ENDURANCE
ENDURANCE TECHNOLOGIES LIMITED
E-92/93, M.I.D.C. Industrial Area, Waluj,
Dist. Aurangabad (M.S.)-431136, India
TEL: +91-240-2569600, 2554902, 2564595
FAX: +91-240-2569703
www.endurancegroup.com
CIN No. : L34102MH1999PLC123296

21st July, 2023

The Manager – Listing,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

BSE Code: 540153

The Manager – Listing,
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051

NSE Code: ENDURANCE

Sub.: Notice of the Twenty Fourth Annual General Meeting and Annual Report for the FY 2022-23

Ref.:

1. **Regulation 34(1) read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and**
2. **Outcome letter dated 17th May, 2023, *inter* alia, intimating date of Twenty Fourth Annual General Meeting and related information.**

Dear Sir/Madam,

This has reference to our letter dated 17th May, 2023 informing that the Twenty Fourth Annual General Meeting ("AGM") of the Company will be held on Wednesday, 23rd August, 2023.

In continuation thereto, we are enclosing:

i. Notice of AGM (including attendance slip, proxy form and route map for reaching the AGM venue and e-voting instructions); and

ii. Annual Report (including Business Responsibility and Sustainability Report) of the Company for the Financial Year 2022-23.

Further, we inform that the Company has commenced dispatch of Notice convening the AGM together with Annual Report for the financial year 2022-23 to all its Members whose name appeared in the Register of Members / Beneficial Owners as of the close of business hours on Friday, 14th July, 2023.

Aforesaid documents are also available on the website of the Company at www.endurancegroup.com.

We request you to take these two documents on record.

Thanking you,

Yours faithfully,
For **Endurance Technologies Limited**

Sunil Naresh Lalai
Digitally signed by Sunil Naresh Lalai
Date: 2023.07.21 18:31:54 +05'30'

Sunil Lalai
Company Secretary and Executive Vice President – Legal
Membership No.: A8078

Encl.: As above

Notice

ENDURANCE TECHNOLOGIES LIMITED

CIN: L34102MH1999PLC123296
Registered Office: E-92, MIDC Industrial Area, Waluj, Aurangabad – 431 136, Maharashtra
Website: www.endurancegroup.com, E-mail: investors@endurance.co.in

Notice is hereby given that the Twenty Fourth Annual General Meeting ("AGM") of the Members of the Company will be held on Wednesday, 23rd August, 2023 at 11.30 a.m. (IST) at Tango Hall, Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad – 431 003, Maharashtra, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the:

(a) audited financial statements of the Company for the financial year ended 31st March, 2023, together with the reports of the Board of Directors and Auditors thereon; and

(b) audited consolidated financial statements of the Company for the financial year ended 31st March, 2023, together with the report of Auditors thereon.

2. To declare dividend on 140,662,848 equity shares of the Company at the rate of ₹ 7 per equity share of face value ₹ 10 each (70%) fully paid up, for the financial year ended 31st March, 2023.

3. To appoint a director in place of Mr. Massimo Venuti (DIN 06889772), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Ratification of remuneration to Cost Auditor

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 [including any statutory amendment(s), modification(s) thereto or re-enactment(s) thereof, for the time being in force] and such other provisions as may be applicable, the Company hereby ratifies the remuneration of ₹ 450,000 (Rupees Four Hundred Fifty Thousand only), excluding applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, payable to Mr. Jayant B. Galande, Cost Accountant (Registration No. M-5255) who was appointed as the Cost Auditor of the Company by the Board of Directors, based on the recommendation of the Audit Committee, to conduct audit of the cost records maintained by the Company for the financial year ending 31st March, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors

Sunil Lalai
Company Secretary and
Executive Vice President – Legal
Membership No. A8078

Place: Mumbai
Date: 17th May, 2023

Notes:

1. An Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("Act") and applicable Secretarial Standards, relating to special business to be transacted at the Twenty Fourth Annual General Meeting ("AGM" / "Meeting"), is annexed to the Notice.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members up to and not exceeding fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single proxy and such person shall not act as proxy for any Member. The instrument appointing proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of AGM.**

3. During the period beginning 24 hours before the time fixed for the commencement of AGM and ending with the conclusion of the AGM, a Member would be entitled to inspect proxies lodged at any time during the business hours of the Company, provided not less than three days' written notice is given to the Company.

4. Members / proxies / authorised representatives are requested to bring the attendance slip(s) / proxy form duly filled in and signed for attending the AGM. Proxies are requested to bring their identity proof at the meeting for the purpose of identification. Members who hold shares in dematerialised form are requested to write their DP ID and Client ID numbers, and those who hold shares in physical form are requested to write their folio number on the attendance slip for attending the AGM and hand over the duly filled attendance slip(s) at the entrance of the venue.

5. Any query relating to financial statements must be sent to the Company's e-mail ID at investors@endurance.co.in or to the Registered Office at least seven days before the date of the AGM.

6. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 12th August, 2023 to Wednesday, 23rd August, 2023 (both days inclusive) for determining the shareholders entitled for dividend.

7. **Dividend and related information:**

   The Board of Directors of the Company, at its meeting held on 17th May, 2023, has recommended a dividend of ₹ 7 per equity share of ₹ 10 each (70%) fully paid up, for the financial year 2022-23. Dividend, if declared, at the AGM will be credited / dispatched on or after 29th August, 2023 to those Members or their mandates whose names appear as Members (holding shares in physical form) in the Register of Members of the Company, or as beneficial owners (holding shares in electronic form), as per the beneficial ownership data to be furnished by the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) (NSDL and CDSL shall collectively be referred to as "Depositories" hereinafter) as of the close of business hours on Friday, 11th August, 2023 ("Record Date").

   As per the Income Tax Act, 1961 ("IT Act") the Company would be required to deduct Tax at Source ("TDS") at the time of making payment of the dividend, as approved by the Members. The rate of TDS would vary depending on the residential status of the shareholders and the documents submitted by them and accepted by the Company.

   Resident Shareholders:

   Tax shall be deducted at source under Section 194 of the IT Act @ 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number ("PAN") with their respective Depositories (for shares held in demat form) or Registrar and Tranfer Agent (RTA) or the Company (for physical shares), as the case may be, and if valid PAN is not submitted, tax would be deducted @ 20% as per Section 206AA of the IT Act.

   Further, as per Section 206AB of the IT Act, tax is required to be deducted at higher of the following in case of payments to the specified person (as defined below):

   a. at twice the rate specified in the relevant provision(s) of the IT Act; or

   b. at twice the rate or rates in force; or

   c. at the rate of 5%.

   The term 'specified person' is defined in Section 206AB(3) of the IT Act as a person who satisfies the following conditions:

i. who has not filed the income-tax return for the previous year immediately prior to the year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the IT Act has expired; and

ii. the aggregate of TDS and TCS in his / her case is ₹ 50,000 or more in such previous year.

In order to check the status of specified person, the Company would rely on the details available on the online portal of the Income-tax Department and shall accordingly determine the applicable TDS rate. The Company shall not consider any declaration in relation to non-applicability of provisions of Section 206AB of the IT Act.

No tax shall be deducted at source on the dividend payable to a resident individual if the total dividend to be received by the said resident individual from the Company during a financial year does not exceed ₹ 5,000; or if an eligible resident shareholder provides a valid declaration in Form 15G / 15H or other documents as may be applicable to different categories of shareholders. The said form(s) may be provided by the shareholder, by way of an email at endurancedivtax@linkintime.co.in, or may be uploaded on the Company's RTA portal at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html.

Further, if a shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company, tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

Non-resident Shareholders:

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of Section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, TDS on dividend shall be @ 20% or applicable rate plus surcharge and health and education cess on the amount of dividend payable to the non-resident shareholders. For FII / FPI shareholders, Section 196D provides for TDS @ 20% or applicable rate plus surcharge and health and education cess. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with applicable Multilateral Instrument provisions, if they are more beneficial to them.

Non-resident shareholders are required to submit self-attested copy of Form 10F, Tax Residency Certificate, self-declaration that the shareholder does not have a permanent establishment in India and copy of the PAN allotted by Indian Income Tax Authorities for opting beneficial rate under Tax Treaty.

The non-resident shareholders should upload the declaration at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html or e-mail at endurancedivtax@linkintime.co.in.

A list of documents / declarations required to be provided by the resident shareholders and list of documents / declarations required to claim the benefit of DTAA by the non-resident shareholders are available on the Company's website at https://www.endurancegroup.com/investor-relation/shareholders-form/.

Important Note:

No communication on the tax determination / deduction shall be entertained after 11th August, 2023.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act.

In addition to the above, please note the following:

i. In case you hold shares under multiple accounts under different status / category but under a single PAN, the highest rate of tax as applicable to the status in which shares are held under the said PAN will be considered on the entire holding in different accounts.

ii. In case of joint shareholding, the withholding tax rates shall be considered on the basis of the status of the primary beneficial shareholder. For TDS, the Company would be relying on the above data shared by the RTA as updated, up to the record date. It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the aforementioned details / documents from the Members, they may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to send soft copy of the TDS certificate to the Members at their registered e-mail ID within the prescribed time, post payment of the said dividend, if declared in the AGM. The said certificate can also be viewed in Form 26AS which can be downloaded from their e-filing account at https://www.incometax.gov.in/iec/foportal.

In the event of any income tax demand (including interest, penalty, etc. arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder(s), such shareholder(s) will be responsible to indemnify the Company, and also provide the Company with all information / documents and co-operation in any assessment / appellate proceedings before the Tax / Government authorities.

For any additional information, we request you to refer "Communication on TDS on Dividend Distribution" available at https://www.endurancegroup.com/investor-relation/shareholders-form/.

8. In terms of Schedule I of the Listing Regulations, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service ("ECS"), Local ECS / Regional ECS / National ECS, National Electronic Fund Transfer / NACH, for making payment of dividend to its Members.

   Accordingly, Members holding securities in demat mode are requested to update their bank account details with their respective Depository Participants ("DPs"). Members holding securities in physical form may send a request to update their bank account details, to the Company's RTA at rnt.helpdesk@linkintime.co.in.

   It may kindly be noted that dividend warrants / demand drafts shall be issued and dispatched to only those Members whose bank account details are not available or are not updated with their DPs till the Record Date.

   Further, after expiry of the validation period of dividend warrants / demand drafts, the amount of dividend shall only be paid through electronic credit to the bank account of the respective Member.

   To avoid fraudulent transactions, the identity / signature of the Members holding shares in electronic / demat form is verified with the specimen signatures furnished by NSDL / CDSL and that of Members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.

9. In accordance with the provisions of Section 152(6) of the Act, Mr. Massimo Venuti (DIN 06889772) will retire by rotation at the forthcoming AGM and, being eligible, has offered himself for re-appointment.

   Pursuant to Regulation 36 of the Listing Regulations, additional information in respect of Mr. Massimo Venuti, seeking re-appointment upon retirement by rotation at the AGM, is annexed to the Notice.

10. In terms of Sections 101 and 136 of the Act read with the Rules made thereunder, electronic copy of the Annual Report is being sent to all the Members whose email IDs are registered with the Company / DPs for communication purposes unless any Member has requested for a hard copy of the same.

    Physical copy of the Annual Report is being sent to those Members, who have either opted for the same or have not registered their email addresses. In case any Member wishes to get a physical copy of the Annual Report, a request may be sent to investors@endurance.co.in or rnt.helpdesk@linkintime.co.in mentioning the folio number / DP ID and Client ID numbers, as the case may be.

11. Members desirous of receiving communication from the Company in electronic form, may register their email address with their respective DP. If, however, shares are held in physical form, Members are advised to register their e-mail address with the RTA by sending communication on rnt.helpdesk@linkintime.co.in along with their folio no. and valid e-mail address for registration.

    To support the 'Green Initiative', Members who have not registered their e-mail addresses with the Company / RTA / DP are requested to log in to the website of RTA, www.linkintime.co.in under Investor Services > Email Registration, fill in the details, upload the required documents and submit.

    Further, Members are also requested to approach their DP to register their e-mail address in their demat account details as per the process defined by the respective DP.

12. SEBI has mandated every participant in securities market to update KYC details:

    (a) Shares held in physical form:

        SEBI vide its Circular No SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 read with clarificatory Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021, and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 (all these circulars shall collectively be referred to as "SEBI KYC Circulars") has mandated members holding shares in physical form to furnish PAN, nomination, contact details (postal address with PIN, mobile number and e-mail address, bank account details (bank name and branch, bank account number and IFSC code) and specimen signature (mandatory KYC). Accordingly, Members holding shares in physical form where KYC update is pending are requested to complete the mandatory KYC by sending an email request along with duly signed Form ISR-1 and other relevant forms to RTA at its e-mail ID: rnt.helpdesk@linkintime.co.in. Blank form ISR-1 is available on the website of the RTA at the URL: https://linkintime.co.in/downloads.html.

As per SEBI KYC Circulars, non-availability of any of the above required documents / details with RTA on or after 30th September, 2023 will result in freezing of the shares held in physical form.

(b) SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing certain prescribed service requests. Accordingly, the members are requested to make service request by submitting a duly filled and signed Form No. ISR-4, the format of which is available on the Company's website at www.endurancegroup.com/investor-relations and on the website of RTA at www.linkintime.co.in. Members are requested to note that any service request would only be processed after the folio is KYC compliant.

(c) Shares held in dematerialised form:

Members holding shares in dematerialised form are requested to submit / update their KYC details with their respective DPs.

13. Members can avail nomination facility pertaining to their shareholding in the Company by filing Form SH-13, as prescribed under Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 with the Company or the RTA. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. Blank forms are available on the website of the Company at www.endurancegroup.com/investor-relations and also on the website of the RTA at the URL https://linkintime.co.in/downloads.html.

14. Members are hereby informed that unpaid or unclaimed dividend over a period of seven years from the date of transfer of such dividends to the respective Unpaid Dividend Account(s) of the Company have to be transferred by the Company to the Investor Education and Protection Fund (IEPF).

During the year under review there is no amount to be transferred to IEPF as the period of seven years has not elapsed.

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

Financial Year	**Date of declaration of dividend / interim dividend**	**Amount of unpaid dividend as on 31st March, 2023 (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	45,325.50	12th September, 2026
2019-20	3rd March, 2020	122,100.00	7th April, 2027
2020-21	25th August, 2021	45,145.00	24th September, 2028
2021-22	24th August, 2022	53,236.00	23rd September, 2029

Members are requested to claim their dividends for these years, if not already done.

15. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form. Further, with effect from 24th January, 2022, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

SEBI vide its Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18th May, 2022 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated 25th May, 2022 has simplified the procedure and standardised the format of documents for transmission of securities and issuance of duplicate securities certificate. Members are requested to submit their requests, if any, along with the documents as per the said circular.

16. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.endurancegroup.com, websites of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of the e-voting service provider i.e. NSDL at https://www.evoting.nsdl.com.

17. Documents referred in the Notice and the Explanatory Statement are open for inspection, without any fee, at the Registered Office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m., except public holidays, up to the date of AGM i.e. Wednesday, 23rd August, 2023.

18. Following statutory registers will be available for inspection by the Members at the Registered Office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m.:

    i. Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act.

    ii. Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act.

    The said registers shall be kept open for inspection at the AGM and shall be made accessible to any person attending the AGM.

19. Voting through electronic means:

I. The instructions for voting by electronic means are as under:

The remote e-voting period begins on Saturday, 19th August, 2023 at 9:00 am (IST) and ends on Tuesday, 22nd August, 2023 at 5.00 pm (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the Cut-off Date for e-voting i.e. Wednesday, 16th August, 2023 are eligible to cast their vote(s) electronically. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date.

Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of this AGM Notice and holds shares as on the Cut-off date, may obtain the login id and password by sending a request at evoting@nsdl.co.in or to the Company at investors@endurance.co.in.

Instructions for voting electronically using NSDL e-voting system

The procedure to vote electronically on NSDL e-voting system consists of 'two steps' which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting for individual Members holding securities in demat form:

In terms of the SEBI circular dated 9th December, 2020 on e-voting facility to be provided by listed companies, individual Members holding securities in demat mode are allowed to vote through their demat account maintained with depository participants. Members are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Login method for individual Members holding securities in demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt the Member to enter his / her existing User ID and Password. After successful authentication, the Members will be able to see e-voting services under Value Added Services. Click on "Access to e-voting" under e-voting services and Member will be able to see e-voting page. Click on the Company's name or e-voting service provider i.e. NSDL and Member will be re-directed to e-voting website of NSDL for casting his / her vote during the remote e-voting period. 2. If a Member is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.

Type of Members	Login Method
	3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. Member will have to enter his / her User ID (i.e. Member's sixteen digit demat account number held with NSDL), Password / OTP and a verification code as shown on the screen. After successful authentication, the Members will be redirected to NSDL depository site wherein Member will be able to see e-voting page. Click on Company name or e-voting service provider i.e. NSDL and Member will be redirected to e-voting website of NSDL for casting his / her vote during the remote e-voting period. 4. Members can also download NSDL Mobile App "NSDL Speed-e" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Members holding securities in demat mode with CDSL	i. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website - www.cdslindia.com and click on login icon & New System Myeasi Tab and then use existing my easi username and password. ii. After successful login the 'Easi / Easiest' user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-voting page of NSDL for casting his / her vote during the remote e-voting period. Additionally, links are also provided to access the system of all e-voting service providers, so that the user can visit the e-voting service providers' website directly. iii. If the user is not registered for Easi / Easiest, option to register is available at website of CDSL i.e. www.cdslindia.com by clicking on login and new system Myeasi Tab and then click on registration option. iv. Alternatively, the user can directly access e-voting page by providing demat account Number and PAN from an e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile and email as recorded in the demat account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of all e-voting service providers.
Individual Members (holding securities in demat mode) login through their depository participants	Users can also login using the login credentials of his / her demat account through their respective depository participant registered with NSDL / CDSL for e-voting facility. Upon logging in, user will be able to see e-voting option. Click on e-voting option and user will be redirected to the site of respective depository after successful authentication, wherein e-voting feature can be accessed. Click on the name of the Company or that of e-voting service provider i.e. NSDL and Member will be redirected to e-voting website of NSDL for casting vote.

Important note:

Members who are unable to retrieve User ID / Password are advised to use 'Forgot User ID' and 'Forgot Password' options available at the website of respective depositories viz. NSDL at https://www.evoting.nsdl.com and CDSL at www.cdslindia.com.

Helpdesk for individual Members holding securities in demat mode for any technical issues relating to login through respective depository i.e. NSDL or CDSL.

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at or contact at toll free no. 1800 22 55 33

Notice (Contd.)

B) Login Method for e-voting for Members other than individual Members holding securities in demat mode and Members holding securities in physical mode.

Procedure for logging-in to e-voting website of NSDL

i. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a personal computer or on a mobile.

ii. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.

iii. A new screen will open. Members will have to enter their User ID, Password / OTP and a verification code as shown on the screen.

Alternatively, if Member is registered for NSDL e-services i.e. IDeAS, it can log-in at https://eservices.nsdl.com with the existing IDeAS login. Once the Member has logged-in to NSDL e-services after using the log-in credentials, click on e-voting and Member can proceed to Step 2 i.e. Instructions to cast vote electronically on NSDL's e-voting system.

iv. User ID details for Members are given below:

Manner of holding shares i.e. Demat with NSDL / CDSL or Physical	User ID is:
For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if member's DP ID is IN300*** and Client ID is 12****** then member's user ID is IN300***12******.
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if member's Beneficiary ID is 12************** then member's user ID is 12**************
For Members holding shares in Physical Form	EVEN Number (E-voting event number allocated by NSDL) followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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v. Password details for Members other than individual Members are given below:

a) Members who have already registered for e-voting, can use their existing password to login and cast vote.

b) If a Member is using NSDL e-voting system for the first time, the 'initial password' will have to be retrieved which is communicated to the Member in the manner mentioned below. Once the 'initial password' is retrieved, please enter the same and the system will prompt the member to change its password.

c) The manner to retrieve 'initial password'

(i) If Member's email ID is registered in its demat account or with the Company, the 'initial password' is communicated to the Member on registered email ID through an encrypted file. The password to open the .pdf file is the Member's 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains Member's 'User ID' and 'initial password'.

(ii) If Member's email ID is not registered, please follow the steps mentioned below.

vi. If a Member is unable to retrieve the password or has not received the "Initial password" or has forgotten the password, please follow the steps mentioned below:

a) Click on "Forgot User Details / Password?"(If Member is holding shares in demat account) option available on www.evoting.nsdl.com.

b) Click on "Physical User Reset Password?" (If Member is holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If Member is still unable to get the password by aforesaid two options, Member can send a request at evoting@nsdl.co.in mentioning the demat account number / folio number, PAN, name and registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

Notice (Contd.)

vii. After entering the password, select the check-box 'Agree' to "Terms and Conditions".

viii. Click on "Login" option.

ix. Thereafter, home page of e-voting will open.

Step 2: Instructions to cast vote electronically on NSDL's e-voting system:

i. After successful login at Step 1, Members will be able to see all the companies "EVEN" where he / she is a shareholder and whose voting is active.

ii. Select "EVEN" of the Company.

iii. Now Member is ready for e-voting as the voting page opens.

iv. Member can cast vote by selecting appropriate option i.e. assent or dissent, verify / modify the number of shares for which the Member wishes to cast vote and click on "Submit" and also "Confirm" when prompted.

v. Upon confirmation, the message "Vote cast successfully" will be displayed.

vi. Members can also take the printout of the votes cast by them by clicking on the print option on the confirmation page.

vii. Once the vote on a resolution is confirmed, Member will not be allowed to modify that vote.

General Guidelines for Members

A. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy in .pdf / .jpg format of the relevant Board Resolution / Power of Attorney / letter of authority, etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to attend the AGM and vote in terms of Section 113 of the Act, to the Scrutiniser by e-mail to the Company at investors@endurance.co.in, to the scrutiniser at sarika@skapcs.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution / Power of Attorney / letter of authority, etc. by clicking on "Upload Board Resolution / letter of authority" displayed under "e-voting" tab in their login.

B. It is strongly recommended not to share password with any other person and take utmost care to keep the password confidential. Login to the e-voting website will be **disabled upon five unsuccessful attempts** to key in the correct password. In such an event, user will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal - Assistant Vice President or Ms. Pallavi Mhatre, Senior Manager - NSDL at evoting@nsdl.co.in.

Procedure for those Members whose email IDs are not registered with the depositories for procuring user ID and password, and registration thereof for e-voting for the resolutions set out in this Notice:

i. In case shares are held in physical mode please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@endurance.co.in.

ii. In case shares are held in demat mode, please provide DPID and CLID, Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@endurance.co.in. If Member is an individual Member holding securities in demat mode, he / she is requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-voting for individual Members holding securities in demat mode.

iii. Alternatively Members may send a request to evoting@nsdl.co.in for procuring user ID and password for e-voting by providing above mentioned documents.

iv. In terms of SEBI circular dated 9th December, 2020 on e-voting facility provided by listed companies, individual Members holding securities in demat mode are allowed to vote through their demat

Notice (Contd.)

account maintained with depositories and depository participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

II. Voting at the AGM:

The Chairperson at the AGM, shall at the end of the discussion on the resolution, on which voting is to be held, allow voting with the assistance of Scrutiniser, by ballot voting system for all the Members who are present at the AGM but have not cast their votes earlier by availing the remote e-voting facility.

20. The Company has appointed- Mrs. Sarika Kulkarni, Practicing Company Secretary (Membership No. F8478 and COP No. 9045) or failing her, Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. A10189 and COP No. 6029), as the Scrutiniser to review that the process of e-voting and voting at the venue of the AGM is conducted in a fair and transparent manner and issue a report on the votes through remote e-voting and those cast at the AGM.

21. Declaration of results on the resolutions:

    i. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutiniser shall make, not later than two working days from conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against each resolution, invalid votes, if any, and whether the resolution(s) has / have been carried or not. This report shall be submitted to the Chairperson or a person authorised by him, in writing, who shall countersign the same.

    ii. The results shall be declared after the AGM of the Company and shall be deemed to be passed on the date of AGM. The results along with the Scrutiniser's Report shall be placed on the website of the Company www.endurancegroup.com within two working days of passing of the resolutions at the AGM of the Company and shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the Company's equity shares are listed. NSDL, who has provided the platform for facilitating remote e-voting, will also display these results on its website https://www.evoting.nsdl.com. The said results shall also be displayed at the registered office of the Company.

22. Members are requested to kindly bring their copy of the Annual Report with them at the AGM, as no extra copy of annual report would be made available at the AGM.

23. Route-map to reach the venue of the AGM is annexed to the Notice as per the requirement of applicable Secretarial Standard.

24. Members can contact the Registrar and Share Transfer agent of the Company for updation / change of address or queries relating to their shareholding at following address:

    Registrar and Transfer Agents (RTA):
    M/s. Link Intime India Private Limited
    C 101, 247 Park, Lal Bahadur Shastri Marg,
    Vikhroli West, Mumbai – 400 083.
    Contact No.: (022) 49186000
    Fax No.: (022) 49186060
    Email: rnt.helpdesk@linkintime.co.in

25. Request to Members holding multiple folios to get their holdings consolidated:

    Members holding more than one share in the same name or joint names in the same order but under different ledger folios are requested to apply for consolidation of such folios into a single folio and accordingly send a request letter duly signed by the shareholder and the relevant share certificates alongwith the self-attested copy of Permanent Account Number (PAN) card and Aadhar card to the Company, to enable us to consolidate all such multiple folios into one single folio.

    In case of joint holders attending the AGM, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

26. Request to Members to register / update their e-mail IDs with the Company/ Depository, so that the notice and related documents can be served to Members on their e-mail IDs.

Notice (Contd.)

ANNEXURE TO THE NOTICE

Details of the Directors seeking re-appointment at the 24th Annual General Meeting

[Pursuant to the Secretarial Standard-2 on General Meetings and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS - 2 of the Secretarial Standard on General Meetings]

Item No. 3:

Information about the appointee Mr. Massimo Venuti (DIN 06889772)

Date of Appointment	Mr. Massimo Venuti was appointed as Director of the Company on 2nd December, 2016.
Date of Birth / Age	6th November, 1972 / 50 years
Qualification(s)	He holds a degree in Philosophy and Letters from the University of Urbino, Italy.
Experience and Nature of expertise	Mr. Venuti has work experience of over 28 years. He joined Teksid, the Fiat Group's leading metallurgical components company in 1995 as Financial Controller and participated in the development of Teksid into a leading worldwide multinational company in metallurgical components for automotive business. After his stint of nine years in Teksid, he joined Iveco S.p.A. in 2003 as Chief Financial Officer. In June 2005, he was transferred to the finance department of a new venture of Fiat Group, namely, Fiat Powertrain Technologies Sector and was responsible for worldwide planning, administration and control. In January 2006, he was elevated as Vice-President of Fiat Powertrain Technologies Sector and also headed the steering committee comprising a team responsible for cost reduction in manufacturing, purchases, product engineering, overheads and special projects. Effective June 2007, he was designated as Chief Executive Officer of Teksid Aluminum. Mr. Massimo Venuti joined the Endurance Group in June 2008 as Chief Executive Officer of Endurance Overseas Srl, the Italian subsidiary of the Company and is overall in-charge of the European operations of Endurance Group. He has been instrumental in turning around the performance of the European subsidiaries. He has also to his credit inorganic expansion of European operations. European subsidiaries of the Company are Tier I suppliers to leading automotive manufacturers in Europe. As on the date of this Notice, there are ten subsidiaries of the Company in Europe operating through 12 manufacturing facilities. Mr. Venuti is currently the Chief Executive Officer / member of the Board of Directors of all the European subsidiaries.
Nature of expertise in specific functional areas	• Domain knowledge of auto / auto component industry, • Strategy and Planning, • Business Management, • Financial knowledge and expertise, • Law and governance, • Human Resources and Industrial Relations.
Relationship with other Directors, and Key Managerial Personnel of the Company	None
Directorship(s) in other listed companies	None
Memberships / Chairmanship of Committees	Mr. Venuti does not hold membership in any of the committees of the Company.

Memberships / Chairmanship of Committees of other companies	None
Shareholding in the Company	Nil
Attendance at Board meetings held during the financial year 2022-23	During the financial year ended on 31st March, 2023, five Board Meetings of the Company were held and Mr. Venuti attended all the meetings.
Remuneration drawn in the financial year 2022-23	Mr. Venuti was not entitled to any remuneration from the Company during the financial year 2022-23.
Terms and conditions of reappointment	Mr. Venuti has been appointed as a Non-executive Director of the Company and is liable to retire by rotation. He is not entitled to be paid any remuneration from the Company.
Listed entities from which Mr. Venuti has resigned in the past three years	None

Mr. Venuti is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 ("Act") and he is not debarred from holding the office of director pursuant to any SEBI order or any such regulatory authority.

Except for Mr. Massimo Venuti, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this item.

The proposal for his re-appointment as Director liable to retire by rotation is placed before the Members for their approval at item no. 3 of this Notice. The Board recommends the same for approval of the Members.

Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Act.

