	-	(889.45)
Buildings	6,748.73	282.15	-	713.61	0.21	-91.02	7,653.26	1,236.04	177.03	298.17	0.06	-26.56	1,684.62	5,968.64
	(6,490.00)	-	(197.58)	(388.02)	(440.50)	(113.63)	(6,748.73)	(1,051.88)	-	(393.60)	(230.59)	(21.15)	(1,236.04)	(5,512.69)
Plant and equipments	30,610.31	7.40	0.16	3,953.96	853.46	-384.56	33,333.81	16,736.97	5.88	2,944.89	809.93	-241.77	18,636.04	14,697.77
	(27,871.61)	-	(91.77)	(2,723.22)	(533.36)	(457.07)	(30,610.31)	(13,779.42)	-	(3,071.75)	(369.36)	(255.16)	(16,736.97)	(13,873.34)
Wind energy generators	67.79	-	-	38.20	-	-	105.99	63.65	-	0.98	-	-	64.63	41.36
	(75.57)	-	-	(4.20)	(11.98)	-	(67.79)	(75.56)	-	(0.07)	(11.98)	-	(63.65)	(4.14)
Computer	282.09	-	0.18	68.62	4.50	-2.67	343.72	213.88	-	40.66	4.43	-1.94	248.17	95.55
	(257.20)	-	(3.51)	(22.06)	(3.46)	(2.78)	(282.09)	(176.45)	-	(39.30)	(3.46)	(1.59)	(213.88)	(68.21)
Electrical fittings	107.12	-	-	12.64	0.37	0.00	119.39	43.49	-	11.06	0.30	-	54.25	65.14
	(101.10)	-	-	(6.81)	(0.79)	-	(107.12)	(34.30)	-	(9.91)	(0.72)	-	(43.49)	(63.63)
Vehicles	277.78	-	0.61	24.19	32.08	-1.52	268.98	154.07	-	34.07	23.54	-1.11	163.49	105.49
	(276.27)	-	(5.22)	(9.18)	(14.73)	(1.84)	(277.78)	(127.72)	-	(37.26)	(12.49)	(1.58)	(154.07)	(123.71)
Furniture and fixtures	410.81	-	-	44.35	10.81	-6.59	437.76	191.86	-	57.78	10.62	-3.63	235.39	202.37
	(381.57)	-	(1.59)	(29.85)	(9.82)	(7.62)	(410.81)	(140.01)	-	(50.63)	(1.07)	(2.29)	(191.86)	(218.95)
Office equipments	183.53	-	-	15.76	4.19	-0.03	195.07	122.63	-	23.78	4.09	-0.01	142.31	52.76
	(170.36)	-	-	(14.91)	(1.81)	(0.07)	(183.53)	(99.84)	-	(24.54)	(1.73)	0.02	(122.63)	(60.90)
Right of Use Assets:														
Leasehold Land	2,157.19	-	-	-	17.20	0.00	2,139.99	49.44	-	26.27	-	-	75.71	2,064.28
	(2,159.59)	-	-	-	(2.40)	-	(2,157.19)	(25.28)	-	(26.56)	(2.40)	-	(49.44)	(2,107.75)
Buildings	407.43	-	-	27.37	102.44	-6.65	325.71	107.25	-	33.73	-	-3.01	137.97	187.74
	(477.37)	-	(12.58)	(3.66)	(102.73)	(16.54)	(407.43)	(53.26)	-	(52.51)	-	(1.48)	(107.25)	(300.18)
Plant and Machinery	447.69	-	-	-	1.51	-10.95	435.23	259.74	-0.55	89.45	-	-9.01	339.63	95.60
	(280.41)	-	-	(157.82)	-	(9.46)	(447.69)	(128.16)	-	(127.55)	-	(4.03)	(259.74)	(187.95)
Vehicles	175.36	-	-	59.76	-	-6.07	229.05	77.01	-	48.73	-	-3.33	122.40	106.64
	(123.51)	-	-	(47.48)	-	(4.37)	(175.36)	(33.99)	-	(41.91)	-	(1.11)	(77.01)	(98.35)
Total	**3,187.67**	**-**	**-**	**87.13**	**121.15**	**(23.67)**	**3,129.98**	**493.44**	**(0.55)**	**198.19**	**-**	**(15.35)**	**675.72**	**2,454.26**
	(3,040.88)	**-**	**(12.58)**	**(208.96)**	**(105.13)**	**(30.37)**	**(3,187.67)**	**(240.69)**	**-**	**(248.53)**	**(2.40)**	**(6.62)**	**(493.44)**	**(2,694.23)**
Total - A	**42,765.28**	**293.26**	**0.95**	**4,958.46**	**1,026.77**	**(528.32)**	**46,462.86**	**19,256.03**	**182.36**	**3,609.58**	**852.97**	**(290.37)**	**21,904.62**	**24,558.24**
As at 31st March, 2021	**(39,830.09)**	**-**	**(316.72)**	**(3,407.21)**	**(1,428.13)**	**(639.38)**	**(42,765.28)**	**(15,725.87)**	**-**	**(3,875.59)**	**(633.80)**	**(288.37)**	**(19,256.03)**	**(23,509.25)**

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	Gross Block							Depreciation/Amortisation						Net Block
	As at 1st Apr, 2021	Adjustment (Refer note 41)	Additions on Acquisition (Refer note 26)	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st Mar, 2022	As at 1st April, 2021	Adjustment (Refer note 41)	For the year	Deductions during the year	Translation Adjustment	As at 31st Mar, 2022	As at 31st Mar, 2022
	(a)	(b)	(c)	(d)	(e)	(f)	(g)= (a+b+c+d-e+f)	(h)	(i)	(j)	(k)	(l)	(m) = (h+i+j-k+l)	(n) = (g-m)
B) INTANGIBLE ASSETS														
Technical know-how	768.35	-	6.48	242.70	-	-18.15	999.38	286.70	-	126.37	-	-9.62	403.45	595.93
	(296.95)	-	(152.13)	(367.96)	(55.26)	(6.57)	(768.35)	(255.96)	-	(79.46)	(55.25)	(6.53)	(286.70)	(481.65)
Patents, Trade Marks and Brands	270.90	-	-	3.78	-	-6.76	267.92	39.66	-	46.89	-	-2.36	84.19	183.73
	(249.14)	(-259.68)	(166.20)	(106.16)	-	(9.08)	(270.90)	(1.67)	(-1.73)	(39.87)	-	0.15	(39.66)	(231.24)
Software	249.12	-	-	23.14	0.66	-1.73	269.87	185.42	-	34.42	0.66	-1.41	217.77	52.10
	(203.53)	-	(4.08)	(39.84)	(0.15)	(1.82)	(249.12)	(157.57)	-	(26.95)	(0.15)	(1.05)	(185.42)	(63.70)
Total - B	**1,288.37**	**-**	**6.48**	**269.62**	**0.66**	**(26.64)**	**1,537.17**	**511.78**	**-**	**207.68**	**0.66**	**(13.39)**	**705.41**	**831.76**
As at 31st March, 2021	**(749.62)**	**(-259.68)**	**(322.41)**	**(513.96)**	**(55.41)**	**(17.47)**	**(1,288.37)**	**(415.20)**	**(-1.73)**	**(146.28)**	**(55.40)**	**(7.43)**	**(511.78)**	**(776.59)**
Total - A+B	**44,053.65**	**293.26**	**7.43**	**5,228.08**	**1,027.43**	**(554.96)**	**48,000.03**	**19,767.81**	**182.36**	**3,817.26**	**853.63**	**(303.76)**	**22,610.03**	**25,390.00**
As at 31st March, 2021	**(40,579.71)**	**(-259.68)**	**(639.13)**	**(3,921.17)**	**(1,483.54)**	**(656.85)**	**(44,053.65)**	**(16,141.07)**	**(-1.73)**	**(4,021.87)**	**(689.20)**	**(295.80)**	**(19,767.81)**	**(24,285.84)**

ASSET HELD FOR SALE	As at 1st April, 2021	Addition during the year	Sale during the year	Transfers during the year	As at 31st March, 2022
Freehold land and building (Refer Note 41)	109.78	(110.34)	-	0.56	-
	-	(513.85)	(404.07)		(109.78)

Other Notes:

i) Freehold land includes land procured from Karnataka Industrial Areas Development Board (KIADB) on lease-cum-sale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years. Accordingly, the same is grouped under freehold land.

ii) Depreciation for the year includes Nil (Previous year ₹ 30.49 million) capitalised during the year.

iii) Figures in brackets represent figures of previous year.

iv) Refer Notes 11.01 and 14.01 for details of security provided in respect of Non-current and current borrowings.

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

3A Capital work-in-progress	Amounts in CWIP for a period of				
Aging as on 31st March, 2022	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	893.12	120.17	152.57	24.68	1,190.54
Projects temporarily suspended	-	-	-	-	-

₹ in million

3A Intangible assets under development	Amounts in Intangible assets under development for a period of				
Aging as on 31st March, 2022	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	0.81	1.80	-	-	2.61
Projects temporarily suspended	-	-	-	-	-

₹ in million

3A Capital work-in-progress	Amounts in CWIP for a period of				
Aging as on 31st March, 2021	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	697.09	158.17	74.65	-	929.92
Projects temporarily suspended	-	-	-	-	-

₹ in million

3A I ntangible assets under development	Amounts in Intangible assets under development for a period of				
Aging as on 31st March, 2021	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	4.77	26.88	-	-	31.65
Projects temporarily suspended	-	-	-	-	-

v) Projects in progress as at 31st March, 2022 include ₹ 234.06 million which are overdue; the details of which are as follows:

Projects in progress	To be completed in				
	Less than 1 year	Between 1-2 years	Between 2-3 years	Total	Remarks
1. Drive shaft assembly plant (L-6, Waluj)					
Building	23.57	-	-	23.57	New product line. Project subsequently capitalised in April 2022.
Plant and equipment	162.07	-	-	162.07	
Other assets	35.40	-	-	35.40	
2. Disc brake					
Internal roadwork	8.56	-	-	8.56	Internal road construction in E-71 plot.
3. Other assets	0.94	-	-	0.94	Miscellaneous plant and equipment.
4. Intangible assets under development					

Notes Forming Part of Consolidated Financial Statements (contd.)