Item No. 4:

Ratification of remuneration to Cost Auditor

Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 ("Audit Rules") provides for:

- appointment of a Cost Accountant in practice, to conduct audit of cost records of a company, by the board of directors on the recommendation of audit committee; and
- ratification of remuneration payable to him by the members of the company.

In terms of the aforesaid provisions, the Board of Directors of the Company, on the recommendation of the Audit Committee, has approved appointment of Mr. Jayant B. Galande, Cost Accountant in Practice as cost auditor of the Company for the financial year 2023-24. The remuneration fixed for his appointment is ₹ 450,000 (Rupees Four Hundred Fifty Thousand only) excluding applicable taxes and reimbursement of out-of-pocket expenses, at actuals.

The said appointment is for cost audit of the following business activities of the Company for the financial year 2023-24:

a. manufacturing of engine components;

b. manufacturing of dies and moulds; and

c. generation of electricity through windmill.

During the financial year 2022-23, the above business activities constituted 21.08% of the total turnover of the Company.

In terms of Rule 14 of the Audit Rules, the Members are requested to consider and ratify the remuneration payable to Mr. Galande, as mentioned in the resolution at item no. 4 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and / or their relatives are, in any manner, concerned or interested in the said resolution.

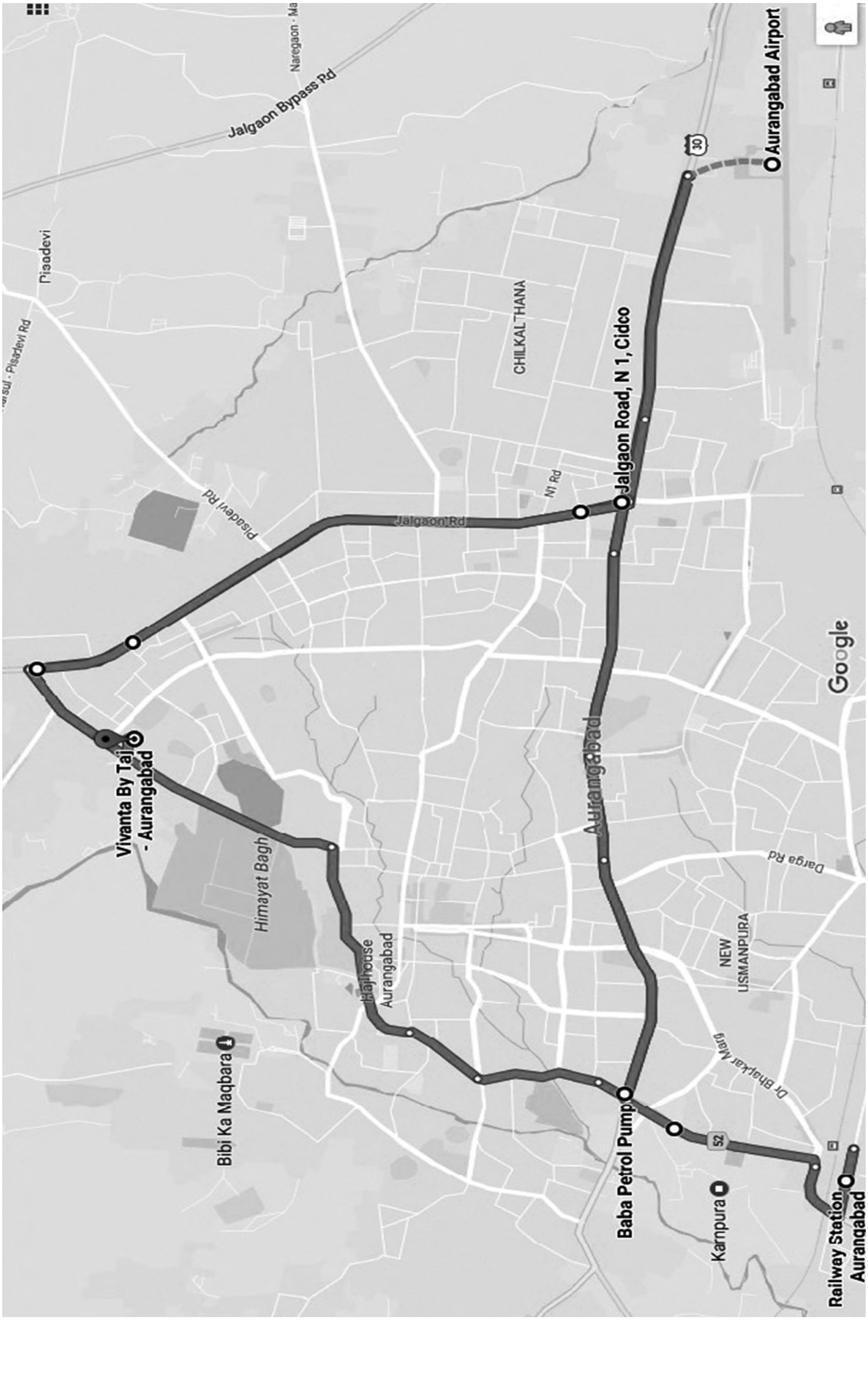
The Board recommends the Ordinary Resolution set out at item no. 4 of the Notice for approval of the Members.

By Order of the Board of Directors

Sunil Lalai
Company Secretary and
Executive Vice President – Legal
Membership no. A8078

Place: Mumbai
Date: 17th May, 2023

Route Map of the AGM Venue



Source: Google Map

Endurance Technologies Limited
CIN: L34102MH1999PLC123296
Regd. Office: E-92, MIDC Industrial Area,
Waluj, Aurangabad - 431136, Maharashtra, India.
Website: www.endurancegroup.com | E-mail: investors@endurance.co.in

ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the 24th Annual General Meeting ("AGM") of the Company on Wednesday, 23rd August, 2023 at 11.30 a.m. at Tango at Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad – 431003, Maharashtra.

Folio No. ____________________ DP ID No.: _______________________ Client ID No.: _______________________

Name of the Member ____ Signature ___________________________

Name of the Proxyholder ____ Signature ___________________________

1. Only Member / Proxyholder can attend the AGM.
2. Member / Proxyholder should bring his / her copy of Annual Report for reference at the AGM.
3. Member/ Proxyholder should also bring a valid photo identity (i.e. PAN, Voter ID, AADHAR etc.) for security purposes.

Endurance Technologies Limited
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ENDURANCE
Complete Solutions

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ______________________________

Registered address: ______________________________

E-mail Id: ______________ Folio No./ Client ID No.: ______________ DP ID No.: ______________

I/We, being the member(s) of Endurance Technologies Limited holding ___________ equity shares having face value of Rs. 10 each, hereby appoint:

1. Name: ______________________ E-mail Id: ______________________

   Address: ______________________________

   Signature: ______________________

   or failing him/her

1. Name: ______________________ E-mail Id: ______________________

   Address: ______________________________

   Signature: ______________________

   or failing him/her

1. Name: ______________________ E-mail Id: ______________________

   Address: ______________________________

   Signature: ______________________

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 24th Annual General Meeting of the Company to be held on Wednesday, 23rd August, 2023 at 11.30 a.m. at Tango at Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad – 431003, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

1. To receive, consider and adopt the:
   a. audited financial statements of the Company for the financial year ended 31st March, 2023, together with the reports of the Board of Directors and Auditors thereon; and
   b. audited consolidated financial statements of the Company for the financial year ended 31st March, 2023, together with the report of Auditors thereon.
2. To declare dividend on 140,662,848 equity shares of the Company at the rate of Rs. 7 per equity share of face value Rs. 10 each (70%) fully paid up, for the financial year ended 31st March, 2023.
3. To appoint a director in place of Mr. Massimo Venuti (DIN: 06889772), who retires by rotation, in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
4. Ratification of remuneration payable to Cost Auditor.

Signed this ___________ day of ____________, 2023

Affix
Revenue
Stamp

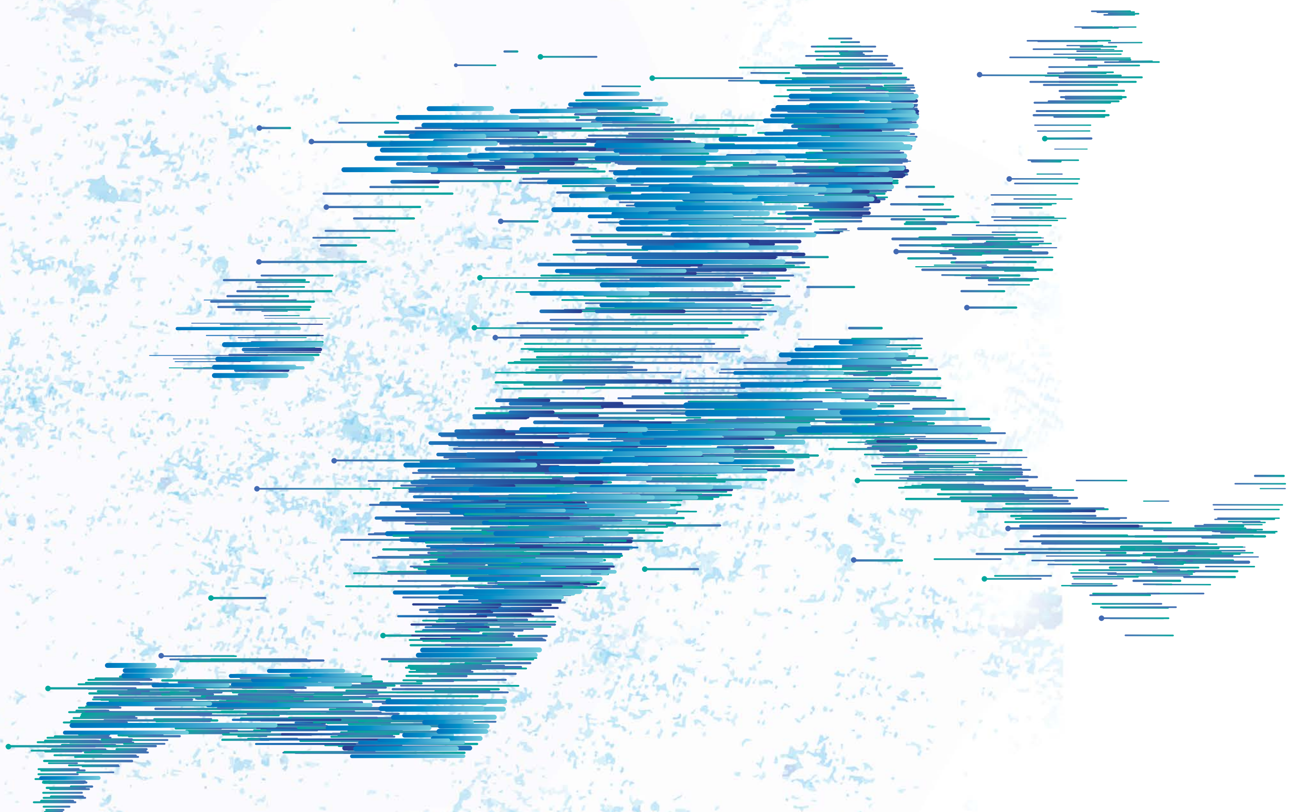
Signature of Shareholder ____________ Signature of Proxy holder(s) ______________

Notes:

1. **This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at E-92, MIDC Industrial Area, Waluj, Aurangabad - 431136, Maharashtra, not less than 48 hours before the commencement of the Meeting.**
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/ Proxy form.

Endurance Technologies Limited

Annual Report 2022-23



INNOVATIVELY AGILE!

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To view this report online or download, please log on to

www.endurancegroup.com

Endurance's strategy has always been to remain agile while building capabilities to continue being a technology leader in our chosen product verticals. Our business model and people strategy, together with sustained research and development efforts, fosters quick decision-making, and ignites a passion for learning with a shared vision. This enables us to anticipate the changing industry dynamics and trends to drive technological changes rather than just keep pace with the transformations. We have developed a customer-centric culture by anticipating changing business expectations, responding swiftly, and exceeding customer requirements by proactively delivering the desired results.

BEING INNOVATIVELY AGILE HAS HELPED US IN EXECUTING OUR STRATEGIC PLANS AND SCALING NEW LEVELS OF GROWTH, AND HAS THUS EMERGED AS THE CENTRAL PILLAR OF OUR LONG-TERM SUSTAINABLE GROWTH STRATEGY, AND WE ARE COMMITTED TO REINFORCING IT.

Insights from our MD

THE INDIAN AUTOMOBILE INDUSTRY IS CURRENTLY THE FIFTH LARGEST IN THE WORLD AND IS EXPECTED TO BECOME THE THIRD LARGEST BY 2030.

Dear Shareholders

Recent years have witnessed an increasing demand for vehicles that are not only comfortable and safe but also equipped with contemporary aesthetics and sustainable technologies. In addition, the consumers' growing preference for vehicles that offer value for money has come sharply to the fore. In line with this consumer trend, OEMs have also enhanced their focus on improving the quality, design and cost-effectiveness of their products, along with on-time delivery. There is, among OEMs, a growing thrust on developing vehicles that have unique features, giving them a distinctive edge in the market. At the same time, the rise in demand for Electric Vehicles (EVs) to support the growing need for sustainable vehicles has triggered an increase in the number of OEM players in the market. This has led to new opportunities for the ancillary companies. These factors have cumulatively led to a significant change in the priorities of both, the OEMs and the companies engaged in the manufacturing of auto components.

Acknowledging this reality, we further sharpened our focus, during FY 2022-23, on supporting the OEMs with technology, products and solutions that match the demands of the new-age consumers. Our agility in meeting the OEM's product and development needs, strengthened our position of being a most trusted partner to OEMs. We invested more actively in the emerging and critical areas driving business growth, such as EVs, value engineering including light-weighting, and technology upgradation.

To keep pace with the industry changes and market trends, we further scaled up the enhancement of products and processes, and focussed on higher value creation and profitability, as well as organic and inorganic growth. We believe these are the areas requiring the maximum organisational efforts.

Being agile to the external environment

The Indian automobile industry is currently the fifth largest in the world and is expected to become the third largest by 2030. According to the Society of Indian Automobile Manufacturers (SIAM), the industry grew an impressive 11.8% in FY 2022-23, with passenger vehicle volumes rising to 4.5 million units from 3.6 million units a year ago and 2W volumes rising to 19.51 million units from 18.01 million units. The industry combatted the challenges of semi-conductor chip shortage and soaring metal costs that continued to prevail during the year.

India's economic resilience, favourable government policies, increasing EV penetration and technological advancements are among the key drivers of the continued positivity in the automobile sector. The Indian government has reinforced its commitment to the industry's growth by increasing the budget allocation of Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) II by 78% in the Union Budget 2023. Several industry players believe that the long-term success of Indian EV industry will be based on innovation and efficiency rather than on government subsidy. In any case, new EV vehicle launches have led to the emergence of opportunities for the growth of the industry in India.

At Endurance, our deep-rooted strengths and agility have equipped us with the ability to quickly harness the emerging opportunities to steer our growth and expansion. Our strong innovation capabilities, robust financials, and presence across multiple products have also led to our growth as a trusted and reliable partner for an increasing number of domestic and global OEMs, while strengthening our dominance in the aftermarket. Our sustainable product proposition and strategic investments in the areas of future growth have enabled us to stay consistently ahead of the market.

Innovating to improve efficiencies across the value chain

We have, over the years, developed a strong innovation agility that has enabled us to deliver highly advanced and affordable products and solutions to our expanding customer base. It has helped us create a more value-added and profitable product mix. It has also enabled us to expand our presence in the value chain through our backward integration initiatives. We have strategically focussed on products showing higher demand potential, and have made investments in technologies that will drive greater growth going forward. Our focus is on pioneering products, solutions and processes that are designed for enhanced efficiencies and can effectively meet the future needs of our consumers.

In line with this focus, and as a matter of norm, we take extra precautions – more than what is mandated by the law in India, in the development of products from the design stage itself. In fact, many of our existing products, by default, comply with the new norms announced by the

THE FOCUS IS ON MORE EFFICIENT AND AFFORDABLE EV PRODUCTS. OUR FOCUS ON ORDERS FOR EV COMPONENTS AND OUR INVESTMENTS IN THE EV SEGMENT ARE IN LINE WITH THIS TREND.

Indian government, which include AIS-156. While some minor adjustments will be required in the light of AIS-156, our technology edge will allow us to comply with ease to the new norms, without requiring a full redesign. Since we were selling in international markets, including Europe and the US, we were already designing as per the global standards.

We believe these initiatives will prepare us even more intensely to capture the future opportunities of growth across our business operations. As a part of our future-ready strategy, we decided to set-up in-house facilities for hoses and valves manufacturing for our ABS product segment, and for manufacturing aluminium forged axle clamps and PA housings for our inverted front forks and rear monoshock absorbers respectively. Going forward, we shall continue to augment our innovation thrust to meet the evolving needs of the customers in both, the domestic and the international markets. Enhancing business sustenance, and proactive upgrade in product reliability to delight our customers as the first choice with environmental responsibility, motivates us to continue with our focussed approach on war against weight, SME structure development, inculcation of innovation DNA, go-green thought-map and best-fit new generation technologies.

Investing aggressively in EVs

The importance being accorded to sustainability by the government, the automobile industry and vehicle users has given a strong impetus to the growth of the Electric Vehicles segment globally. The focus is on more efficient and affordable EV products. Our focus on orders for EV components and our investments in the EV segment are in line with this trend. During FY 2022-23, we completed the acquisition of 51% equity in Maxwell Energy Systems Private Limited and the remaining equity shall be acquired in a phased manner by 2027.

This acquisition marks a major leap forward in expanding our presence in advanced electronics, particularly in the Battery Management Systems (BMS) for EVs and stationary storage battery packs. It will equip us to harness the growing EV opportunity, as we leverage Maxwell's deep technical expertise and its BMS deployment experience in India and Europe. A major ₹700 million BMS order received by Maxwell during FY 2022-23 endorses the success of this strategy. Deliveries on this order will begin in the first half of FY 2023-24. We are also focussing on bicycles business for our Indian OEMs as well as exports. Endurance has won EV orders in aluminium castings, suspension and brakes, which will largely be serviced by our available capacities. Also, wherever required, we are adding capacities to meet the needs of our customers.

All our available products except clutches, are EV-agnostic products. This will ensure the continuing strength of our business, irrespective of the pace of EV adoption.

Sustaining performance positivity and financial strength

I am pleased to share that all these future-driven innovations and agile initiatives helped us deliver sustained growth on our key financial metrics during FY 2022-23. Endurance registered EBITDA margins in double digits for the year even amid the challenges of the continuing energy crisis, high metal prices, shortage of semi-conductors, and deferment of the launch of electric 2Ws.

During FY 2022-23, our consolidated Total Income grew by a significant 16.6% over FY 2021-22, mainly on account of the industry growth, order intake, capacity creation, and higher metal prices. Consolidated EBITDA grew by 7.6%, while consolidated EBITDA margin was at 12.2%. Our net profit grew by 4.1%. Indian operations accounted for 77% of our consolidated Total Income, and the remainder was from overseas operations. The standalone Total Income for the period grew by 18.8%.

Our financial strength has been validated by CRISIL and ICRA, both of which reaffirmed our AA+ (stable) long-term credit rating and the highest short-term credit rating of A1+ in FY 2022-23, on the back of our prudent financial policies and cost control measures. The reaffirmation reflects the leadership position of Endurance in aluminium die-casting components and proprietary products, its healthy relationships with major customers and its well-diversified revenue streams. There was no net debt and ₹4,193 million of positive cash was available, as on 31st March, 2023.

A MAJOR ₹700 MILLION BMS ORDER RECEIVED BY MAXWELL DURING FY 2022-23 ENDORSES THE SUCCESS OF THIS STRATEGY. DELIVERIES ON THIS ORDER WILL BEGIN IN THE FIRST HALF OF FY 2023-24.

Diversifying and growing strategically

Our diversification strategy is an important pillar of our business model. It helps us cushion the impact of global macro events, such as, government policy, geopolitical turbulence, commodity prices, etc. We have recently embarked upon de-risking our European business, where we have additionally focussed on growing the 2-wheeler Aftermarket business while continuing to consolidate our presence in the 4-wheeler OEM category. The acquisitions of Adler and Grimeca in 2020, and Frenotecnica and New Fren in FY 2022-23, were aimed at pursuing our ambition to create a pool of 2W Aftermarket brands in Europe.

In India, the focus on diversification has led us to develop and supply a wide range of products to multiple OEMs and to the Aftermarket. The recent additions of several new products, such as BMS, driveshaft and aluminium forgings, are aligned to this approach. Besides de-risking the Company from product concentration, such diversification will help us further expand our customer base.

Harnessing future growth effectively

Our robust innovation capabilities enable us to deliver high-end products to our customers, and give Endurance a strong competitive edge in the market. We believe our focus on premium products and upgradation of products will continue to drive our growth in the coming years. Coupled with our healthy product mix, technology edge and cost controls, it will enable Endurance to continue outperforming the industry.

While EVs will continue to be a big focus area for us, we are also looking at scaling our growth in the conventional markets of India and Europe. Our aim is to continually improve our R&D capabilities to give an impetus to advanced technology and high value-added products, including products for higher cc bikes. We will also continue to deploy multi-pronged cost reduction strategies in manufacturing and sourcing.

Being conscious of our ESG responsibility

We are fully aware of our responsibility towards the society and the planet on which we live. We have identified certain key goals to steer our Environmental, Social and Governance (ESG) responsibility, and our target is to ensure that 50% of the total energy consumed in our manufacturing processes is renewable by 2030. We are striving to continuously lower our thermal energy consumption while aiming to achieve 50% carbon neutrality in the next three to four years.

Operational safety is another area of our focus and we have in place a centralised Environment, Health, Safety (EHS) monitoring system to ensure higher levels of safety in the organisation.

We are also continuously augmenting our community outreach efforts, as part of our Corporate Social Responsibility (CSR) focus. During FY 2022-23, we further expanded the ambit of our community outreach, with a focus on delivering lasting impact on the communities we transform and the individuals we empower. In the education space, our initiatives included renovation of school premises and training of teachers, among others. Our healthcare and sanitation programmes reached out to marginalised populations across villages. Deepening of canals, de-silting of ponds and development of forests were among our key initiatives in the area of environment. We also focussed actively on training and livelihood generation activities during the year.

Looking ahead with optimism

Our long-term strategic plans revolve around growing through technological upgrades, mergers and acquisitions, greenfield and brownfield projects, and hiring the right resources to develop in-house technology. To steer our performance, we shall continue to work towards the development of technologies with focus on light-weighting, and cost-efficiencies and making high-end components more affordable for lower segment vehicles. Value engineering will remain a key strategic thrust area for Endurance, along with technology upgradation, quality improvement, cost efficiencies, and EHS.

We remain committed to enhancing customer satisfaction and engagement, augmenting our capacities, improving our financial ratios through higher asset utilisation, and controlling the capex while increasing sales. We consider our employees as our greatest asset and will continue to focus on building a competent team that is aligned with Endurance's vision. We shall further invest in employee competency enhancement in the light of new product development and innovations.

Before I conclude, I would like, on behalf of the Management and the Board, to thank all our customers, shareholders and investors, supply chain partners, as well as technology partners for their continued cooperation and trust in Endurance. I would like to take this opportunity to also thank our employees, whose commitment and hard work are helping us strengthen our innovative agility to drive sustainable, long-term growth.

We look forward to your sustained support in successfully steering our future growth plans and enabling the realisation of our future plans and goals.

Anurang Jain

Managing Director

PERFORMANCE HIGHLIGHTS 2022-23

Scaling new heights

Awarded

Adjudged as one of India's Best Managed Companies under Deloitte's Best Managed Companies 2022 Programme

Acquired

Maxwell is in the business of advanced embedded electronics. Battery Management System (BMS) is the flagship product which has its application for EVs and stationary storage systems. We have acquired controlling stake of 51% in Maxwell, with an agreement to acquire 100% over the next 5 years.

To help our overseas operations grow in the profitable 2-wheeler component aftermarket business, we acquired two companies in Italy,

- Frenotecnica Srl, in June 2022. The primary business activity comprises sale of brake pads under its registered trademark "Brenta".
- New Fren Srl, in November 2022, New Fren is engaged in the business of manufacturing brake discs, centrifugal clutches, pads, and brake shoes.

Ranked

#231 by NSE

Based on market capitalisation as on 31st March, 2023

₹ 10.7 billion

New orders won in domestic market* in FY 2022-23

€ 84 million

New orders won in global market**in FY 2022-23

31

Manufacturing plants

4,805

No. of employees
(As on 31st March, 2023)

10

Patents granted in FY 2022-23, taking the total to 32

FINANCIAL HIGHLIGHTS FY 2022-23

₹ 88.49 billion

Total Income Consolidated

₹ 67.96 billion

Total Income Standalone

₹ 20.53 billion

Total Income Europe

5.4%

PAT (Consolidated)

14.2%

RoACE (Consolidated)

12.2%

EBITDA (Consolidated)

-0.1%

Net Debt/Equity Ratio (Consolidated)

NET WORTH

There was no net debt and ₹ **4,193** million in positive cash is available with the Company. Our consolidated net worth is now in excess of ₹ **40** billion.

Credit Rating

- AA+/Stable (Long-term) from CRISIL and ICRA
- A1+ (Short-term) from CRISIL and ICRA

* Exclude orders from Bajaj Auto Limited, includes ₹ 5.1 billion orders in the EV segment
** Includes € 68 million orders in EV/Hybrid space

ENDURANCE TECHNOLOGIES LIMITED

An Agile and Innovative Brand

Endurance is a leading global automotive components manufacturer with diversified product base including aluminium die castings, transmissions, braking systems and suspension products. Starting with two aluminium die casting machines in 1985, we have grown to 31 manufacturing facilities strategically located near our OEMs, in India and overseas. We have earned the trust of our clients through consistent performance with our focus on well established OEM-driven processes of QCDDM (Quality, Cost, Development, Delivery and Management). Our growth is driven by the pillars of operational excellence, innovation, agility and manufacturing facilities that can adapt to changes in a short lead-time.

Brand Endurance is synonymous with quality, performance, durability and reliability of products. The drivers to meet these objectives are innovation and agile business processes which can adapt to the evolving stated and unstated requirements of our customers. With our ability to cater to their diverse and evolving needs, the brand stands out as the preferred choice for OEMs and the Aftermarket, within and outside India. Our growing presence in the domestic and global EV markets endorses the success of the Company's value-accretive growth strategy.

Largest
2W and 3W auto component manufacturer in India*

Largest
Aluminium die-casting company in India **

Top 2
In each product segment offered

Tier 1
Supplier to OEMs

Note 1: *In terms of aggregate revenue for FY 2014-15 from Company's selected product segments (Source: CRISIL Research)

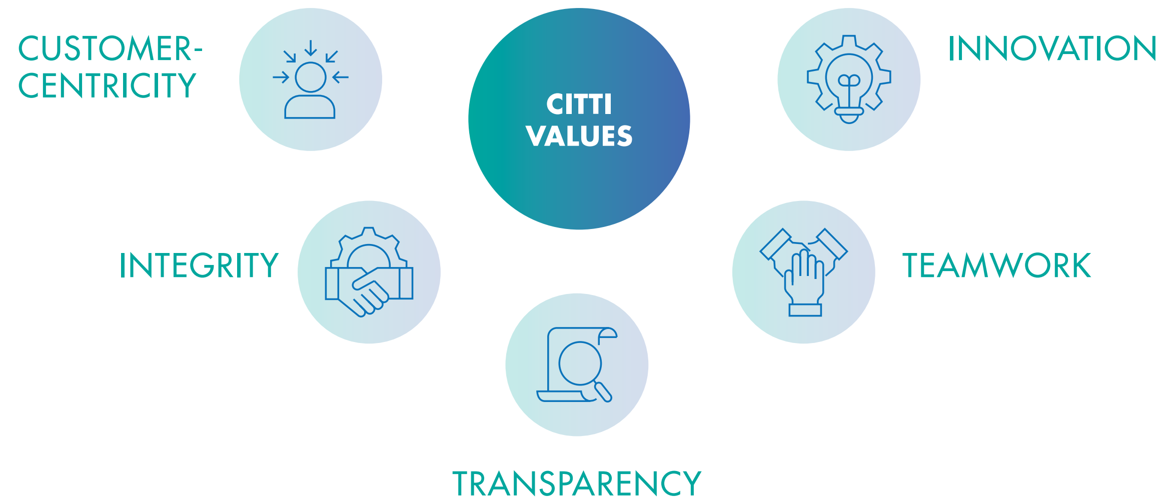
Note 2: **In terms of actual output and installed capacity in FY20. (Source: Aluminium Casters' Association of India)

OUR VISION

To be a complete solutions provider having a global footprint with a focus on evolving technologies to ensure continuous value creation for all our stakeholders

OUR MISSION

To be the preferred partner to all our customers with a focus on technology, product reliability, sustainability and safety through a high performance culture of transparency and ownership



Full-Time Employees by Location (31^{st} March, 2023)

SUCCESS TODAY REQUIRES THE AGILITY AND DRIVE TO CONSTANTLY RETHINK, REINVIGORATE, REACT, AND REINVENT.