Projects in progress	To be completed in				
	Less than 1 year	Between 1-2 years	Between 2-3 years	Total	Remarks
Technical knowhow	3.52	-	-	3.52	ATPC clutch knowhow under absorption process.
	234.06	**-**	**-**	**234.06**	

4 Non current investments

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
I.	Unquoted investments (all fully paid)*		
	Marathwada Auto Cluster	10.00	10.00
	[10,000 (Previous year 10,000) shares of face value ₹ 100 each]		
	Watsun Infrabuild Pvt Ltd	1.45	1.45
	[145,201 (Previous year 145,201) equity shares of face value ₹ 10 each]		
	National Savings Certificates	0.04	0.04
	(Lodged with Government authorities)		
	Investments in Government or trust securities	0.41	0.42
	Total unquoted investments	11.90	11.91
II.	Quoted investments*		
	Indian Overseas Bank	0.04	0.04
	[2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]		
	Total quoted investments	0.04	0.04
Total		**11.94**	**11.95**
Aggregate book value of quoted investments		0.04	0.04
Aggregate market value of the quoted investments		0.04	0.04
Aggregate amount of unquoted investments		11.90	11.91

* Refer note 31 for determination of their fair value

4A Current investments

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
I.	**Investments in mutual funds (unquoted)***		
	ICICI Prudential Corporate Bond Fund - Growth Direct Plan	239.38	130.20
	9,736,027.729 units (previous year 5,538,789.639 units)		
	ICICI Prudential Overnight Fund - Growth Direct Plan	60.00	315.19
	523,552.307 units (previous year 2,840,009.348 units)		
	SBI Magnum Gilt Fund - Growth Direct Plan	62.50	60.03
	1,148,912.216 units (previous year 1,148,912.216 units)		
	SBI Magnum Ultra Short Duration Fund - Direct Growth	253.65	-
	51,795.666 units (Previous year NIL)		
	SBI Banking and PSU Fund - Direct Growth	90.96	-

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
34,093.171 units (Previous year NIL)		
SBI Corporate Bond Fund - Direct Plan Growth	90.96	-
7,120,685.853 units (Previous year NIL)		
Aditya Birla Sunlife Banking and PSU Debt Fund - Growth Direct Plan	168.34	160.26
553,166.818 units (previous year 553,166.818 units)		
IDFC Low Duration Fund - Growth Direct Plan	206.99	100.16
6,496,810.517 units (previous year 3,266,945.686 units)		
IDFC Cash fund - Growth - Direct Plan	60.01	-
23,341.53 units (Previous year Nil)		
HDFC Corporate Bond Fund - Growth Direct Plan	263.34	250.44
9,944,428.346 units (previous year 9,944,428.346 units)		
UTI Overnight Fund - Growth Direct Plan	-	482.73
Nil (previous year 171,323.563 units)		
UTI Corporate Bond Fund - Direct Plan	161.59	-
12,056,305.793 units (Previous year Nil)		
Kotak Floating Rate fund - Growth Direct Plan	212.41	200.25
173,067.799 units (previous year 173,067.799 units)		
Kotak Overnight Fund - Growth Direct Plan	62.50	-
55,127.206 units (Previous year Nil)		
Axis Banking and PSU Debt Fund - Direct Growth	161.87	-
74,010.823 units (previous year Nil)		
II. Investments in short term funds (unquoted)*		
Insurance Premium Investments - Capitale Reale Platinum	348.84	352.33
Insurance Premium Investments - Aviva	690.68	692.73
Insurance Premium Investments - SOGELIFE	416.47	-
Corporate Cash Fund - Azimut Libera Impresa S.G.R. S.p.A.	-	154.95
Lombarda Vita Twin Top Selection - UBI Banca	427.38	436.61
Corporate Cash Plus / AZ RAIF - Azimut Libera Impresa S.G.R. S.p.A.	347.13	346.05
Unicredit Bank Bond	243.67	262.17
Government Bonds	287.23	487.26
Total	**4,855.90**	**4,431.36**

* Refer note 31 for determination of their fair value

5 Non-current Loans

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Loans to others	-	26.78
	-	**26.78**

Notes Forming Part of Consolidated Financial Statements (contd.)

5A Other non current financial assets

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
a)	Security deposits	90.05	65.85
b)	Sales tax receivable	3.08	0.19
	Total	**93.13**	**66.04**

5B Loans

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
a)	Loans to employees	11.03	12.61
b)	Loans to others	26.13	40.58
	Total	**37.16**	**53.19**

5C Other current financial assets

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
a)	Interest accrued on deposits	0.52	0.01
b)	Receivables on sale of property, plant and equipment	6.55	0.11
c)	Foreign currency derivative assets	0.54	0.33
d)	Other derivatives	175.70	-
e)	Government incentive receivables	1,612.11	1,734.15
f)	Export incentive (MEIS, Duty drawback)	6.53	40.77
g)	Others	50.87	34.56
	Total	**1,852.82**	**1,809.93**

6 Other non-current assets

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
a)	Capital advances	718.25	610.66
b)	Prepayments	17.60	8.88
c)	Income taxes paid in advance less provision	45.26	24.78
d)	Income tax deposited under protest	84.15	73.74
e)	Deposits under protest (Refer note 28)	20.85	20.85
	Total	**886.11**	**738.91**

Notes Forming Part of Consolidated Financial Statements (contd.)

6A Current tax assets (net)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income taxes paid in advance less provision	449.91	334.97
Total	**449.91**	**334.97**

6B Other current assets

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Advances for supplies	275.30	395.66
b) Prepayments	158.75	119.85
c) Balance with government authorities	112.36	105.75
d) Others*	9.88	20.15
Total	**556.29**	**641.41**

*Includes amount of ₹ 0.81 million (previous year ₹ 2.21 million) paid to various regulatory authorities under protest. Also includes wind power receivables and other receivables.

7 Inventories

(Valued at lower of cost and net realisable value)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Raw materials and components	1,449.07	1,561.78
(b) Work-in-progress	2,275.37	1,865.88
(c) Finished goods (other than those acquired for trading)	1,677.41	1,183.55
(d) Stock-in-trade (acquired for trading)	438.11	394.84
(e) Stores, spares and packing material	1,134.97	1,077.11
(f) Loose tools and instruments	36.47	35.33
Total	**7,011.40**	**6,118.49**
Included above, Goods-in-transit in respect to		
(i) Raw materials and components	277.28	168.52
(ii) Finished goods (Other than those acquired for trading)	323.75	273.61
Total	**601.03**	**442.13**

8 Trade receivables

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured :		
i) Considered good	9,703.70	10,409.76
ii) Credit impaired	66.54	67.15
Less: Allowance for credit impaired	(66.54)	(67.15)
Total	**9,703.70**	**10,409.76**

Notes:

1. Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.
2. The normal credit period allowed by the Group ranges from 30 to 60 days for customers in India and 30 to 120 days for overseas customers.

Notes Forming Part of Consolidated Financial Statements (contd.)

8A Trade receivables Ageing

₹ in million

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	Between 6 months- 1 year	Between 1 - 2 years	Between 2 - 3 years	More than 3 years	Total
31st March, 2022						
i) Trade receivables considered good	9,657.22	45.82	0.58	0.04	0.04	9,703.70
ii) Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	23.17	6.81	6.58	13.78	14.93	65.27
iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	1.27	1.27
Total	**9,680.39**	**52.63**	**7.16**	**13.82**	**16.24**	**9,770.24**

₹ in million

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	Between 6 months- 1 year	Between 1 - 2 years	Between 2 - 3 years	More than 3 years	Total
31st March, 2021						
i) Trade receivables considered good	10,211.37	136.05	19.86	42.38	0.10	10,409.76
ii) Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	9.69	15.28	10.53	18.06	12.32	65.88
iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	1.27	1.27
Total	**10,221.06**	**151.33**	**30.39**	**60.44**	**13.69**	**10,476.91**

Notes Forming Part of Consolidated Financial Statements (contd.)

9 Cash and cash equivalents

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Cash on hand	1.07	0.86
(b) Cheques on hand	-	0.52
(c) Balances with banks:		
i) In current accounts	3,274.92	5,131.49
ii) In deposit accounts - with original maturity of less than three months	750.00	-
Total	**4,025.99**	**5,132.87**

9A Other bank balances

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other bank balances (in earmarked accounts)		
i) In current account for equity dividend	0.30	0.26
ii) Balance held as margin money against letters of credit*	0.12	0.12
Total	**0.42**	**0.38**

* Represents margin money amounting to ₹ 0.12 million (Previous year ₹ 0.12 million) against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.

10 Share Capital

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

₹ in million

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each	165,000,000	1,650.00	165,000,000	1,650.00
(Previous year ₹ 10 each)				
Total	**165,000,000**	**1,650.00**	**165,000,000**	**1,650.00**
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	140,662,848	1,406.63	140,662,848	1,406.63
(Previous year ₹ 10 each)				
Total	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

Notes Forming Part of Consolidated Financial Statements (contd.)

B Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

₹ in million

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year				
- Equity shares	140,662,848	1,406.63	140,662,848	1,406.63
No of shares outstanding at the end of the year	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

C Notes

i) Details of shares held by promoters in the Company are as follows:

	Particulars	No. of shares as at 31st March, 2022	%	No. of shares as at 31st March, 2021	%
Equity shares:					
1	Mr. Anurang Jain	43,396,976	30.85	43,396,976	30.85
2	Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3	Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4	Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02
5	Mrs. Varsha Jain*	80	0.00	80	0.00
6	Mr. Rohan Jain*	80	0.00	80	0.00

* % below 0.01%.

ii) Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

	Particulars	No. of shares as at 31st March, 2022	%	No. of shares as at 31st March, 2021	%
Equity shares:					
1	Mr. Anurang Jain	43,396,976	30.85	43,396,976	30.85
2	Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3	Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4	Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02

1 Held by Mr. Anurang Jain in his capacity as the family trustee of the Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11th June, 2016 as amended by a deed of amendment dated 23rd June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these equity shares.

2 Held by Mrs. Suman Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15th June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these equity shares.

Notes Forming Part of Consolidated Financial Statements (contd.)

3 Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15th June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these equity shares.

iii) 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.