BILL GATES
American Business Magnate and Philanthropist

At Endurance, we have embedded agility into our business strategy. This agility drives our response to the fast-evolving industry and customer needs. Our focus is on reinforcing the pillars that propel our growth strategy. Our endeavour is to ensure a proactive response to the emerging business and market demands. We are proactive in our response and actions to adapt to the fast changing requirements and implied needs of our customers. Regulatory bodies and evolving technology changes are redefining the business environment and we anticipate and adapt to the changing course of business and product strategies. We are also proactive in mapping competitive advantages and our strategies are to create entry barriers through product innovation and optimal price offerings to our customers.

Being Responsive and Agile

to the evolving industry and consumer needs

The automotive and auto-components industry is in the midst of a transformation, globally and within India. Increasing digitalisation and automation, coupled with a growing focus on sustainability, is transforming the industry and making it more future-driven.

Assembly of Disc Brake Systems in our new E-71 Plant at Waluj, Aurangabad

Game-changers for the Indian industry

Recent years have witnessed several disruptive changes in the Indian automotive and auto component industries. These include:

- Emergence of technology and innovation at the forefront, amid growing demand for differentiated offerings and new regulatory compliances
- Increased opportunities for light-weighting, on account of stringent emissions norms and electrification
- Continuous growth in localisation of EV parts/ sub-systems, with shifts in EV technologies
- Rise in dual sourcing opportunities and local manufacturing, due to frequent supply chain disruptions
- Enhanced importance of ESG, to conserve/grow enterprise value
- Expanding Software Stack, providing a wider choice for auto makers in the future

These industry changes have triggered a plethora of new initiatives across the business spectrum. An interplay of these initiatives will be the key to success for the component suppliers, going forward.

OUR AGILE RESPONSE

We use our understanding of the market to respond with agility to the transforming consumer preferences. We continue to invest in the innovation of technologically advanced and affordable products. The key areas of our investment are:

Leader as a Coach Programme

Building on our Strengths

Our ability to anticipate changing customer requirements, develop people, technology, and process capabilities to swiftly respond to these changing needs, and often exceed customer requirements is driven by our core strengths. These strengths help us in ensuring sustainable growth and maximum value creation for our stakeholders.

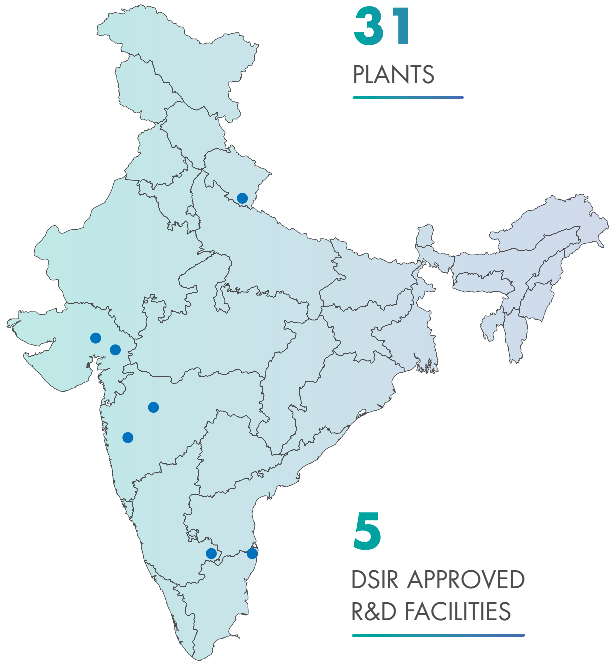
Enablers of our strength

- BRAND EQUITY
- CUSTOMER CENTRICITY
- TECHNOLOGY LEADER
- QUALITY FIRST CULTURE
- ENTREPRENEURIAL MINDSET AND RESULT ORIENTATION
- OPERATIONAL EXCELLENCE
- COMPLETE SOLUTIONS PROVIDER
- SUSTAINABILITY FOCUS
- PEOPLE DEVELOPMENT
- EVA (ENDURANCE VENDOR ASSOCIATION)

Delivering with Agility across Customer Segments

The strategically located manufacturing facilities and R&D centres in proximity to our OEMs contribute significantly to the agility of our anticipating changing customer requirements, and building capabilities to swiftly respond to these external transformations. They equip us to deliver customer delight by often exceeding the fast-changing requirements of our customers.

During FY 2022-23, we expanded our aluminium alloy wheels' capacity to 4.5 million wheels per annum. Also, capacity expansions to 6.8 million brake systems and 8.1 million brake discs per annum were operationalised. Our driveshaft and aluminium forgings facilities also became operational

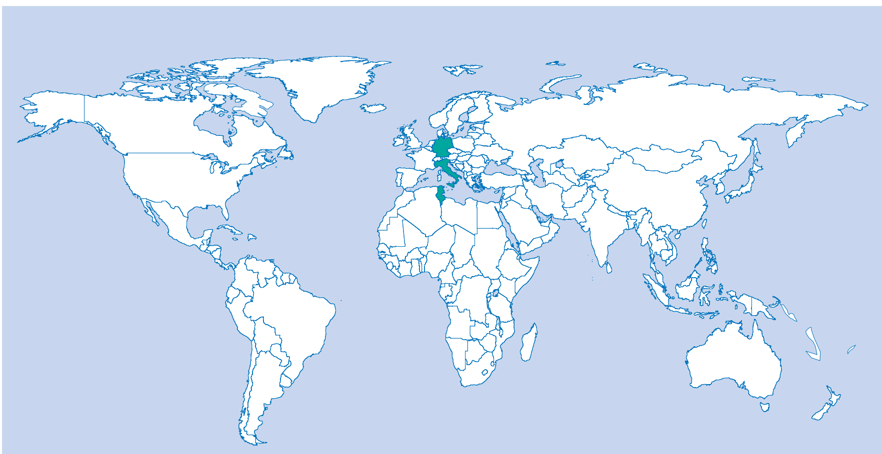


31
PLANTS

5
DSIR APPROVED R&D FACILITIES

India 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

R&D Facilities:	
Aurangabad, Maharashtra	4
Pune, Maharashtra	1



Overseas Locations	No. of plants
Massenbachhausen, Germany	3
Grugliasco, Italy	1
Chivasso, Italy	2
Lombardore, Italy	1
Bione, Italy	1
Rovereto, Italy	2
Cirie Turin	1
Hammas Sousse, Tunisia	1

> "INNOVATION IS THE ABILITY TO SEE CHANGE AS AN OPPORTUNITY - NOT A THREAT."

STEVE JOBS
Founder of Apple

At Endurance, we believe that uncertainty is the new normal and hence we have redefined this threat to an opportunity of building an agile business model which offers better value proposals to our customers. Our focus is on reinforcing our competitive strengths to effectively leverage the existing and emerging opportunities. We are innovating across our business value chain for effective execution of our strategic plans.

Harnessing Innovation across Product Value Chain

Our core strengths equip us to harness the power of innovation across the business ecosystem. They enable us to leverage our manufacturing prowess, quality consciousness and backward integration capabilities. This, in turn, helps us in the development of ground-breaking products and solutions aligned to our customers' preferences.

Our value chain extends from design to delivery and aftermarket sales for the Automotive industry in India and the European markets.

Our focus is on a more value-added and profitable product mix in our future business. Our new products, for our existing as well as our new customers, are in line with this strategy.

Expanding manufacturing capacities

- Our expanded plant facility at Chakan, Pune, became operational and started supplies of alloy wheels in July 2022. It has increased our alloy wheel supplies from 240,000 to 380,000 alloy wheels a month to service new orders.
- Our second brakes plant at Waluj, Aurangabad, is now operational and is catering to the increase in volumes in the brake assembly business in view of newly won orders.

Showing agility through backward integration

Our business agility across the value chain is manifest in our backward integration initiatives, which cover high-end products like wire steel braided hoses and valves for ABS and aluminium forgings for inverted front forks. Besides enabling import substitution, this has also helped in increasing our profitability and competitiveness. We have also forayed into electronic production (SMT lines) as a backward integration for our BMS.

Our robust vendor relations give us the sourcing strength needed to fulfil the customer needs across their business spectrum. We choose our vendor partners on the basis of their financial stability and their capability to ensure sustainable sourcing for Endurance. During the year, we resumed our 2-day annual vendor meet to engage with our business partners.

Agile and diversified product portfolio

We have a large product bouquet designed to meet the diversified needs of 2W, 3W and 4W OEMs in India. We are a Tier 1 supplier to these OEMs.

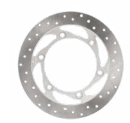
2-WHEELER


ABS Modulator


Alloy Wheel 2W EV


Clutch


2W Alloy Wheel


2W Brake Disc


2W Inverted Front Fork Assembly (Cartridge Type)


Mono Tube Shock Absorber with Floating Piston


2W Magneto Cover


2W Rear Mono Shock Absorber (Adjustable Damping)


2W Front Fork Assy (with Protection Cover)

3-WHEELER


Tandem Master Assembly

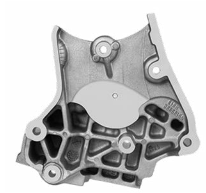

3W Clutch Assembly


3W Cylinder Head


3W Suspension

4-WHEELER


Passenger Vehicle Torque Converter Housing


Passenger Vehicle Engine Mounting Bracket

We are also a Tier 1 supplier for 4W OEMs and clutches for motorcycles in our overseas Europe 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)

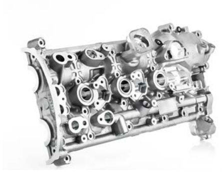
Speciality Plastic components

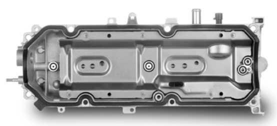
Brake components mainly for the Aftermarket

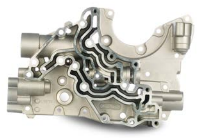
CATEGORY-WISE PRODUCT RANGE

CASTING

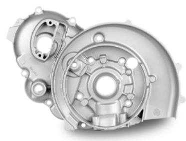

3W ADF


Cam Cover


Cylinder Head Cover Assembly


Oil Cooler Housing


Transmission Housing


2W Crank Case Magneto Side


Valve Body

SUSPENSION


3W ADF


3W Cargo Rear


3W Suspension


2W Front Fork Assembly (with protection cover)


2W Front Fork Assembly (with protection cover)


Gas Filled Shock Absorber


2W Inverted Front Fork Assembly (cartridge type)


2W Mono Gas Filled Shock Absorber


2W Mono Shock Absorber (twin tube)


2W Mono Shock Absorber (mono tube)


2W Spring in Spring Shock Absorber

BRAKING SYSTEMS


ABS Modulator


3W Drum Brake


2W Disc


2W Disc


2W Disc Brake Assembly


2W Disc

TRANSMISSION


2W Clutch


3W Crankshaft Mounted Clutch


3W Clutch


4W Cargo Vehicle Clutch


2W Clutch

AFTERMARKET


Cam Shaft


Clutch Shoe Assembly


Steering Bearing Kit


2W and 3W Tyres


Variator Assembly

DRIVESHAFT


Uni-Racer
- Front Steering Wheel Drive
Aranea Plus
- Fixed Wheel Drive


Eco-Drive
- Fixed Wheel Drive

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

Sustenance through light-weighting

The automotive industry has been reinventing itself to become more and more sustainable, starting with automotive light-weighting: the replacement of metal parts with lighter materials that can be recycled or reused at the end of the use cycle.

Light-weighting has far-reaching implications for a wide variety of industries. In the automotive, e-mobility, transportation, and aerospace fields, lowering overall assembly weight increases fuel or energy efficiency and lowers the total environmental footprint.

Inverted Front Fork Assembly Line Suspension Plant at E-93 Waluj, Aurangabad

At Endurance, we are taking significant actions in light-weighting of components by:

1. Approaching customers to convert parts in aluminium considering design flexibility (from Fabrication, Sand Casting to LPDC or HPDC process) without affecting the desired mechanical requirements
2. Adding VAVE to reduce part weight and improve functional quality
3. Adopting an innovative approach to produce lightweight casting (thin wall parts)
4. Innovating to improve the casting process (production, handling, painting, machining and despatch, etc.)

The India Scenario

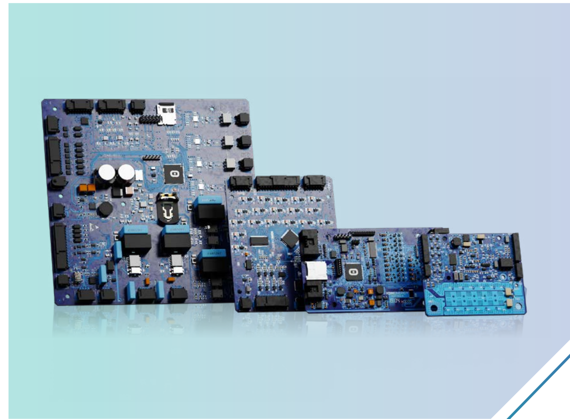
The Indian automotive industry, which is gradually adopting the advantages of aluminium, is poised to become the 3rd largest automotive market in terms of volume by 2030 (as per Invest India). This growth is being propelled by electric vehicles, heavy vehicles and passenger vehicles. Prior to the pandemic, India's auto component industry imports stood at USD 15.40 billion, offering significant potential for substitution. This translates into immense opportunity for Indian automotive industry to leverage domestic capabilities and reduce its import dependence through light-weighting.

Innovating to Maximise EV Opportunity

The Electronic Vehicle (EV) market continues to offer a significant opportunity for growth for the auto component industry. At Endurance, we are fast building a robust portfolio of products for 2W and 3W EVs. Many of our existing products, such as castings, suspensions and brakes, are EV-agnostic, giving us a strong edge in this area.

The acquisition of Maxwell has given us a powerful edge in the EV-embedded electronics space. We are supplying the Battery Management System (BMS) for 2-wheeler EVs and battery pack makers. In FY 2022-23, Maxwell launched an integrated IBP BMS and ancillary PDU for 2- and 3-wheelers.

We are also developing products for the e-bicycles business, especially for suspension, battery management system and brakes, both for Indian OEMs and exports. In addition, we are supplying products for brake assemblies, suspensions and aluminium castings for electric scooters and 3Ws. We are in the process of adding capacity for EV scooter castings.



Compilation Render for BMS

Winning in the EV space

During FY 2022-23, we won the following new business for EVs. We see this EV business in India, reaching peak volumes by the end of FY 2023-24 and in Europe by FY 2026-27.