10A Other equity

₹ in million

	Particulars	As at 31st March, 2022	As at 31st March, 2021
(a)	Securities premium (Refer note (i) below)		
	Balance at the beginning and end of the year	160.40	160.40
(b)	Capital reserve (Refer note (ii) below)		
	Balance at the beginning and end of the year	209.32	209.32
(c)	Foreign currency translation reserve (Refer note (iii) below)		
	Balance at the beginning of the year	1,680.94	1,300.98
	Add : Exchange differences arising on translating the foreign operation	(329.00)	379.96
	Balance at the end of the year	1,351.94	1,680.94
(d)	Cash flow hedging reserve (Refer note (iv) below)		
	Balance at the beginning of the year	-	-
	Change in fair value of hedging instruments	155.84	-
	Reclassification to profit/loss	(24.85)	-
	Balance at the end of the year	130.99	-
(e)	General reserve (Refer note (v) below)		
	Balance at the beginning of the year	1,195.40	1,193.98
	Add : Allocated to Endurance Adler SpA's non-controlling interest at the time of acquisition	-	1.42
	Balance at the end of the year	1,195.40	1,195.40
(f)	Retained earnings		
	Balance at the beginning of the year	30,968.48	25,789.13
	Profit for the year	4,607.09	5,197.06
	Remeasurements of defined benefit plans, net of tax	13.93	(17.71)
	Acquistion of non controlling interest in subsidiary	(0.27)	-
	Dividend paid (Refer note 37)	(843.98)	-
	Balance at the end of the year	34,745.25	30,968.48
	Total	**37,793.30**	**34,214.54**

(i) **Securities premium:** Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) **Capital reserve:** The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

(iii) **Foreign currency translation reserve:** Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Notes Forming Part of Consolidated Financial Statements (contd.)

(iv) **Cash flow hedging reserve:** The Group uses hedging instruments as part of its management of commodity risks and interest rate risks (refer note 32). For hedging commodity risks and interest rate risk, the Group uses commodity swaps and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss.

(v) **General Reserve:** General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

11 Non current borrowings

(Refer Note 11.01 and 11.02)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Measured at amortised cost		
A. Secured borrowings		
Term loans:		
From banks	303.55	404.66
Total A	**303.55**	**404.66**
B. Unsecured borrowings		
a) Term loans:		
From banks	1,635.66	3,141.82
b) Other loans		
(i) Deferred sales tax loan	-	3.31
Total B	**1,635.66**	**3,145.13**
Total A+B	**1,939.21**	**3,549.79**

11.1 Non current lease liabilities

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Right of use lease liability		
Unsecured (Refer note 34)	159.84	242.04
Total	**159.84**	**242.04**

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

Secured loans from banks taken by foreign subsidiaries is secured by first legal charge on certain property, plant and equipment. The interest rate on both secured and unsecured loans range from Euribor 3 months to Euribor 6 months with spread ranging from 0.002% to 2.550% (previous year 0.002% to 1.50%).

11.02 Maturity profile

₹ in million

Particulars	Term loan from banks	Deferred sales tax loan	Right of use lease liability	Total
Current maturities				
2022-23	1,738.29	3.31	141.81	1,883.41
Non-current maturities				
2023-24	1,030.57	-	86.11	1,116.68
2024-25	500.22	-	34.03	534.25

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	Term loan from banks	Deferred sales tax loan	Right of use lease liability	Total
2025-26	208.57	-	27.34	235.91
2026-27	66.07	-	12.36	78.43
2027-28 to 2028-29	133.78	-	-	133.78
Total	**1,939.21**	**-**	**159.84**	**2,099.05**

12 Other non current financial liabilities

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Security deposits received from dealers	58.95	34.55
b) Retention money payable	48.41	55.08
c) Deferred government grants	0.10	0.16
Total	**107.46**	**89.79**

12A Other current financial liabilities

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Interest accrued but not due on borrowings	2.22	4.49
b) Foreign currency derivative liabilities	34.46	10.48
c) Payables on purchase of property, plant and equipment	603.25	524.99
d) Deferred government grants	0.06	2.94
e) Unpaid equity dividend	0.30	0.26
Total	**640.29**	**543.16**

13 Non current provisions

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Provision for employee benefits		
i) Provision for gratuity (Refer note 30)	63.25	185.64
ii) Provision for employee severance indemnity (Refer note 30)	265.77	277.51
iii) Provision for employee separation cost	0.66	0.68
b) Provision for others		
i) Provision for warranty (Refer note 13.01)	125.22	127.59
ii) Provision for Litigations #	136.58	142.18
Total	**591.48**	**733.60**

Relates to provision created for litigations in overseas subsidiaries.

Notes Forming Part of Consolidated Financial Statements (contd.)

13A Current provisions

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Provision for employee benefits		
i) Provision for compensated absences	111.36	149.35
ii) Provision for gratuity (Refer note 30)	115.96	101.47
b) Provision for others		
Provision for warranty (Refer note 13.01)	55.19	48.05
Total	**282.51**	**298.87**

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

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carrying amount as at 1st April	175.64	410.81
Provision made during the year	55.86	29.12
Discounting/unwinding effect	(0.78)	0.11
Amount paid/utilised during the year	(47.79)	(31.33)
Provision reversed during the year	-	(246.69)
Exchange variation	(2.52)	13.62
Carrying amount as at 31st March	180.41	175.64

Provision for warranties: The Group gives warranties on certain products from the date of sale, for their satisfactory performance during the warranty period as per the contracts with buyers. Provision for warranty claims arising out of such obligation is made based on such warranty period.

14 Current borrowings

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Measured at amortised cost		
A. Secured Borrowings (Refer note 14.01 and 14.02)		
a) Loans:		
From banks	313.68	450.00
b) Current maturities of long-term borrowings (Refer note 11.02)	91.19	93.48
Total Secured borrowings	**404.87**	**543.48**
B. Unsecured Borrowings (Refer note 14.02)		
Current maturities of long-term borrowings (Refer note 11.02)	1,650.41	1,833.16
Total Unsecured borrowings	**1,650.41**	**1,833.16**
Total	**2,055.28**	**2,376.64**

14.01 Details of security provided in respect of current borrowings in holding company

Fund based secured working capital facilities outstanding from a consortium member bank as on 31st March, 2022 is ₹ 313.68 million [Previous year ₹ 450million].

The total working capital facilities sanctioned by the consortium member banks are secured by:

a) first pari passu charge on, both present and/or future, current assets including inventory and receivables,

Notes Forming Part of Consolidated Financial Statements (contd.)

b) second pari passu charge on, both present and/or future, movable property, plant and equipment located at identified premises of the Company.

c) second pari passu charge on identified immovable properties of the Company.

14.02 Details of interest rates for current borrowings in holding company

Short term foreign currency loans availed during FY2021-22 carries interest rate linked to LIBOR rates with mutually agreed spread [effective interest rate is ~1 % p.a. (previous year 1.5% p.a. to 2.49%)]. Effective 1st January, 2022; LIBOR rates have been discontinued and have been replaced by Standard Overnight Financing Rate (SOFR) with exemptions for certain categories of USD LIBOR tenors beyond 31st December, 2021 upto 30th June, 2023.The Company's short term foreign currency loans fall under the exempted category; and hence LIBOR rates will be applicable until the date of loan settlement.

Short term rupee denominated borrowings carry interest cost linked to MCLR with mutually agreed spread [effective interest rate ranges from 1.7 % p.a. to 7 % p.a. (previous year 1.7 % p.a. to 7.6 % p.a.)].

14.03 Returns to banks

In regard to the above borrowings; the quarterly returns and statements filed by the Company with the banks during the year are in agreement with the books of accounts.

14.1 Lease liabilities

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Right of use lease liability		
Unsecured (Refer note 11.02 and note 34)	141.81	242.51
	141.81	**242.51**

15 Trade payables

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade payable for goods and services		
i) Total outstanding dues of micro and small enterprises	843.66	827.59
ii) Total outstanding dues of other than micro and small enterprises (other than acceptances)	11,569.81	11,955.71
Total	**12,413.47**	**12,783.30**

Trade payables ageing schedule:

₹ in million

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
31st March, 2022					
i) MSME trade payables	842.74	-	-	-	842.74
ii) Other trade payables	11,196.20	349.64	5.00	18.97	11,569.81
iii) Disputed MSME trade payables	-	0.92	-	-	0.92
Total	**12,038.94**	**350.56**	**5.00**	**18.97**	**12,413.47**

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

Particulars		Outstanding for following periods from due date of payment				
		Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
31st March, 2021						
i)	MSME trade payables	827.59	-	-	-	827.59
ii)	Other trade payables	11,924.15	5.00	7.55	19.01	11,955.71
iii)	Disputed MSME trade payables	-	-	-	-	-
	Total	**12,751.74**	**5.00**	**7.55**	**19.01**	**12,783.30**

16 Other current liabilities

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
(a)	Advances received from customers	138.57	132.62
(b)	Income received in advance	6.23	3.35
(c)	EPCG deferred payables	8.21	8.21
(d)	Statutory remittances (contribution to PF, ESIC, Withholding taxes, Goods and Service Tax etc.)	701.04	681.95
	Total	**854.05**	**826.13**

17 Current tax liabilities (net)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for tax (net of advance taxes and taxes deducted at source)	184.53	163.14
Total	**184.53**	**163.14**

17A Deferred tax assets/(liabilities)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(181.41)	(170.16)
Derivatives designated as cash flow hedge	(48.58)	-
Fair valuation of current investments	(15.17)	(0.44)
Reversal of Provision for doubtful debts	(0.21)	(0.22)
Others	(7.62)	(5.74)
Total	**(252.99)**	**(176.56)**
Deferred tax assets		
On account of temporary differences in		
Property, plant and equipment and intangible assets	29.41	-
Provision for employee benefits and others	316.34	325.73
Provision for doubtful debts	0.32	0.32
Expenses disallowed	270.09	121.25
Unadjusted tax benefit in subsidiaries	359.65	309.20
Others	22.28	17.38
Total	**998.09**	**773.88**
Net deferred tax assets/(liabilities)	**745.10**	**597.32**

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Disclosed as		
Deferred tax liabilities	6.29	5.11
Deferred tax assets	751.39	602.43

18 Revenue from Operations (Refer note 18.01 below)

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from contracts with customers	74,243.95	64,054.78
Other operating revenue	1,247.45	1,415.40
Total	**75,491.40**	**65,470.18**

18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from contracts with customers		
Goods transferred at a point in time		
Sale of manufactured goods		
Shock absorbers	21,303.37	18,528.04
Disc brake assembly (including rotary disc)	5,711.92	4,696.00
Aluminium die casting parts	33,164.17	28,980.46
Alloy wheels	3,836.42	3,091.52
Clutch and clutch parts	3,989.53	3,565.68
Others	4,662.96	3,221.43
Total - (A)	**72,668.37**	**62,083.13**
Sale of traded goods		
Components and spares	1,381.31	1,755.49
Total - (B)	**1,381.31**	**1,755.49**
Total - (A+B)	**74,049.68**	**63,838.62**
Services transferred over time		
Job work receipts	194.27	216.16
Revenue from Contracts with customers	**74,243.95**	**64,054.78**
Other operating revenue comprises;		
Scrap sales	435.09	311.78
Wind power generation	4.55	5.21
Export incentives	95.77	95.12
Government incentives	712.04	1,003.29
Total	**1,247.45**	**1,415.40**

Notes Forming Part of Consolidated Financial Statements (contd.)