ETL India - EV Business	Maxwell - EV Business	Europe - EV Business
₹ 3.8 billion orders booked	₹ 1.3 billion orders booked	€ 68 million orders booked
15 EV programmes from 11 customers		18 EV/Hybrid programmes from 8 customers

Our European business has won total orders worth € 220 million over the last 4 years, of which (€71 million are for EV applications and € 112 million are for hybrid applications).

CORPORATE OVERVIEW
STATUTORY REPORTS
FINANCIAL STATEMENTS

Focussing on Innovative Research and Quality

Innovation is at the heart of Endurance. We expect every Endurian to drive continuous improvement and value creation regardless of their role or level. Our R&D initiatives are critical for us to maintain our leadership and competitive edge in our chosen verticals. Being technology-driven, we continue to invest in the best testing equipment and engineering software. We have initiated an advanced engineering cell to consistently meet our customer expectations and to support us in our innovation journey. We have built a culture of innovation where we challenge prevailing assumptions when warranted, reconceptualise issues to find solutions, and continue to simplify. We encourage our employees to share ideas without inhibition and appreciate their efforts through Aspire and IdeaFest events.

New Electronics R&D Centre in Bengaluru

This centre is designed to help Endurance in integrating cutting-edge technology into an existing product, and developing next-generation electronics products for its customers. The centre houses engineers with specialised skillsets in the electronics domain and is dedicated to the embedded electronics development cycle - from initial analysis to final delivery. In line with the Endurance focus on a "true culture of quality", we have imbued this new centre with a strong quality ethos. We have initiated several measures to scale up the quality focus at the centre.

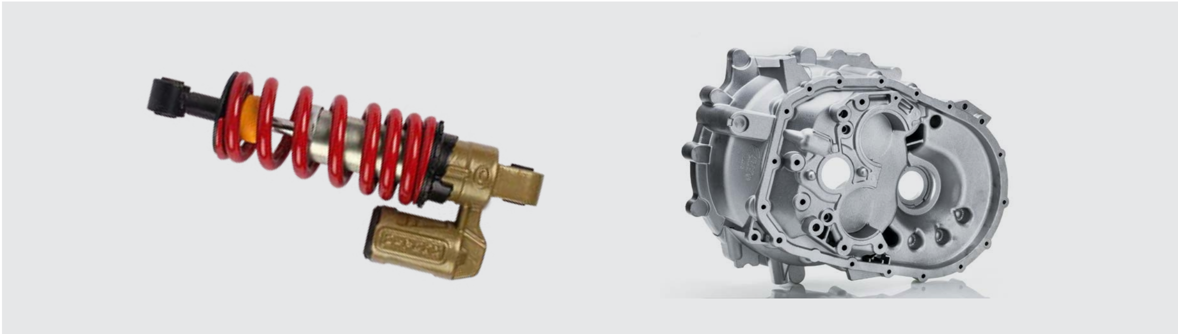
- Developing standard 'quality system' and 'process' to ensure reliable and consistent outcomes across the Group
- Increasing employee ownership and empowerment through skill and knowledge enhancement
- Maintaining a leadership emphasis on quality to enforce the 'Quality First' mindset
- Fostering preventive measures through engineering controls, process de-skilling, robust product design and upgradation of infrastructure for 'Zero defect' outcome
- Undertaking data-driven performance monitoring

Enabling digital transformation in areas of new product development and process controls.

Scaling capability and quality through innovation

We have added new and more advanced equipment, and upgraded some of the existing machines, to boost our R&D strength. Our investments in the development of new technologies and testing processes have led to R&D capability enhancement for Endurance. During the year, we further scaled up the quality of our products through various innovative measures, including the introduction of a corporate material testing team.

Driveshaft Assembly Line at Waluj, Aurangabad



Product innovations in FY 2022-23

- **Multistage e-Damping Control System for Shock Absorber of a Two-Wheeler** (Suspension and Electronics - Organic and Quality-Conscious Innovation)
- **Hybrid Front Fork Suspension System for a Two-Wheeler** (Suspension - Organic and Cost Competitive Innovation)
- **Dual Combined Braking System for Two-Wheelers** (Brakes - Organic and Quality Conscious Innovation)

Process innovations in FY 2022-23

- High speed petal segmenting and continuous feed paper friction plate processing machine at Transmission Plant
- Developed 6-stage process to a Single Integrated Inhouse developed Machine for Vacuuming, Gas filling, Positioning accuracy of Separation Piston, and Oil filling process for Monotube Monoshox
- Developed hydraulic preload adjustable Monoshox process for tuning the performance of the shock absorber as per better ride comfort settings for smooth, rough and off road terrains
- Developed an advanced Servo-based Silent blocking pressing operation for twin tube Hydraulic Monoshox from conventional hydro pneumatic for Accuracy of Silent Block Push Out Load
- Developed Infrared camera based die and product temp Online monitoring system and Pokayoke for temperature with forging process.

'Proving' our innovative quality edge

The Endurance Proving Ground (EPG) equips us to maintain stringent product quality. It enables us to test our products on the vehicle, and further strengthens our position as a Complete Solution Provider. The EPG comprises test surfaces required for evaluation of Suspension, Transmission and Brake assemblies of 2W, 3W and Quadricycle.

10
Patents received during FY 2022-23

32
Total patents granted till 31st March, 2023

6
New design registration approvals received in FY 2022-23

24
Design registration approvals received till 31st March, 2023

FY 2022-23 witnessed two notable innovations at the Proving Ground to meet the stringent quality demands of EV vehicles.

Shower testing facility for two-wheeled EVs
Developed in a record time of one week with limited resources at a very low cost. Complies with IS11865:2006.

Pass-by noise measurement facility for EV
Has a noise track surface, developed in accordance with ISO 10844:2014.

Excelling in Aftermarket Strategies

Aftermarket is a strategic priority for Endurance. We have conducted detailed market analysis, understood the requirements of distributors in every district, built internal product, process and people capabilities, and developed a holistic district level strategy to achieve our strategic growth goals for our domestic business. For exports, we have analysed country-wise vehicle parts, product life cycle, product pricing, market dynamics and the ratio of genuine parts for each country, and then developed a country-wise strategy with market-specific campaigns targeting market share expansions.

Our strategy focusses on developing our distributors by engaging with them and understanding their requirements to increase the frequency of billing cycles and the quantum of order sizes. We are also developing new products to cater to the new markets we are entering. We have also focussed on implementing our digitisation strategy for our domestic and exports business.

Value-added and Outsourced products

Our strategy is to focus on value-added and technologically-focussed products with a synergy to existing products. We forayed into outsourced manufacturing of tyres and tubes for 2Ws, 3Ws and e-rickshaws in FY 2020-21. We develop the designs and tread compounds for these tyres, which are currently being sold in eight countries in addition to the domestic market. We have launched engine oils and horns in FY 2022-23. Our product range, compatible to our network and product categories, is continually expanding, enabling us to meet our strategic growth goals. Currently, 11%+ of our turnover from aftermarket is from value-added products and we intend to increase it to 18% going forward.

31
Export countries

69
Full-time employees across 36 locations

During FY 2022-23, our aftermarket sales grew 2.91% from ₹ 4,189 million in the previous year to ₹ 4,310.9 million.

Expanding our aftermarket reach

As part of our expansion efforts, we are focussing on the high-potential markets of Rajasthan, Gujarat, Telangana, Andhra Pradesh, Tamil Nadu and Karnataka in India. On the exports front, we are entering new countries every year, in line with the OEMs, by growing our distribution/ dealer presence.

3
Company-run distribution centres (including 1 for tyres)

501
Distributors / dealers in India (including 106 for tyres)

45
Overseas distributors

Strengthening our aftermarket brand

During FY 2022-23, we acquired two Italian companies, Frenotecnica Srl and New Fren Srl, to further strengthen our aftermarket business agility

Frenotecnica

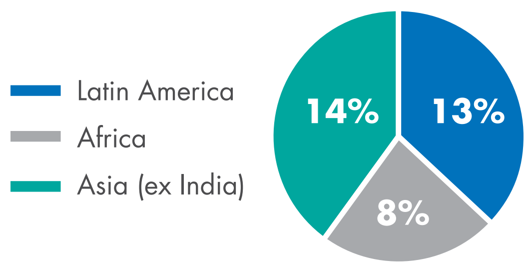
manufactures friction materials and braking system components, such as brake pads for two-wheelers. They have a renowned brand name, Brenta, in the aftermarket and replacement business. This acquisition provides Endurance Group with aftermarket growth opportunities, as well as access to in-depth know-how or process technologies of friction materials, particularly for brake applications.

New Fren

is engaged in the business of brake discs, centrifugal clutches, pads and brake shoes for 2W vehicles. Their primary business activity comprises sale of products, under the trademark "NewFren", through the aftermarket channels.

These acquisitions, coupled with the acquisitions of Adler and Grimeca in 2020, will enable us to create a Centre of Excellence in Italy for the business of premium components in the 2-wheeler segment. This will translate into more profitable growth opportunities to the Endurance Group.

Geographical Distribution



Nurturing People Innovation

Our people are a major driver of our business agility, and we continue to invest in nurturing their well-being and welfare, besides promoting their career progression.

Building the next line of leaders from within is a strategic priority at Endurance. We believe in identifying the true potential of employees, and enabling them to achieve it by capitalising on their strengths and challenging them to overcome their weaknesses through focussed initiatives.

These initiatives help employees achieve their full potential and enrich them to become future leaders at Endurance.

- High potential talent pools at junior, middle management, and senior levels have been identified as part of Endurance's succession planning initiative. The aim of the initiative is to help high potential individuals redefine their limits and potential, while enabling them to develop their managerial and leadership skills in order to take on larger roles.
- Holistic assessment and development centres are conducted, and detailed career plans are developed for individuals under the mentorship of senior leaders for this purpose.
- Through intervention from external faculties and internal guidance, our human resource team facilitates various programmes, such as Speed Mentoring, Peer Coaching Learning Labs, Case-based Group Learnings and Leader as a Coach. Speed mentoring aims to leverage the wisdom and tacit knowledge of strategic leaders, and involve them in building our leadership pipeline. Peer Coaching Learning Labs enable our high potentials across departments and geographies to brainstorm solutions to meet the challenges they face and to share best practices. Case-based group learnings widen the horizon of leaders to look and learn beyond Endurance and apply the learnings in their roles. Leader as a Coach uses experiential learning and enables high potentials to become better coaches to their team members.
- Endurance Youth Leadership Programme (EYLP) is a focussed initiative where employees from different departments and locations come together to work on challenging strategic projects as teams. It enables the employees to gain exposure to new areas and experiences. This equips them with necessary capabilities to handle larger responsibilities. In the process, the team members are able to identify their potential, and discover and pursue their newly discovered passions. Under the mentorship of senior management, the teams become catalysts for driving culture change, set new benchmarks, and create a sustainable impact.
- We are focussing on application of training for all Endurians by sharing objectives and assigning Action Learning Projects (ALPs) at the start of the training. This helps us measure how all Endurians are implementing initiatives aligned to the training, whether it is by delegating tasks and establishing a strong review mechanism post a result orientation training, or implementing initiatives with financial savings after Lean and Shainin trainings

OUR
4C
HUMAN RESOURCE (HR) STRATEGY IS STRUCTURED AROUND THE FOUR PILLARS OF

CULTURE

COMPETENCE

CAREER

CONNECT

Nurturing Diversity

At Endurance, we believe in developing sustainable competitive advantage through a diverse workplace. By driving a diverse and collaborative culture, we are able to continuously challenge ourselves and foster innovation, which is one of our core values. We are committed to valuing and integrating diverse and unique perspectives in our decision-making. We have launched various programmes and plans to augment gender diversity. The SHE Endurance hiring programme ensures gender diversity in the recruitment process. We have initiated training programmes to raise awareness about conscious DEI (Diversity, Equity and Inclusion) and unconscious bias.

Our preliminary target is to aim gender diversity with 10% of our workforce consisting women

Employee well-being, work-life balance and family engagement

We aim to develop a culture that embraces balance, and prioritises the well-being of all Endurians:

- Periodic leave is essential for individuals to promote good mental and physical health. The purpose of the work-life balance initiative is to encourage all Endurians to take time out for themselves and spend time with their families
- Family engagement initiative has been started, where family members of Endurians can visit our plants/facilities, understand the role of their family members, while also interacting with colleagues and receiving safety trainings
- 1to1 help hotline is available for all employees to help Endurians navigate and thrive as they meet challenges in their personal and professional lives
- Mindfulness and yoga sessions are conducted regularly across locations
- WAH Calendar drives engagement among Endurians

At Endurance, we believe building and sustaining a high performance culture is one of the few sustainable competitive advantages that we can leverage consistently. We feel that company culture shapes the experience of each employee. At Endurance, our culture emerges from our CITTI values (Customer Centricity, Integrity, Transparency, Teamwork, and Innovation). These five pillars help us in fostering our performance culture as they are the principles which guide our decisions and actions. We believe demonstrating these values in our actions consistently has made us a globally trusted brand.

CORPORATE OVERVIEW
STATUTORY REPORTS
FINANCIAL STATEMENTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Investing in Responsible Agility

As a responsible corporate, and in line with the global trends, we have imbued Environmental, Social and Governance (ESG) ethos into the organisation.

We are building a EHS and sustainability-first culture at Endurance, consistently prioritising human lives, environment, health, safety and sustainability in our decisions. The management of change initiative ensures that all material changes, layout changes, expansions, and greenfield/brownfield projects require certification from EHS team. We focus on developing 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. At Endurance, our safety-first culture drives zero tolerance for unsafe acts and compliance is facilitated by our consequence management policy. We have developed a mechanism to benchmark, and share learnings and best practices across locations for continuous improvement.

Endurance is also developing a culture of result orientation. Initiatives including driving internal customer centricity, proactive risk assessment and mitigation, ensuring effective and robust review mechanisms, and driving end-to-end accountability have helped us shape Endurance's culture. We believe in celebrating success, even the small victories. Instant recognition aims to foster a result-oriented culture by recognising initiatives that drive performance and innovation.

Every year, we implement sustainable actions based on voice of employees from annual engagement survey, and track if the NPS is increasing, driving employee engagement and loyalty.

Nurturing Sustainability

Sustainability is a strategic priority and a corporative objective for us at Endurance. We have been driving initiatives to achieve carbon neutrality in all our plants. We are also working with our vendor partners to achieve carbon neutrality and this is mandatory for our vendor partners with whom we want to grow. Monthly monitoring reviews are held to ensure that plants meet sustainability targets and corrective measures are identified wherever they are under threat of falling below targets.