18.02 Revenue from Contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
India	53,779.46	44,740.09
Outside India	20,464.49	19,314.69
	74,243.95	**64,054.78**

18.03 Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue as per contracted price	74,604.96	64,373.00
Adjustments:		
Discounts	361.01	318.22
Revenue from contracts with customers	**74,243.95**	**64,054.78**

19 Other income

₹ in million

Particulars			For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Interest income			
	i)	Bank deposits	0.93	18.94
	ii)	Others	3.11	8.02
(b)	Other non operating income			
	i)	Excess provision/creditors' balances written back	21.67	10.07
	ii)	Income from current investments *	162.51	43.49
	iii)	Profit on sale of property, plant and equipment (net)	47.23	47.60
	iv)	Miscellaneous income	164.40	161.06
(c)	Net gain on foreign currency transactions (other than considered as finance cost)		10.53	17.95
	Total		**410.38**	**307.13**

* Includes gain on sale of investments ₹ 60.60 million (previous year ₹ 38.90 million) and gain on fair value changes ₹ 101.91 million (previous year ₹ 4.59 million).

20A Cost of materials consumed

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening stock (including goods in transit)	1,561.78	1,165.05
Add: Purchases	44,295.48	35,474.46
	45,857.26	**36,639.51**
Less: Closing stock (including goods in transit)	1,449.07	1,561.78
Cost of materials consumed	44,408.19	35,077.73
Cost of materials capitalised	(123.94)	(101.27)
Total	**44,284.25**	**34,976.46**

Notes Forming Part of Consolidated Financial Statements (contd.)

20B Purchases of stock-in-trade (traded goods)

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Components and spares	863.81	896.20
Total	**863.81**	**896.20**

Note 20C Changes in stock of finished goods, stock-in-trade and work-in-progress

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Inventories at the end of the year		
Finished goods	(1,677.41)	(1,183.55)
Work-in-progress	(2,275.37)	(1,865.88)
Stock-in-trade	(438.11)	(394.84)
	(4,390.89)	**(3,444.27)**
Inventories at the beginning of the year		
Finished goods	1,183.55	1,477.02
Work-in-progress	1,865.88	1,767.47
Stock-in-trade	394.84	32.70
	3,444.27	**3,277.19**
Net increase	**(946.62)**	**(167.08)**

21 Employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salary, wages and bonus	5,690.67	5,527.60
Contribution to provident and other funds (Refer note 30)	344.36	348.24
Staff welfare expenses	908.55	884.73
Total	**6,943.58**	**6,760.57**

22 Finance costs

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Interest expenses on		
i) Term loans	32.78	58.78
ii) Others	24.11	57.59
(b) Other borrowing costs		
i) Discounting charges on commercial paper	-	15.30
ii) Bank charges	6.65	5.92
Total	**63.54**	**137.59**

Notes Forming Part of Consolidated Financial Statements (contd.)

23 Other expenses

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Stores and spares consumed	1,510.49	1,444.30
Packing material consumed	629.49	507.22
Tools and instruments consumed	187.12	195.18
Processing charges	2,871.29	2,918.84
Labour charges	1,655.38	1,456.45
Power, water and fuel	3,511.86	2,683.32
Rent	183.90	185.48
Repairs and maintenance:		
Plant and machinery	1,308.38	1,044.39
Building	50.20	38.11
General	279.54	241.34
Insurance	158.92	172.24
Rates and taxes	23.76	26.32
Travelling and conveyance	240.16	181.58
Freight	961.69	887.74
Advertisement	14.11	2.73
Donation	-	0.45
Payment to auditors	8.10	7.52
Payment to auditors of subsidiaries	17.32	15.65
Directors fees and travelling expenses	19.02	16.82
Allowance for doubtful debts, net	1.04	(0.90)
Bad debts written off	0.75	1.00
Warranty claims, net of provision reversed	154.57	(158.64)
Expenditure on corporate social responsibility	111.10	60.00
Miscellaneous expenses	880.51	761.88
Total	**14,778.70**	**12,689.02**
Expenses capitalised	(78.70)	(87.10)
Total	**14,700.00**	**12,601.92**

24 Taxes

Income tax expense

(i) Statement of Profit and Loss Section

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Current Tax expenses [Short/(excess) provision for tax relating to prior period ₹ 0.48 million, previous year ₹ (18.84) million]	1,474.51	1,563.01
(b) Deferred tax charge	(220.14)	(290.68)
Total	**1,254.37**	**1,272.33**

Notes Forming Part of Consolidated Financial Statements (contd.)

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Net gain / (loss) on remeasurement of defined benefit plans	18.69	(24.20)
(b) Income tax charged to OCI on remeasurement of defined benefit plan	(4.76)	6.49

(iii) Reconciliation of effective tax rate

₹ in million

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Accounting profit before income tax	5,861.46	6,468.02
(b)	Enacted tax rate in India	25.17%	25.17%
(c)	Computed tax expense	1,475.21	1,627.87
(d)	Reconciliation items		
	Investment allowance reversal	0.25	1.04
	CSR expenditure and donation	111.10	60.45
	Gain to be set off against carried forward losses	-	(23.17)
	Extra allowance on depreciation and other items	(1,008.13)	(1,814.96)
	Expenses disallowances	0.29	289.54
	Written down value of revaluation of fixed assets	40.40	67.85
	Gain on sale of mutual funds	-	(88.67)
	Others	(19.76)	160.78
	Lease written off	26.27	26.56
(e)	Net Adjustment	(849.58)	(1,320.58)
(f)	Tax expenses/ (saving) on net adjustment (e*b)	(213.82)	(332.36)
(g)	Difference in overseas tax rates	(7.50)	(4.34)
(h)	Tax expenses recognised in Statement of Profit and Loss (c+f+g)	1,253.89	1,291.17
(i)	Short/(excess) provision for tax relating to prior years	0.48	(18.84)
(j)	Net tax expenses recognised in Statement of Profit and Loss (h+i)	1,254.37	1,272.33

25 Disclosure of goodwill

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	1,739.83	1,624.39
Add: Related to acquisition of subsidiaries (refer note 26(a) and 26(b))	59.73	55.80
Add: Impact of foreign currency translation	(42.72)	59.64
Closing balance	**1,756.84**	**1,739.83**

Notes Forming Part of Consolidated Financial Statements (contd.)

26 a. Veicoli Srl, Italy

Endurance Overseas Srl, Italy, acquired 100% stake in Veicoli Srl, Italy on 12th November, 2021 for ₹ 58.79 million (Euro 0.70 million). Veicoli Srl offers a software platform that monitors vehicle movement, engine parameters and driving habits, thereby enabling fleet operators to increase route efficiency, enhance safety, optimise maintenance activity and reduce fuel costs.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of these entities as at the date of acquisition were:

₹ in million

	Veicoli Srl
Assets	
Property, plant and equipment	0.93
Intangible assets	6.29
Cash and cash equivalents	10.68
Trade receivables	4.64
Total - (A)	**22.54**
Liabilities	
Borrowings	4.87
Provisions	7.88
Trade payables	6.55
Current tax liabilities	1.04
Other current liabilities	3.14
Total - (B)	**23.48**
Total identifiable net assets at fair value (A-B)	**(0.94)**
Goodwill arising on acquisition	59.73
Purchase consideration transferred	**58.79**

Purchase consideration

₹ in million

	Veicoli Srl
Cash and cash equivalents	58.79
Total consideration	58.79

Analysis of cash flows on acquisition

₹ in million

	Veicoli Srl
Total consideration	(58.79)
Cash and cash equivalents acquired with the subsidiary	10.68
Net cash flow on acquisition	(48.11)

b. Acquisition of Endurance Adler SpA and Grimeca Srl

During the previous year, Endurance Overseas Srl, Italy, acquired controlling equity stake of 99% in Adler SpA with an effective date of 15th April, 2020. Post acquisition, the name of Adler SpA has been changed to Endurance Adler SpA.

Subsequently, Endurance Adler SpA, Italy, acquired 100% stake in Grimeca Srl, Italy, with an effective date of 21st May, 2020. Post acquisition, Grimeca Srl was merged into Endurance Adler SpA with effect from 1st January, 2021.

Notes Forming Part of Consolidated Financial Statements (contd.)

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of these entities as at the date of acquisition were:

₹ in million

Particulars	Endurance Adler SpA	Grimeca Srl	Total
Assets			
Property, plant and equipment	302.52	-	302.52
Intangible assets	262.99	57.69	320.68
Financial assets	103.08	-	103.08
Deferred tax assets	61.96	-	61.96
Cash and cash equivalents	5.05	40.79	45.84
Inventories	150.99	-	150.99
Trade receivables	129.53	0.09	129.62
Other non-current / current assets	74.46	2.69	77.15
Total - (A)	**1,090.58**	**101.26**	**1,191.84**
Liabilities			
Borrowings	29.33	-	29.33
Provisions	117.52	-	117.52
Deferred tax liabilities	-	15.55	15.55
Trade payables	276.67	1.58	278.25
Current tax liabilities	296.24	6.31	302.55
Other current liabilities	165.66	0.33	165.99
Total - (B)	**885.42**	**23.77**	**909.19**
Purchase price alignment - (C) Refer Note below	**(257.95)**	**-**	**(257.95)**
Total identifiable net assets at fair value (A-B+C)	**(52.79)**	**77.49**	**24.70**
Goodwill arising on acquisition	55.80	-	55.80
Purchase consideration transferred	**3.01**	**77.49**	**80.50**

Purchase price alignment represent entries effected consequential to the alignment of Endurance Adler SpA assets, in the purchase price allocation process to the fair value recognised by EOSRL in the transaction which occurred before business combination. The amount was initially related to licence acquired by EOSRL from erstwhile Adler SpA for the exclusive utilisation of Adler's patents amounting to EUR 3 million. As part of the alignment the Group identified EUR 1.8 million as acquired know-how and retained the value of patents at EUR 1.2 million.