We have invested in solar power plants across regions and continue to invest in new ones. We have been driving the use of natural gas and LPG. We have stopped the use of furnace oil completely and are reducing our dependence on non-renewable resources. We are creating carbon sinks through focussed drives of tree plantation around our manufacturing facilities and creating dense forests. We are aiming to have zero leakages, whether air, water or liquids such as coolants. We have driven strategic initiatives for water savings, including shifting from painting to powder coating in several plants. Sensor-based overhead tanks, water guns instead of water hoses, and water saving push-type taps are used to reduce water consumption. Our focus is to achieve 80% water recycling.

In addition to driving carbon neutrality, we are focussing on reducing hazardous waste generation by changing processes and driving actions such as using oil skimmer in tanks to recover and reuse oil. We also co-process hazardous waste by partnering with cement and paint industries to use our waste as raw material. Zero waste to landfill is another key metric we are tracking and we have been driving initiatives to achieve our targets.

Our 2030 RE Goal

50% renewable energy usage out of the total energy consumed for manufacturing goods

Milestones FY 2022-23

22.6%

Carbon neutral percentage
(Aspiring for 50% in next 3-4 years)

3.8%

Reduction in specific water consumption in KL/INR Sales

4.2%

Reduction in specific energy consumption in kWh/₹ Sales

10%

Hazardous waste recycled

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Transforming Lives. Empowering Communities.

At Endurance, we have prioritised CSR as a major enabler of our sustainable growth journey. We believe 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 & 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 support from the stakeholders to ensure that the initiatives are 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 in an environment 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 (178), supporting learning by building libraries and computer labs (34), and initiating e-learning to enhance effectiveness by training teachers (75), to inspiring children with interactive workshops on life skills and child rights (1,150), and ensuring 100% attendance (3,800+), we enable children to achieve their potential.

Health & 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, impacting 38,000 people across 51 villages, building toilets (> 2,000), organising health check-ups (>5,200) and cataract surgeries (137), providing rehab to 181 alcoholics, and conducting 600+ yoga camps. In FY 2022-23, we implemented cleanliness drives in 11 villages, benefiting 4,700 villagers. We are focussed on improving women's health (especially in 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, to 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. During the year, we empowered 1,857 women to start their own businesses, supported 93 farmers in drip irrigation and 26 farmers in hydro-phonics, trained 160 farmers, and employed 47 women for cleanliness drives and sanitary napkin manufacturing.

ECOVE, our vocational training centre, works with individuals from remand homes, orphans and others who do not value themselves. It provides them with skills to become financially independent and start understanding and capitalising on their special abilities. Over 1,500 individuals have graduated from our centre with degrees in tailoring, computer science, machine maintenance, die-casting, electrical and retail, and they collectively earn over ₹ 340 million annually.

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 rainwater harvesting projects. We have de-silted ponds, 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. We also provide mangers to farmers for their cattle, thus saving over 40% fodder. We have undertaken afforestation that has helped to create dense forests around our manufacturing locations, thereby creating carbon sinks to combat the climate crisis.

Progressing through the Years with Agility

Total Income* (₹ Million)

FY23	**88,495**
FY22	75,902
FY21	65,777
FY20	69,653
FY19	75,375

EBITDA* (₹ Million)

FY23	**10,817**
FY22	10,057
FY21	10,709
FY20	11,784
FY19	11,558

Profit After Tax* (₹ Million)

FY23	**4,796**
FY22	4,607
FY21	5,196
FY20	5,655
FY19	4,950

Return on Average Capital Employed* (%)

FY23	**14.2**
FY22	14.6
FY21	16.9
FY20	21.7
FY19	24.8

Net Debt/Equity Ratio* (Number of Times)

FY23	**-0.1**
FY22	-0.1
FY21	-0.1
FY20	0.0
FY19	0.1

Expansion of Aftermarket Sales (₹ Million)

FY23	**4,311**
FY22	4,212
FY21	3,116
FY20	2,977
FY19	2,707

Total Income in European Business (₹ Million)

FY23	**20,533**
FY22	18,852
FY21	17,937
FY20	19,912
FY19	21,039

*Consolidated

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 GmbH, Germany
Endurance SpA, Italy
Endurance Engineering Srl, Italy
Endurance Castings SpA, Italy
Endurance Adler SpA, Italy
Veicoli Srl, Italy
Frenotecnica Srl, Italy
New Fren Srl, Italy
GDS Sarl, Tunisia
Maxwell Energy Systems Private Limited, India

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

Prabhas C. Dash
President – Aftermarket

Nilesh Phanse
President – Operations

Company Secretary

Sunil Lalai
Company Secretary and Head – 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

Bankers

Citibank N.A
ICICI Bank Limited
IDBI Bank Limited
Standard Chartered Bank
BNP Paribas
The Hongkong and Shanghai Banking Corporation Limited

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: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Registered Office

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

Plants

Aurangabad (Maharashtra)
Plot Nos. B-2, E-92 & 93, K-120,
K-226/1 & 227,
K-226/2, K-228 & 229,
L- 6/3 and E-71, 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 & A-12,
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

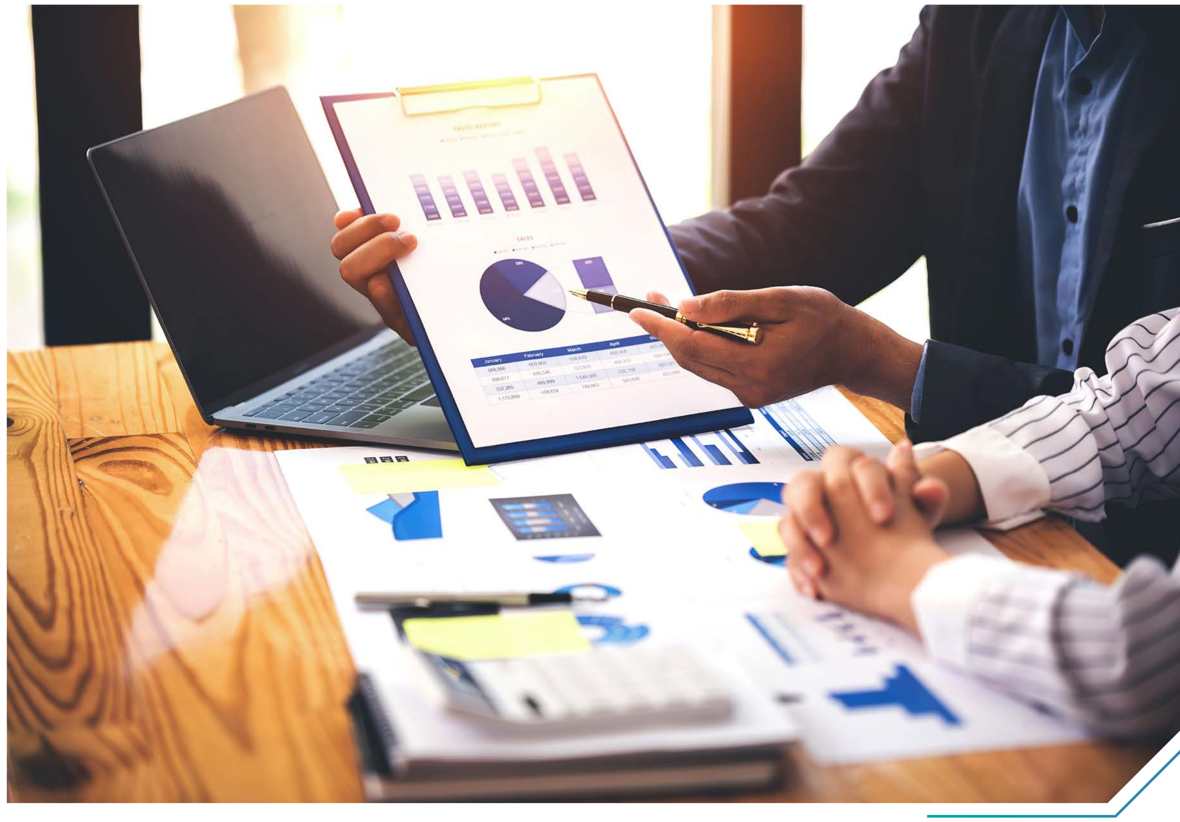
Vallam (Tamil Nadu)
G-102 & 103, SIPCOT Industrial Park,
Vallam Vadagal Scheme,
Village Vallam, Sriperumbudur Taluk,
Kancheepuram Dist. – 602 105

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

Halol (Gujarat)
Plot No.103/6, GIDC, Halol -2 &
Halol Maswad Industrial Estate,
Taluka – Halol, Dist.
Panchmahal - 389 350

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

Management Discussion and Analysis



ECONOMIC OVERVIEW

World Economic Overview

In the world economy, post robust GDP growth of 6.3% in 2021, it decelerated to 3.4% in 2022. This was mainly on account of the COVID-19 resurgence in China, the continued geopolitical tension, supply chain bottlenecks, and mounting inflationary pressure. On the bright side, however, growing private consumption and investment, and fiscal support from various governments provided some support to economic growth, especially in the United States (US), the Euro region, as well as major emerging markets and developing economies (EMDEs).

Inflationary pressure gradually easing out

Though global headline inflation has been coming down since mid-2022, it is well above the range witnessed in the preceding decade. Reduction in inflation in late 2022 was owing to a decline in energy and commodity prices. To control inflation, most central banks globally have resorted to hiking interest rates. Tight monetary action has also helped contain inflationary pressure despite low wage growth. However, post pandemic, a slow recovery is seen in labour markets.

Challenges continue in the Euro zone

The continued geopolitical conflict led to several economic sanctions which progressively reduced supplies of oil and gas and other raw materials from Russia. This resulted in a surge in prices due to difficulties in quickly re-defining and nurturing alternative sources of supply and apprehensions of not achieving adequate levels of storage. The run-up in commodity prices re-ignited inflationary pressures prompting central banks to raise interest rates, thus abandoning the monetary stimulus measures applied with the policy of zero or negative interest rates in some countries. These events impacted economic trends in European countries, marring the recovery path embarked upon after the post-pandemic re-openings. Despite the difficult economic scenario, the European GDP grew 3.5% in 2022 mainly due to the positive performance in the first part of the year. Growth is expected to decelerate sharply in 2023, both the advanced economies and EMDEs.

Future Outlook

In 2023, world growth is expected to be 2.8%, with growth in advanced economies likely to decelerate to 1.3% from 2.7% in 2022. Growth in EMDEs is expected to maintain pace at 3.9% in 2023 versus 4% in 2022. Led by measures taken by central banks inflation has declined and food and energy prices have begun to cool off. However, price pressures sustain with labour markets remaining tight in several economies.

(Source: World Economic Outlook April 2023, IMF)

Indian Economic Overview

During FY 2022-23, the Indian economy witnessed sustainable growth despite the headwinds of the pandemic and geopolitical conflicts. There was an improvement in the current account deficit, with good growth seen in the banking sector. Led by strong monetary action by the Reserve Bank of India (RBI), coupled with the easing of international commodity prices and prompt government action, inflation was under control.

According to the National Statistics Office, the GDP growth in FY 2022-23 is estimated at 7% versus 9.1% in FY 2021-22, with the nation continuing to remain one of the fastest-growing major economies in the world. This is on account of the various government interventions and initiatives, as announced in Budget 2023-24, which laid strong emphasis on economic growth. The budget adopted seven priorities, namely inclusive development, green growth, reaching the last mile, infrastructure and investment, unleashing the potential, youth power, and a focus on the financial sector.

Future Outlook

The Economic Survey 2022-23 and the RBI have projected Indian economic growth at 6.5% in FY 2023-24 despite global uncertainties. Moderation in inflationary pressures, huge allocation to capital expenditure and increased public capital expenditure are expected to boost domestic economic growth. According to India's Chief Economic Advisor, the economy has the potential to become a USD 5 trillion economy by FY 2025-26 and USD 7 trillion by FY 2030 depending on exchange rate fluctuation.

(Source: National Statistics Office; World Bank)

INDUSTRY SECTION

Global market

In 2022, the global automotive industry grappled with challenges posed by high-interest rates, supply chain problems, and recessionary fears, among others. Going forward, moderation in automobile demand will result in supply chain blockages becoming less acute. However, the semiconductor shortage is likely to be addressed in 2024 with new semiconductor capacities coming into operation.

In 2022, according to ACEA (European Automobile Manufacturers' Association), new vehicle registrations worldwide were unchanged at 66.2 million vehicles similar to that in 2021. Registrations were down 4.6% in the European Union at 9.255 million as compared to 9.7 million in 2021. Global auto production increased 7.9% with 7.1% growth in the European Union, 11.7% growth in the US, 11.7% growth in China and 21.6% growth in India. According to EIU, global new car sales are expected to rise by 0.9% in 2023, led by lower consumer spending, high commodity prices, and probable production shutdowns resulting from supply chain disruptions. Overall, following a decline in 2022, new vehicle sales will rise in 2023 to 79 million led by growth in Asia, the Middle East, Africa, and Latin America.

The EU continues to focus on producing more electric vehicles, installing more charging infrastructure, and giving a boost to circular economy for End-of-Life vehicles and batteries.

EV sales are expected to witness 25% growth, to ~11 million units, during 2023, led by strong government support across the globe. Innovative EV incentive policies have been rolled out in several countries to encourage clean vehicle sales. The EU continues to focus on producing more electric vehicles, installing more charging infrastructure, and giving a boost to circular economy for End-of-Life vehicles and batteries. European automakers are rapidly adapting to the tougher legislations and are making cutting-edge technological strides to aid the process. All these developments are expected to give a boost to EV sales in the coming months.

Source: Automotive Outlook 2023, Economist Intelligence; 23rd Annual Global Automotive Executive Survey | Auto leaders prepare to seize big opportunities | Will they choose the right road? (kpmg.com)

Indian Automobile industry

The Indian automotive industry is worth more than USD 222 billion, contributing 8% to total export, 7.1% to GDP and 49% to manufacturing GDP. As per government estimates, the Indian automobile sector is set to become the third largest in the world by 2030. India is the fourth largest producer of automobiles in the world, with an average annual production of 25+ million motor vehicles. Two-wheelers (2W) and passenger cars dominate the market, with 76% and 17.4% market share respectively.

India is a strong player in the global heavy vehicles industry and is the largest tractor manufacturer, the second largest bus manufacturer, and the third largest heavy trucks manufacturer. Low-cost production is possible due to ready availability of cheap labour and low cost of raw materials. India is set to become the manufacturing hub of automobiles further supported by a weak currency.

The geopolitical tensions and COVID-19 third wave failed to dampen the Indian automobile sector, which clocked its highest ever annual domestic PV sales in 2022. A total of 3.8 million units were sold in 2022, 23% higher than in 2021. The growth is a reflection of high consumer demand and a controlled semiconductor chip situation.