Purchase consideration

₹ in million

Particulars	Endurance Adler SpA	Grimeca Srl	Total
Cash and cash equivalents	3.01	77.49	80.50
Total consideration	3.01	77.49	80.50

Analysis of cash flows on acquisition

₹ in million

Particulars	Endurance Adler SpA	Grimeca Srl	Total
Total consideration	(3.01)	(77.49)	(80.50)
Cash and cash equivalents acquired with the subsidiary	5.05	40.79	45.84
Net cash flow on acquisition	2.04	(36.70)	(34.66)

Notes Forming Part of Consolidated Financial Statements (contd.)

27 Consolidated segment information

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Ind AS - 108, "Operating Segments" represents a single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenue, total expenses and net profit as per the Consolidated Statement of Profit and Loss represents the revenue, total expenses and the net profit of the sole reportable segment.

Geographical information

The Group's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Revenue from Operations

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
India	54,706.06	45,880.74
Outside India	20,785.34	19,589.44
Total	**75,491.40**	**65,470.18**

Non current Assets*

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
India	16,953.92	15,184.18
Outside India	12,272.18	12,541.97
Total	**29,226.10**	**27,726.15**

* Financial assets and deferred tax assets are excluded.

28 Contingent liabilities (to the extent not provided for)

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Excise matters[1]	55.93	80.53
b) Service tax matters[1]	1.36	0.06
c) Sales tax (VAT and CST) matters[1]	2.10	46.22
d) Income tax matters[1]	610.12	610.56
e) Employee related matters[1]	0.50	0.50
f) Environment pollution control matters[2]	20.85	20.85

1 Future cash outflows, if any, in respect of these matters are determinable only on receipt of judgments / decisions pending at various stages before the appellate authorities.

2 Represents deposits with Maharashtra Pollution Control Board, based on order passed by Hon'ble National Green Tribunal (NGT). The matter is presently subjudiced with NGT.

Notes Forming Part of Consolidated Financial Statements (contd.)

29 Commitments

₹ in million

Particulars		As at 31st March, 2022	As at 31st March, 2021
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	- Tangible assets	1,965.76	2,387.31
(ii)	Other commitment		
	- Aluminium alloy	5,650.47	1,658.12
Total		**7,616.23**	**4,045.43**

30 In conformity with the principles set out in the Indian Accounting Standard (Ind AS) 19 Employee Benefits, details for defined contribution and benefit plans are given below:

a) Defined contribution plan:

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Employers contribution to provident fund/pension fund	134.79	136.75
Employers contribution to superannuation fund	17.24	15.18
Employers contribution to ESIC	1.65	1.74
Employers contribution to Labour welfare fund	0.17	0.18
Total	**153.85**	**153.85**

Note : Above contributions are included in the contribution to provident and other funds reported in note 21 of Employee benefits expense.

b) Defined benefit plan:

The defined benefit plan comprises gratuity (included in contribution to provident and other funds in note 21). The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method. The present value of accrued gratuity is provided in the books after reducing the fund value with Life Insurance Corporation of India.

c) Employees severance indemnity:

The actuarial valuation of Retirement Indemnity fund is made according to the "accrued benefit" methodology by means of the Projected Unit Credit Method. Such methodology is substantiated by evaluations accounting for current average value of pension bonds accrued on the basis of the worker's service until the time when that evaluation is made.

d) Reconciliation of benefit obligation:

₹ in million

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the beginning of the year	277.51	656.86	207.99	612.76
Acquisition Adjustment	-	-	60.15	-
Interest cost	1.49	39.47	3.36	36.09

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Current service cost	24.04	59.51	19.07	58.80
Benefit paid*	(28.89)	(60.52)	(35.45)	(61.40)
Remeasurement (gain) / loss on obligations	(2.04)	(16.50)	14.76	10.61
Exchange variation	(6.34)	-	7.63	-
Liability at the end of the year	265.77	678.82	277.51	656.86

*Include amounts directly paid by the Company.

e) Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Domestic	Domestic
Fair value of plan assets at the beginning of the year	369.75	380.71
Interest income	26.57	22.48
Contributions	140.99	0.47
Benefits paid	(37.04)	(36.87)
Mortality Charges and Taxes	(0.49)	(1.88)
Return on plan assets - gain / (loss)	(0.16)	4.84
Fair value of plan assets at the end of the year	499.61	369.75
Actual return on plan assets	26.41	27.32

f) Amount to be recognised in Balance Sheet:

₹ in million

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the end of the year	265.77	678.82	277.51	656.86
Fair value of plan assets at the end of the year	-	499.61	-	369.75
Amount to be recognised in the balance sheet - Net liability	265.77	179.21	277.51	287.11

Notes Forming Part of Consolidated Financial Statements (contd.)

g) Expenses recognised in the Statement of Profit and Loss under the head employee benefits expense:

₹ in million

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Foreign	Domestic	Foreign	Domestic
Current service cost	24.04	59.51	19.07	58.80
Interest cost	1.49	12.91	3.36	13.61
Expenses recognised in Statement of Profit and Loss	25.53	72.42	22.43	72.41

h) In respect of funded benefits with respect to gratuity, the fair value of plan assets represents the amounts invested through "Insurer Managed Funds".

i) Remeasurement for the year

₹ in million

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Foreign	Domestic	Foreign	Domestic
Experience (gain)/ loss on plan liabilities	(2.04)	14.28	14.76	(25.99)
Financial (gain)/ loss on plan liabilities	-	(30.78)	-	36.60
Experience (gain)/ loss on plan assets	-	0.58	-	(9.56)
Financial (gain)/ loss on plan assets	-	(0.42)	-	4.71

j) Amount recognised in statement of other comprehensive income (OCI)

₹ in million

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Foreign	Domestic	Foreign	Domestic
Opening amount recognised in OCI	12.95	128.33	(1.81)	122.56
Remeasurement for the year - obligation (gain)/ loss	(2.04)	(16.80)	14.76	10.61
Remeasurement for the year - plan assets (gain)/ loss	-	0.15	-	(4.84)
Total remeasurements cost / (credit) for the year recognised in OCI	(2.04)	(16.34)	14.76	5.77
Closing amount recognised in OCI	10.91	111.99	12.95	128.33

k) Principal actuarial assumptions:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Discount rate	1.65%	7.00%	0.56%	6.30%
Rate of return on plan assets	-	6.20%	-	6.20%
Salary escalation for the next year	1.00%	7.00%	1.00%	7.00%
Withdrawal rate	4.00%	8.00%	4.00%	8.00%

Notes Forming Part of Consolidated Financial Statements (contd.)

i) The discount rate is based on the prevailing market yields of Government securities / corporate bond rate as at the balance sheet date for the estimated terms of the obligations.

ii) Salary escalation rate is the estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

iii) Withdrawal rate is employee's turnover rate based on the Company's past and expected employee turnover.

iv) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments of gratuity for the years ending, assessed on 31st March, 2022

₹ in million

Years ending	As at 31st March, 2022
31st March, 2023	115.96
31st March, 2024	75.68
31st March, 2025	83.76
31st March, 2026	80.83
31st March, 2027	149.21
31st March, 2028 to 31st March, 2032	401.55

(v) Weighted Average duration of defined benefit obligation in form of gratuity: 9.94 years

(vi) Sensitivity analysis:

Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2022 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Defined Benefit Obligation (Domestic)	638.94	615.00	723.59	704.14

₹ in million

B. Effect of 1 % change in the assumed salary escalation rate	1% Increase		1% Decrease	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Defined Benefit Obligation (Domestic)	716.92	697.28	644.13	620.24

₹ in million

C. Effect of 1 % change in the assumed withdrawal rate	1% Increase		1% Decrease	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
1. Defined Benefit Obligation (Domestic)	678.43	654.70	679.23	659.21
2. Defined Benefit Obligation (Foreign)	257.83	278.10	268.75	281.54

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

D. Effect of 0.25 % change in the assumed discount rate	0.25% Increase		0.25% Decrease	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Defined Benefit Obligation (Foreign)	262.03	273.79	264.55	285.85

₹ in million

E. Effect of 0.25 % change in the assumed salary escalation rate	0.25% Increase		0.25% Decrease	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Defined Benefit Obligation (Foreign)	267.07	284.13	259.51	275.52

31 Fair Value Measurements

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financials instruments.

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security deposits	90.05	65.85	90.05	65.85
(b) Other non current investments	0.45	0.46	0.45	0.46
(c) Trade receivables	9,703.70	10,409.76	9,703.70	10,409.76
(d) Loans to employees	11.03	12.61	11.03	12.61
(e) Loans to others	26.13	67.36	26.13	67.36
(f) Interest accrued on deposits	0.52	0.01	0.52	0.01
(g) Receivables for sale of property, plant and equipment	6.55	0.11	6.55	0.11
(h) Cash in hand	1.07	0.86	1.07	0.86
(i) Balance with banks in current account	4,025.22	5,131.75	4,025.22	5,131.75
(j) Balance held as margin money against borrowings	0.12	0.12	0.12	0.12
(k) Government incentives receivable	1,612.11	1,734.15	1,612.11	1,734.15
(l) Other financial assets	60.48	75.52	60.48	75.52
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	4,855.90	4,431.36	4,855.90	4,431.36
(b) Non current investments quoted	0.04	0.04	0.04	0.04
(c) Foreign currency derivative assets	0.54	0.33	0.54	0.33
Financial assets measured at fair value through Other Comprehensive Income				
(a) Other derivatives	175.70	-	175.70	-
(b) Other non current investments	11.45	11.45	11.45	11.45

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowings	1,939.21	3,549.79	1,939.21	3,549.79
(b) Non current lease liabilities	159.84	242.04	159.84	242.04
(c) Current borrowings	2,055.28	2,376.64	2,055.28	2,376.64
(d) Current lease liabilities	141.81	242.51	141.81	242.51
(e) Security deposits received from dealers	58.95	34.55	58.95	34.55
(f) Retention money	48.41	55.08	48.41	55.08
(g) Interest accrued but not due on borrowings	2.22	4.49	2.22	4.49
(h) Deferred government grants	0.16	3.10	0.16	3.10
(i) Payables on purchase of property, plant and equipment	603.25	524.99	603.25	524.99
(j) Trade payables	12,413.47	12,783.30	12,413.47	12,783.30
(k) Unpaid equity dividend	0.30	0.26	0.30	0.26
Financial liabilities measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	34.46	10.48	34.46	10.48

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/ outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds and foreign currency derivatives) is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Group and in case of financial assets is the average market rate of similar credit rated instrument.

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Group internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

Notes Forming Part of Consolidated Financial Statements (contd.)

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(c) The fair value of the Group's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the reporting was assessed to be insignificant.

Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data

The following table presents our assets and liabilities measured at fair value on recurring basis at 31st March, 2022 and 31st March, 2021:

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2022			
Investments in mutual funds	2,094.50	-	-
Investments in short term funds	-	-	2,230.50
Investments in bonds	530.90	-	-
Equity	0.04	-	-
Other non current investments	-	-	11.45
Foreign currency derivative asset	0.54	-	-
Other derivative asset	175.70	-	-
Foreign currency derivative liability	34.46	-	-
31st March, 2021			
Investments in mutual funds	1,699.26	-	-
Investments in short term funds	-	-	1,982.67
Investments in bonds	749.43	-	-
Equity	0.04	-	-
Other non current investments	-	-	0.46
Foreign currency derivative asset	0.33	-	-
Foreign currency derivative liability	10.48	-	-

During the year ended 31st March, 2022, there were no transfers between Level 1 and Level 2 fair value measurement.

32 Financial Instruments and Risk Review

I. Capital Management

The Group's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed on a quarterly basis.

Notes Forming Part of Consolidated Financial Statements (contd.)

The Group manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a quarterly basis and implements capital structure improvement plan when necessary.

The Group uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the consolidated financial statements.

Debt-to-equity ratio is as follows:

₹ in million

Particulars	31st March, 2022	31st March, 2021
Net Debt* (A)	(4,585.75)	(3,153.25)
Equity (B)	39,199.93	35,621.41
Debt Ratio (A / B)	(0.12)	(0.09)

* Net debt includes non current borrowings, current borrowings, current maturities of non current borrowings and right-of-use lease obligation net off current investments and cash and cash equivalents.

II. Financial Risk Management Framework

The Group is exposed primarily to market risk (fluctuations in foreign currency exchange rates and interest rate), credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to contractual terms. Credit risk encompasses, the risk of default, the risk of deterioration of creditworthiness of the counterparty as well as concentration of risks.

Financial instruments that are subject to exposure to credit risk consist of trade receivables, investments and other financial assets.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from operating activities, primarily from trade receivables.

Trade receivables

Trade receivables consist of receivables arising primarily due to sale of goods. These receivables are unsecured and are payable at the end of a specified credit period depending upon the terms of contract of each customer, which ranges from 30-60 days for customers in India and 30-120 days for overseas customers. The Group's customers primarily consist of Original Equipment Manufacturers ("OEM") for its primary products and Dealers for spare parts.

The Group assesses the credit risk of its customers and dealers at the time of acceptance of the customer as well as on an ongoing basis. Before accepting any new customer, the Group uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The credit limit of these customers and dealers is continuously monitored and recalibrated based on the credit risk assessment. Most of the OEM's have high credit ratings which helps the Group mitigate credit risk.

The Group assesses at each reporting date whether a trade receivable or a group of trade receivables is impaired. The Group recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction and which are due for more than six months. The expected credit losses are measured at an amount equal to 12 months expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2022				
Estimated total gross carrying amount	7,371.09	2,363.80	35.35	9,770.24
ECL - Simplified approach	-	(29.99)	(36.55)	(66.54)
Net carrying amount	7,371.09	2,333.81	(1.20)	9,703.70

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
ECL rate	0%	0%	100%	
31st March, 2021				
Estimated total gross carrying amount	8,286.77	2,087.98	102.16	10,476.91
ECL - Simplified approach	-	(24.96)	(42.19)	(67.15)
Net carrying amount	8,286.77	2,063.02	59.97	10,409.76

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Group usually provides for the same unless there is clear visibility of recovery.

The movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	67.15	63.25
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.04	(0.90)
Exchange variation	(1.65)	4.80
Balance at the end of the year	66.54	67.15

The Group's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 59% of total receivables as of 31st March, 2022 (46% as at previous year), however there was no default on account of those customers in the past.

The Group considers the trade receivables to have low risk of defaults since the customers have strong capacity to fulfil their obligations and even if there are adverse changes in economic and business conditions, the Group is of the view that it will not adversely affect the ability of the customers to fulfil their obligations.

The Group considers write-off of receivables on case to case basis, depending upon the circumstances of each delayed receivable, and when the Group is of the view that recovery seems unlikely after reasonable efforts.

The maturity profile of various financial assets is as given below:

₹ in million

Particulars	31st March, 2022		31st March, 2021	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	9,703.70	-	10,409.76	-
Total	**9,703.70**	**-**	**10,409.76**	**-**

Notes Forming Part of Consolidated Financial Statements (contd.)

Investments and other financial assets

Investments consist mainly of investments in mutual funds, insurance premium and short term funds. Other financial assets consist of Government incentives receivable, export incentives and security deposits for business purposes.

Investments in mutual funds are primarily those instruments which have been approved by the Board and are in low-risk category and are continuously monitored by the investment committee of the Board. The Group considers credit risk in investments as well as in other financial assets to be very low.

ii) Liquidity Risk

Liquidity risk is the risk that the Group may not be in a position to meet its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure availability of adequate funds for business. The Group generates sufficient internal accruals and generally the purpose of borrowings is to meet temporary fund flow mismatches and to meet regular capital expenditures. The Group maintains a very low debt to equity ratio.

The maturity profile of various financial liabilities is as given below. These amounts have been drawn up based on the undiscounted cash flows of various financial liabilities based on the earliest date on which the Group can be required to pay.

₹ in million

Particulars	31st March, 2022		31st March, 2021	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	12,413.47	-	12,783.30	-
Other financial liabilities	640.29	107.46	543.16	89.79
Working capital demand loans / term loans	2,055.28	1,939.21	2,376.64	3,549.79
Right to use lease liabilities	141.81	159.84	242.51	242.04
Total	**15,250.85**	**2,206.51**	**15,945.61**	**3,881.62**

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk like commodity prices risk.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations which have floating rate indebtedness. The Group also maintain deposits of cash and cash equivalents with banks and other financial institutions which are subject to periodic resets.

Interest rate sensitivity

The sensitivity analysis below demonstrates the sensitivity to a reasonable possible change in interest rates on the debt obligations of the Group and on the cash and cash equivalents.

₹ in million

For the year ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Financial statement item	Variable rate WCDL / CC balance / ECB
31st March, 2022	INR	+100	(22.37)	Debt obligation	2,180.28
	INR	-100	18.17	Debt obligation	2,180.28
31st March, 2021	INR	+100	(32.17)	Debt obligation	3,201.80
	INR	-100	23.99	Debt obligation	3,201.80

Notes Forming Part of Consolidated Financial Statements (contd.)

2) Foreign Currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk of changes in EUR, USD, CHF, CNY, GBP, SGD and JPY. However, the risk of changes in foreign exchange rates on the statement of profit or loss and other comprehensive income is not material.

Wherever, transactions are undertaken in foreign currency, the Group hedges the risk of foreign exchange fluctuation by using derivative financial instruments in line with its risk management policies. The information on foreign currency derivatives are given in sub note 4. The information on unhedged foreign currency exposures are as follows:

Foreign currency exposures that are not hedged by derivative instruments

Particulars	Currency	As at 31st March, 2022		As at 31st March, 2021	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
I. PCFC (net of EEFC)	USD	(1.28)	(96.98)	-	-
			(96.98)		-
II. Current investments	USD	3.42	287.23	-	-
			287.23		-
III. Trade receivables	USD	1.92	145.35	4.93	362.48
	EUR	1.37	115.16	1.23	105.79
			260.51		468.27
IV. Trade payables	USD	(0.43)	(32.29)	(1.03)	(75.59)
	EUR	(0.36)	(30.29)	(0.23)	(19.65)
	GBP	(0.03)	(3.18)	(0.02)	(2.11)
	SGD	-	-	(0.00)*	(0.17)
	CNY	-	-	(0.06)	(0.67)
			(65.76)		(98.19)
Total	USD	3.63	303.30	3.90	286.89
	EUR	1.01	84.87	1.00	86.14
	GBP	(0.03)	(3.18)	(0.02)	(2.11)
	SGD	-	-	(0.00)*	(0.17)
	CNY	-	-	(0.06)	(0.67)

* Amount below 0.01 million

Foreign currency sensitivity

The following tables demonstrates the sensitivity to a reasonable possible change in USD, EUR, GBP, CNY and SGD exchange rates, with all other variables held constant, the impact on the Group's profit before tax due to changes in the fair value of monetary assets and liabilities is given below. The Group's exposure to foreign currency changes for all other currencies is not material.

₹ in million

For the year ended	Currency	Change in rate	Effect on profit before tax
31st March, 2022	USD	+10%	30.33
	USD	-10%	(30.33)
	EUR	+10%	8.49
	EUR	-10%	(8.49)
	GBP	+10%	(0.32)
	GBP	-10%	0.32

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

For the year ended	Currency	Change in rate	Effect on profit before tax
31st March, 2021	USD	+10%	28.69
	USD	-10%	(28.69)
	EUR	+10%	8.61
	EUR	-10%	(8.61)
	GBP	+10%	(0.21)
	GBP	-10%	0.21
	CNY	+10%	(0.07)
	CNY	-10%	0.07
	SGD	+10%	(0.02)
	SGD	-10%	0.02

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

3) Commodity Price Risk

The Group is exposed to risks in fluctuation of prices of certain raw materials, which are used as key inputs in the production process, especially ferrous and non-ferrous metals. Historically, as a practice, and as per our understanding with customers, the Group has passed on an increase in the cost of metals, especially aluminium and steel to its customers and does not foresee a significant risk to its statement of profit and loss on account of fluctuations in the prices of materials.

The Group is further exposed to risks in fluctuation of certain costs of production. It hedges a part of these risks by using commodities swap instruments in line with its risk management policies. Refer sub note 4 below.

4) Derivative financial instruments :

The Group has entered into foreign currency forward contracts, interest rate swaps and commodity swaps to manage its exposure to fluctuations in foreign exchange rates, interest rates and commodity price risk. The counterparty is generally a bank. These financial exposures are managed in accordance with the Group's risk management policies and procedures. The information on derivative instruments is as follows:

₹ in million

Particulars	Currency	As at 31st March, 2022		As at 31st March, 2021	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD-INR	USD	4.80	363.43	5.07	372.47
No. of Contracts		28		29	
Forward contract - JPY -INR	JPY	26.80	16.71	-	-
No. of Contracts		1		-	
Forward contract - EUR - INR	EUR	4.43	372.30	0.62	53.72
No. of Contracts		24		15	
Forward contract - CNY -INR	CNY	0.09	1.13	-	-
No. of Contracts		1		-	
Interest rate swaps	EUR	16.71	1,403.31	23.63	2,034.88
No. of Contracts		8		7	
Commodities Swap	EUR	4.77	400.60	-	-
No. of Contracts		2		-	

Notes Forming Part of Consolidated Financial Statements (contd.)

Maturity of outstanding commodity swaps:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Notional in EUR million	MTM Gain / (Loss) Rupees (in million)	Notional in EUR million	MTM Gain / (Loss) Rupees (in million)
Not later than 3 months	0.30	37.16	-	-
Later than 3 months and not later than 6 months	0.30	38.02	-	-
Later than 6 months and not later than 1 year	0.60	75.45	-	-
Later than 1 year and not later than 2 year	1.19	36.28	-	-
Later than 2 year and not later than 3 year	1.19	1.06	-	-
Later than 3 year and not later than 4 year	1.19	(18.62)	-	-

Maturity of outstanding interest rate swaps:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Notional in EUR million	MTM Gain / (Loss) Rupees (in million)	Notional in EUR million	MTM Gain / (Loss) Rupees (in million)
Not later than 3 months	2.43	1.70	-	-
Later than 3 months and not later than 6 months	2.43	1.70	-	-
Later than 6 months and not later than 1 year	3.36	2.36	-	-
Later than 1 year and not later than 2 year	5.13	3.60	-	-
Later than 2 year and not later than 3 year	1.60	1.12	-	-
Later than 3 year and not later than 4 year	1.60	1.12	-	-
Later than 4 year and not later than 5 year	0.15	0.11	-	-

Impact of hedging activities

a) Disclosure of hedge accounting on financial position:

₹ in million

Particulars	Nominal Value EUR million	Carrying amount of hedging instrument ₹ Million	Hedge Ratio	Changes in fair value of hedging instrument	Changes in the value of hedged item used as a basis for recognising hedge effectiveness
As at 31st March, 2022					
Interest rate swaps	16.71	11.36	1:1.55	11.36	(11.36)
Commodity swaps	4.77	164.34	1:10	164.34	(164.34)

b) Disclosure of effects of hedge accounting on financial performance:

₹ in million

Particulars	Changes in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in the Statement of Profit or loss because of the reclassification
Interest rate swaps	11.71	-	5.10	Finance costs
Commodity swaps	169.34	-	(29.95)	Other expenses

Notes Forming Part of Consolidated Financial Statements (contd.)

₹ in million

Derivative Instruments	Commodity Swap	Interest rate swap	Total
Cash Flow Hedge reserve			
As at 31st March, 2021	-	-	-
Add: change in intrinsic value of instrument	169.34	11.71	181.05
Less: Amount reclassified to P&L	-	-	-
Deferred tax relating to the above (net)	(47.25)	(2.81)	(50.06)
Balance - As at 31st March, 2022	**122.09**	**8.90**	**130.99**

33 Earnings per share (EPS)

	Particulars	Shares in Nos	
		For the year ended 31st March, 2022	For the year ended 31st March, 2021
a)	Earnings for the purpose of basic / diluted earnings per share -		
	Net profit after tax (₹ in million)	4,607.09	5,197.06
b)	Weighted number of ordinary shares for the purpose of basic earnings per share	140,662,848	140,662,848
c)	Weighted number of ordinary shares for the purpose of diluted earnings per share	140,662,848	140,662,848
d)	Nominal value of equity shares ₹ each	10.00	10.00
e)	Basic and diluted earnings per share ₹ each	32.75	36.95

34 Group as lessee

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
As at 1st April	484.55	603.81
Additions	87.13	223.78
Accretion of interest	7.35	11.02
Payments	(271.32)	(375.69)
Translation differences	(6.06)	21.63
As at 31 March	301.65	484.55
Current	141.81	242.51
Non current	159.84	242.04

The maturity analysis of lease liability is disclosed in note 11.02.

The effective interest rate for lease liabilities is 8.00% for leases in India and 0.90% for leases in Italy and 0.99% for leases in Germany, with maturity between 2023-2028.

Notes Forming Part of Consolidated Financial Statements (contd.)

The following are the amounts recognized in the statement of profit or loss:

₹ in million

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation expense of right-of-use assets	198.19	248.53
Interest expense on lease liabilities	7.35	11.02
Total amount recognized in profit or loss	**205.54**	**259.55**

During the year the Group had total cash outflows for leases of ₹ 271.32 million (previous year ₹ 375.69 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ 87.13 million (previous year ₹ 223.78 million).

35 Related Party disclosures as required by Ind AS - 24 are annexed. Key Management Personnel (KMP) has been identified as per Ind AS - 24.

36 Government incentives :

a) Industrial Promotion Subsidy: Incentive under Mega Project Scheme - PSI 2013

The Company recognises grant income under the Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on sale of goods, as management believes that the realisability of the grant income is reasonably certain.

The Company has recognized an amount of ₹ 594.89 million (previous year ₹ 872.18 million) as grant income under Mega Project scheme PSI 2013 in the year ended 31st March, 2022.

The Company has also recognized ₹ 39.01 million against balance related to PSI 2007 scheme for which sanction was received in March 2022.

The total grant income recognized during the year is ₹ 633.90 million.

b) EPCG benefit:

During FY 2018-19 the Company had imported plant and equipment under EPCG scheme and saved customs duty of ₹ 19.11 million against the export obligation of ₹114.67 million, the duty saved was capitalized. The pending export obligation as on 31st March, 2022 is ₹ 49.27 million (previous year ₹ 49.27 million).

In accordance with Ind-AS 20, ₹ Nil (previous year ₹ 1.37 million) is recognized as incentive received.

c) Export incentive:

Effective January 1, 2021, Remission of Duties and Taxes on Export Product (RoDTEP) scheme has been introduced by the Central Government which has replaced Merchandise Exports from India Scheme (MEIS). The Central Government has notified the products and the rates of benefit in September 2021. Accordingly, the Company has recognized ₹18.34 million (₹ 4.71 million for the period Jan-Mar 21 and ₹ 13.63 million for the year ended 31st March 2022) as export incentive in FY 2021-22.

During the year, the Company also recognized ₹ 30.41 million (previous year ₹ 27.26 million) as export incentive under duty drawback scheme.

Further the Company also recognized ₹ 47.02 million (previous year ₹ 31.82 million) as incentive under advance authorisation license scheme.

d) Government grants in overseas subsidiaries :

In case of EOSrl, in the year ended 31st March, 2016 Italian government accorded grant of EUR 0.91 million (₹ 66.07 million) in connection with capital expenditures incurred during the period June, 2014 to March, 2015. This grant was received in the form of tax credits in 3 yearly instalments starting from September, 2017 and the same was recognised in the consolidated Statement of Profit and Loss on a systematic basis over the useful life of asset.

Notes Forming Part of Consolidated Financial Statements (contd.)

During the current year, amount recognised in the Statement of Profit and Loss of ₹ 14.78 million(previous year ₹ 13.67 million) against above referred grant. Further, grant of ₹ 13.20 million (previous year ₹ 92.32 million) is recognised in the form of tax credits on incremental R&D expenditure; ₹ 39.33 million (previous year ₹ nil) in the form of tax credits for reinvestment of profits generated and capital infusions made in previous year; ₹ 9.80 million (previous year ₹ 10.05 million) is recognised for solar power utilization and surplus energy produced and ₹ 1.04 million (previous year ₹ 15.07 million) received as energy consumption grant.

37 Subsequent events:

(a) The Company has entered into a definitive agreement on 18th May, 2022 to acquire 100% of equity share capital in Maxwell Energy Systems Private Limited ("Maxwell") in a phased manner. The total consideration for the acquisition is up to ₹ 3,080 million. Subject to customary closing adjustments and fulfilment of conditions precedent, the Company plans to invest ₹ 1,350 million for acquisition of 51% stake in Maxwell, which is planned during the first quarter of financial year 2022-23. The balance 49% shall be purchased in a phased manner in five tranches, spread over next five financial years.

Maxwell is in the business of embedded electronics, particularly in battery management systems ("BMS") for vehicles including electric vehicles ("EV") and for stationary storage systems. This acquisition will strengthen the Company's offerings to its automotive OEM customers especially for the EV segment. BMS business has a good potential for growth in the automotive sector and has synergy with the Company's existing business of auto components.

(b) On 19th May, 2022, the Board of Directors of the Company proposed a dividend of ₹ 6.25 per equity share of face value ₹ 10 each in respect of the year ended 31st March, 2022. The dividend payout is subject to approval of the shareholders at the Annual General Meeting.

During the current year, final dividend for the year ended 31st March, 2021 was declared and paid at ₹ 6 per equity share of face value ₹ 10 each.

38 **(a)** Coronavirus Disease (COVID-19) has resulted in the Group temporarily suspending the operations of its manufacturing units in India and Europe during the first quarter of the financial year. COVID-19 has impacted the normal business operations of the Group by way of interruption in production and sale of finished goods, supply chain disruption, limited availability of personnel etc. However, production and sale of goods have commenced in a phased manner through April and May, 2020.

The Group has performed a detailed assessment of its liquidity position and the recoverability of the assets as at the balance sheet date and has concluded that based on current indicators of future economic conditions, the carrying value of the assets will be recovered. Management believes that it has fully considered all the possible impact of known events in the preparation of these financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

(b) The ongoing Russia-Ukraine crisis has not impacted the normal business operations of the Group. Management believes that it has fully considered all the possible impact of known events in the preparation of the consolidated Ind AS financial statements. However, the impact assessment is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

Notes Forming Part of Consolidated Financial Statements (contd.)

39 Disclosure of additional information as required by the Schedule III :

a) As at and for the year ended 31st March, 2022:

₹ in million

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding company								
Endurance Technologies Limited	76.71%	30,068.48	82.86%	3,817.43	-6.77%	12.46	86.59%	3,829.89
Foreign subsidiaries								
Endurance GmbH*	8.92%	3,495.62	2.23%	102.75	1.15%	(2.12)	2.28%	100.63
Endurance Overseas Srl	24.23%	9,496.44	16.85%	776.32	-60.52%	111.41	20.07%	887.73
Eliminations	-9.86%	(3,860.61)	-1.94%	(89.41)	166.14%	(305.83)	-8.94%	(395.24)
Total	**100.00%**	**39,199.93**	**100.00%**	**4,607.09**	**100.00%**	**(184.08)**	**100.00%**	**4,423.01**

* Formerly known as Endurance Amann GmbH.

b) As at and for the year ended 31st March, 2021:

₹ in million

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding company								
Endurance Technologies Limited	76.03%	27,082.57	75.49%	3,921.99	-1.95%	(7.06)	70.44%	3,914.93
Foreign subsidiaries								
Endurance GmbH*	9.77%	3,481.39	3.33%	173.22	-2.12%	(7.69)	2.98%	165.53
Endurance Overseas Srl	24.79%	8,831.89	21.25%	1,103.99	-23.33%	(84.50)	18.34%	1,019.49
Eliminations	-10.59%	(3,774.44)	-0.07%	(3.51)	127.40%	461.50	8.24%	457.99
Total	**100.00%**	**35,621.41**	**100.00%**	**5,195.69**	**100.00%**	**362.25**	**100.00%**	**5,557.94**

* Formerly known as Endurance Amann GmbH.

Notes Forming Part of Consolidated Financial Statements (contd.)

40 During the current year, the Company announced a Voluntary Separation scheme (VSS) for its employees at B-1/3 Chakan plant. One hundred and seventy seven employees opted for the scheme. The company settled their dues on 19th June, 2021. The company also paid ₹ 314.50 million as separation compensation to the employees on 19th June, 2021 which is disclosed as an exceptional item in the statement of profit and loss.

During the previous year, the Company announced a Voluntary Separation scheme (VSS) for its employees, who have completed minimum 10 years of service and are above 40 years of age at its B-2 Waluj plant. Eighty six employees opted for the scheme. The company settled the dues to employees on 1st December, 2020. The company also paid ₹ 112.25 million as separation compensation to the said employees on 27th November, 2020 which is disclosed as an exceptional item in the statement of profit and loss.

41 Asset held for sale:

During the previous year, following the acquisition of Endurance Adler S.p.A., the Group proceeded to identify a potential buyer for a portion of the industrial complex located in Rovereto (Trento - Italy).

Based on the signing of a preliminary sales agreement during March, 2021, the mentioned portion of the property involved in the sale was classified as an "Asset Held For Sale" and adjusted to its current value (as defined in the preliminary sales agreement) of € 1,275,000 (₹ 109.78 million).

During the year, the asset held for sale was reclassified to property, plant and equipment due to failure to complete the sale as per the sales agreement and the depreciation was charged for the entire current financial year.

42 Other statutory information:

All the subsidiaries of the Holding Company are located outside India; and there are no associates or joint arrangements in India. Hence, no separate disclosures in regard to additional statutory information as required by Schedule III is given in the consolidated financial statements. Refe Note 43 of standalone financial statements for such disclosures in regard to the Holding Company.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 19th May, 2022
Place: Los Angeles, USA

For and on behalf of the Board of Directors

Soumendra Basu
Chairman
(DIN: 01125409)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

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

Date: 19th May, 2022
Place: Mumbai

Notes Forming Part of Consolidated Financial Statements (contd.)

Related Party Disclosure

(For the year ended 31st March, 2022)

(Refer Note 35)

a) List of Related Parties and nature of relationships

S.No	Description of Relationship	Name of Related Party/Persons
1	Key Management Personnel	Mr. Naresh Chandra, Chairman (upto 10th November, 2020)
		Mr. Soumendra Basu, Chairman (w.e.f. 10th November, 2020)
		Mr. Anurang Jain, Managing Director
		Mr. Satrajit Ray, Director and Group CFO
		Mr. Ramesh Gehaney, Director and COO
		Mrs. Varsha Jain, Director and Head – CSR and Facility Management (w.e.f. 10th November, 2020)
		Mr. Partho Datta, Independent Director (upto 1st May, 2021)
		Mr. Roberto Testore, Independent Director
		Ms. Anjali Seth, Independent Director
		Mrs. Falguni Nayar, Independent Director (upto 9th February, 2021)
		Mr. Indrajit Banerjee, Independent Director (w.e.f. 9th February, 2021)
		Mr. Anant Talaulicar, Independent Director (w.e.f. 12th July, 2021)
		Mr. Massimo Venuti, Non-executive Director
2	Relatives of Key Management Personnel with whom transactions have taken place	Mr. Naresh Chandra (family trustee of Anurang Rhea Trust) - Father of Mr. Anurang Jain
		Mrs. Suman Nareshchandra Jain (family trustee of NC Trust) - Wife of Mr. Naresh Chandra
		Mrs. Varsha Jain - Wife of Mr. Anurang Jain
		Ms. Rhea Jain - Daughter of Mr. Anurang Jain
		Mr. Rohan Jain - Son of Mr. Anurang Jain
3	Enterprises Owned or controlled by Key Management personnel and/or their Relatives	Varroc Engineering Limited (upto 10th November, 2020)

Notes Forming Part of Consolidated Financial Statements (contd.)

Related Party Disclosure

(For the year ended 31st March, 2022)

(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	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Purchase of raw material and components	-	-	-	-
	-	-	(2.22)	(2.22)
Remuneration - short term employee benefits	356.51	9.21	-	365.72
	(221.12)	(11.29)	-	(232.41)
Post employment and other long term benefits*	16.10	-	-	16.10
	(132.39)	-	-	(132.39)
Directors' sitting fees	3.21	-	-	3.21
	(2.22)	-	-	(2.22)
Directors' commission	12.75	-	-	12.75
	(10.75)	-	-	(10.75)
Professional fees	-	-	-	-
	(1.86)	-	-	(1.86)
Lease rent expense	10.32	-	-	10.32
	(10.29)	-	-	(10.29)
Reimbursement of travelling and other expenses	0.11	0.02	-	0.13
	(0.03)	(0.02)	-	(0.05)
Dividend paid	430.18^	202.80#	-	632.98
	-	-	-	-
Expenses recovered **	0.00	-	-	0.00
	-	-	(0.00)	(0.00)
Other income **	-	-	-	-
	-	-	(0.00)	(0.00)
Balances Outstanding as at the end of the year				
i) Payables	64.36	0.34	-	64.70
	(5.99)	(0.27)	-	(6.26)
iii) Security deposit receivable	2.39	-	-	2.39
	(2.45)	-	-	(2.45)

* Post employment benefits payable in the form of gratuity and other long term benefits in the form of compensated absences are calculated on the basis of actuarial valuation. Amount payable to executive directors in India and their relatives as at 31st March, 2022 (31st March, 2021) cannot be separately identified and therefore has not been included in above. There are no share based payments given to Key Management Personnel and their relatives.

^ Includes ₹ 169.80 million (₹ Nil) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.

Includes ₹ 101.46 million (₹ Nil) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 101.34 million (₹ Nil) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.

** Transaction amount is below ₹ 0.01 million.

Notes Forming Part of Consolidated Financial Statements (contd.)

Related Party Disclosure

(For the year ended 31st March, 2022)

(Refer Note 35)

c) **Disclosure in respect of material transactions with related parties (Previous year figures are in brackets)**

₹ in million

Nature of Transactions	Varroc Engineering Limited
Purchase of raw material and components	-
	(2.22)
Other Income *	-
	(0.00)
Expenses Recovered *	-
	(0.00)
Balances Outstanding as at the end of the year	
Payables	-
	-

Outstanding balances as at the year end are unsecured and settlement occurs in cash and cash equivalents. There are no guarantees provided or received for any related party receivables/payables.

* Transaction amount is below ₹ 0.01 million.

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in ₹ million except % of shareholding)

Sl. no.	Name of the subsidiary	Financial period ended	Reporting currency and Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
1.	Endurance Overseas SrL, Italy	31st March, 2022	1 EURO: INR 83.985 (for balance sheet items); 1 EURO: INR 86.5444 (for P&L items);	1,352.60	2,636.49	8,254.71	4,265.62	4,396.55	891.64	155.79	37.77	118.03	-	100 (#)
2.	Endurance SpA, Italy*	31st March, 2022	1 EURO: INR 83.985 (for balance sheet items); 1 EURO: INR 86.5444 (for P&L items);	419.93	6,420.05	14,745.46	7,905.48	0.02	11,725.69	164.01	(160.37)	324.38	-	100.00
3.	Endurance Engineering SrL, Italy*	31st March, 2022	1 EURO: INR 83.985 (for balance sheet items); 1 EURO: INR 86.5444 (for P&L items);	8.40	494.37	856.76	353.99	0.00	1,043.69	65.55	7.69	57.86	-	100.00
4.	Endurance Castings SpA, Italy*	31st March, 2022	1 EURO: INR 83.985 (for balance sheet items); 1 EURO: INR 86.5444 (for P&L items);	75.59	947.89	2,523.35	1,499.77	0.38	3,073.84	131.23	9.27	121.97	-	100.00
5.	Endurance Adler SpA, Italy*	31st March, 2022	1 EURO: INR 83.985 (for balance sheet items); 1 EURO: INR 86.5444 (for P&L items);	70.55	139.52	1,062.35	852.28	0.00	704.68	9.24	(5.28)	14.53	-	100.00
6.	Veicoli SrL, Italy*	31st March, 2022	1 EURO: INR 83.985 (for balance sheet items); 1 EURO: INR 86.5444 (for P&L items);	41.99	109.23	185.13	33.91	0.00	30.82	3.05	2.03	1.02	-	100.00
7.	Endurance GmbH** Germany	31st March, 2022	1 EURO: INR 83.985 (for balance sheet items); 1 EURO: INR 86.5444 (for P&L items);	987.38	2,494.93	4,864.02	1,381.70	387.67	4,269.70	137.60	38.32	99.27	-	100.00

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

* Wholly Owned Subsidiary of Endurance Overseas Srl

** Formerly known as Endurance Amann GmbH

Notes :

1) The figures stated above are as per local GAAP of the country of respective subsidiary and have been converted in INR as per exchange rate mentioned in the table above.
2) Turnover includes Other Income and Other Operating Revenue.

Part "B": Associates and Joint Ventures: NIL

Name of Associates/Joint Ventures
1. Latest audited Balance Sheet Date
2. Shares of Associate/Joint Ventures held by the Company on the year end
a) Number
b) Amount of Investment in Associates/Joint Venture
c) Extent 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

Soumendra Basu
Chairman

Anurang Jain
Managing Director

Satrajit Ray
Director and
Group Chief Financial Officer

Sunil Lalai
Company Secretary and
Executive Vice President - Legal

Date: 19th May, 2022

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REGISTERED OFFICE

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