Source: Indian auto industry posts highest ever annual sales in 2022: Details explained - Times of India (indiatimes.com); Invest in Indian Automobile Industry, Auto Sector Growth Trends (investindia.gov.in)

In FY 2022-23, the overall automobile domestic sales volumes witnessed growth of 20.4%. The growth was led by healthy demand in the urban areas, increasing replacement demand, growing demand for utility vehicles in the PV segment and higher infrastructure spending. Total sales of domestic automobiles in FY 2022-23 was up 20% and stood at 21.2 million units, up from 17.6 million units in FY 2021-22. SIAM data suggests that the total production of automobiles saw robust increase of 12.6% in FY 2022-23, to 25.9 million units, from 23.0 million units produced in FY 2021-22.

In the domestic market, all categories saw high double-digit growth, with PVs, CVs and 2Ws clocking 26.7%, 34.3% and 16.9% growth respectively, despite certain persistent supply chain issues. The three-wheelers (3W) segment witnessed a remarkable 87.3% growth, albeit on a low base. Exports declined in all categories, except PVs, due to ongoing global headwinds. Overall, exports saw a sharp decline of 15.2%, to 4.8 million units from 5.6 million units in FY 2021-22.

2W segment

The domestic 2W sales grew 16.9% YoY in FY 2022-23, after witnessing de-growth in the previous three consecutive fiscals. The demand from rural India continues to remain moderate in the face of the inflationary and high interest rate environment. Owing to changes in consumer demand trends, new regulatory norms and the high cost of vehicle ownership, sales of entry-level vehicle category are expected to remain moderate in the near term. While scooter domestic sales grew 26.2%., motorcycles domestic sales grew 13.9% during FY 2022-23.

The demand from rural India continues to remain moderate in the light of the inflationary and high interest rate environment.

3W segment

3Ws posted 87% growth, to 488,768 units in FY 2022-23, driven by higher off-take of passenger carriers. The availability of finance, along with the availability of alternative fuels and state subsidies, have contributed to the growth of this segment. Passenger carrier volumes more than doubled to 361,094 units, while goods carrier sales increased 28% to 97,540 units during the year.

4W segment

The PV segment posted highest-ever domestic sales, growing at 26.7% to 3,890,114 units sold in FY 2022-23. Such growth was primarily driven by pent-up demand, a series of new model launches, and better product availability due to the relative easing of the semiconductor chips' supply. There was high demand for higher-end variants and premium SUVs. The entry-level variant continues to be under some pressure, as customers in this category are still impacted by high-interest rates and an inflationary environment. Passenger car sales grew 19.1%, and utility vehicles (UV) posted a strong 34.5% growth in sales during FY 2022-23.

The commercial vehicle sales grew 34.3%, the second highest domestic sales ever, with the medium and heavy commercial vehicle (MHCV) segment growing 49.2% and the light commercial vehicle (LCV) segment clocking 26.8% growth in sales. The demand in the CV space was led by increased infra spending by the Central Government, improved freight movement across the country, an impending Onboard Diagnostic Device (OBD) Stage 2A price hike, and discount offers from OEMs. The demand for heavy trucks was strong given the massive infrastructure push by the government, besides increased activity in e-commerce, construction, and mining segments.

Source: Society of Indian Automobile Manufacturers (siam.in)

EV segment

Total EV sales surpassed the 1 million mark, with 1,152,021 units sold, in FY 2022-23, according to the Society of Manufacturers of Electric Vehicles (SMEV). Amongst the total EV sales, E2W captured the largest pie at 62%. The E3W sales stood at 401,841 units, accounting for 34% of the total EV sales. E4W sales accounted for 4% of the total sales at 47,217 units, whereas the sales of electric buses stood at 1,904 units. The Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME) India scheme commenced on 1st April, 2019, for a period of three years, which was further extended for a period of two years up to 31st March, 2024. The revised FAME II has had a strong positive impact on adoption of E2Ws as it led to ~35% decrease in prices. This, in turn, started attracting the component supply chain that had earlier stayed away because of extremely low volumes.

Source: Fortune India: Business News, Strategy, Finance and Corporate Insight; You can save up to ₹32,500 on electric scooters before June 1 - The Economic Times (indiatimes.com)

Government policies

To facelift the transportation system, the Indian government is continuously striving to create an integrated EV mobility ecosystem. The government's strategy and policies are intended to promote greater adoption of electric vehicles in response to the growing customer demand for cleaner transportation options.

The Indian government has an ambitious commitment to reducing the emissions to net zero by 2070. For this, transitioning towards electric vehicles is one of the key focus areas. To achieve its ambitious target of cutting its carbon emission to 30% by 2030, the government has taken multiple steps over the last few years. The government is also working to curb emissions through its Voluntary Vehicle Fleet Modernisation Programme (V-VMP), which offers tax benefits and discounts on replacing old vehicles with new ones; and Bharat Stage VI norms.

During the year, the government amended the National Policy on Biofuels – 2018, to fast forward the target of 20% blending of ethanol in petrol and 5% blending of biodiesel in diesel to FY 2025-26 from FY 2029-30.

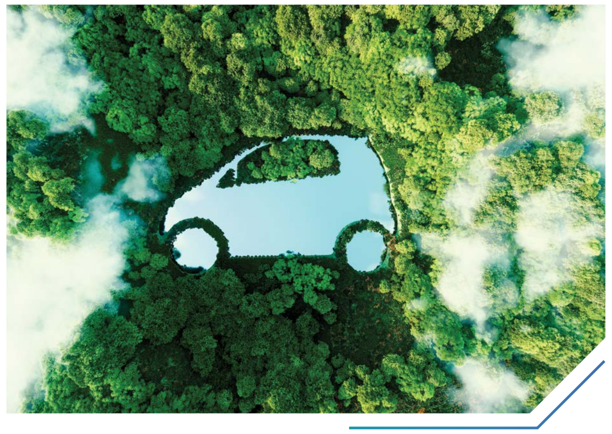
In the Union Budget 2023, the government announced a slew of measures to give an impetus to the automobile industry, including reduction in basic custom duty rate from 21% to 13%, increase in rebate on personal income tax from ₹5 lakh per annum to ₹7 lakh per annum, focus on greener mobility, and help of central government to scrap old vehicles. At the same time, with a focus on local production, the government raised the customs duty on fully imported luxury cars and EVs from 60% to 70%.

Source: Budget 2023: Key takeaways for Indian auto industry | HT Auto (hindustantimes.com)

Overall industry outlook

The industry's growth accelerated in 2022 and is predicted to continue in 2023. The anticipated easing of the semiconductor shortage will contribute to this growth. Clean technology will continue to remain the main focus area. In 2023, the pace of adoption of EVs, already witnessed in 2022, will see further acceleration, especially in the 3W and scooter segment. According to FADA, the order book in the PV segment continues to be strong for several models, and this trend is expected to continue in the early part of 2023.

The continued global economic challenges are keeping the automobile industry in cautious mode. Additionally, interest rates are expected to rise, and companies are expected to pass on cost increases due to new safety norms and guidelines and reductions in subsidies. This may lead to a sharp increase in vehicle prices, dampening PV sales to some extent. The PV industry adopted the second phase of



fuel efficiency regulations in April 2022, and is gearing up to meet the stringent second phase of BS-VI emission norms from April 2023. However, the increase in price for transitioning to new norms is expected to be less steep as compared to the BS-IV to BS-VI transition. The reduction in basic customs duty on goods (other than agriculture and textiles), from 21% to 13% may help offset some impact of increase in vehicle prices.

To keep the sales momentum buzzing, OEMs may look to launch new models and introduce product upgrades. As production normalises, the waiting period for several models may also stabilise. ICRA expects auto demand to remain steady, with 6-9% volume growth likely in FY 2023-24.

Indian auto components industry

After two successive years of de-growth (11.7% and 3% respectively in FY 2019-20 and FY 2020-21), the Indian auto component sector clocked 23% revenue growth in FY 2021-22, and another 34.8% growth in H1 of FY 2022-23. During this half year, the industry size was estimated at ₹2.65 lakh crore. The full year FY 2022-23 numbers are also expected to mirror a healthy growth. The increase was driven by the replacement market, domestic OEMs, export volumes, and pass-through of commodity prices. The growing presence of global automobile OEMs in the Indian auto components industry has significantly increased the localisation of their components in the country.

H1 FY 2022-23 data reveals that auto component exports and imports were fairly balanced at USD 10.1 billion. Further growth in imports is likely on account of the new norms applicable from 1st April, 2023. A lot of components, like the fabric for airbags and certain electronic components, will need to be imported to address these changes.

On the other hand, the component industry body is bullish about rising investments in the electrification space, with suppliers intensifying capex towards localisation of EV products, as well as developing the entire EV ecosystem. The government's push, in the form of automotive PLI schemes to drive Indian manufacturers towards increased localisation of advanced automotive technologies, is not just going to deliver growth for the local EV market but is also going to boost exports of such advanced components from India. Indian exports have received a fillip in FY 2022-23, as the 'China plus one' strategy worked in favour of the Indian auto component industry. The growth in exports is attributable to the Indian component manufacturers' endeavours to localise technology in India and offer high-quality components at competitive prices.

The overall Indian auto components industry, which accounts for 2.3% of India's GDP, could benefit from the quick transition of European and American countries to electric engines from internal combustion engines (ICEs). This could lead to a shift in demand to Indian manufacturers, offering the industry some short-to-medium-term opportunities. The domestic market continues to register robust growth, be it PV, tractor, or commercial vehicle segments, with the latter in particular witnessing good growth in the M&HCV category owing to the government push on infrastructure development.

Source: India Auto Industry Growth: India's auto industry sets on a journey to sustain growth momentum in 2023 - The Economic Times (indiatimes.com)

COMPANY OVERVIEW

About the Company

Endurance Technologies Limited (Endurance / the Company), is a leading 2W and 3W auto-component manufacturer with an expanding global footprint. Starting with 2 aluminium die-casting machines in 1985, we have grown to have 31 strategically located manufacturing facilities near our OEMs (19 in India and 12 overseas). Our vision is to be consistently recognised as a first choice supplier to all our customers by continuing to foster innovation and deliver excellence by focussing on QCDDM (Quality, Cost, Development, Delivery and Management). We are one of the largest manufacturers of 2W and 3W auto parts in India. Further, we are among the largest aluminium die-casting manufacturers in India serving the 2W, 3W and 4W OEMs. The Company also has presence in Europe, through its overseas subsidiaries in Italy and Germany.

The Company is a complete solution provider for its diverse range of technology-intensive products to 2W, 3W and 4W OEMs. The Company's products cater to the complete needs of the OEMs – from conception to servicing the end user, for aluminium die-casting and alloy wheels, suspension, braking systems and transmission products. The Company is positioned as a dominant Tier-I supplier to leading Indian and global automotive brands.

At group level, the Company has a skilled team of 325 R&D personnel. Its commitment to quality and innovation is reflected in its 32 patents and 24 design registrations. It has 5 DSIR-approved R&D facilities in Maharashtra, India and two tech centres in Italy. The Company owns a state-of-the-art extensive proving ground (test track) spread over 29-acre in Aurangabad, Maharashtra.

The Company is making continuous efforts to increase the share of value-added products in its product mix, including products for EVs. The Company's established products of braking, suspension and aluminium die-casting components are EV-agnostic. The Company markets such EV components to both, the established OEMs and also the new 2W and 3W EV OEMs.

Through the efficient use of wind and solar power, the Company is striving to achieve carbon neutrality in its plants. It is creating carbon sinks by driving tree plantation, resulting in dense forests, as well as encouraging the use of natural gas and LPG in place of electricity and furnace oil. The Company has discontinued the use of furnace oil. It is also working to reduce hazardous waste generation and achieve zero waste to landfill.

Manufacturing and R&D

Endurance has 31technologically-advanced manufacturing facilities, focussed on quality-driven processes, across India and Europe. Its 19 manufacturing facilities in India are strategically located across Maharashtra, Gujarat, Uttarakhand, Tamil Nadu and Karnataka. In Europe, 8 facilities are in Italy and 3 in Germany. It has 5 state-of-the-art R&D facilities in Maharashtra.

Historically, Endurance has taken several initiatives to offer complete solutions to its customers. The forward and backward integration projects like ABS modulators, wire braided hoses for ABS, aluminium forgings for inverted front forks, bottom-case for front-forks, and paper for clutches are examples of our initiative to bring in technology of high end products, start in-house manufacturing and substitute imports. The wire steel braided hoses are mainly used for ABS applications for mid and high-end bikes. For aluminium forging axle clamps required for inverted front forks, Endurance has entered into a technical collaboration. Supplies commenced from the Company's Waluj, Aurangabad plant to fulfil existing requirements for supply of inverted front forks within and outside India, even as third-party orders were received for stem assembly and under bracket aluminium forgings. In addition, the Company is engaged with several OEMs for supply of aluminium forgings other than for inverted front forks. Both these projects are value-accretive.

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Endurance Proving Ground (EPG) at Aurangabad

The Company promotes a culture of safety which goes beyond the workplace and beyond the workforce. In terms of implementing safety measures, the Company has achieved some significant milestones. It has consistently achieved an accident frequency rate (LTFR) of less than 1.5 and a severity rate (LTSR) of less than 200. Its rigorous Environmental Health and Safety (EHS) procedures and practices, implemented across India, resulted in fewer accidents. Employees are well aware of the EHS requirements and the importance of incorporating an EHS culture into the manufacturing process at Endurance.

New product development

Innovation is the heart of Endurance. The key element of the Company's futuristic growth strategy is innovation, with a strong emphasis on continual and intensive research and development. Endurance is continually nurturing a culture of innovation across all the R&D verticals (suspension, brakes, transmission, driveline, casting, and electronics). In product innovation, the focus of the efforts are to launch new products or variants, to enhance cost-competitiveness, and to improve performance, durability and quality of our products. Similarly, through process innovation, we build efficiencies in our production processes. Being technology-driven, we continue to invest in the high-end testing equipment and engineering software. We have set up an advanced engineering cell to consistently meet our customer expectations and to support us in our innovation journey. We have built a culture of innovation where we challenge prevailing assumptions when warranted, reconceptualise issues to find solutions, and continue to simplify. We nurture in-house innovations through employee participation and encouraging them to share novel ideas thereby adding to the intellectual property pool.

To further enhance the quality quotient of the products, the Company has introduced the corporate material testing team, and hired subject matter experts for critical components. A monitoring and mitigation system has been implemented, with enhanced in-house durability tests of production lots at defined intervals.

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. The Company remains focussed on continuous product and process optimisation.

BUSINESS OVERVIEW

Endurance is continually embracing new technology and innovating new products, as part of its efforts to grow its business operations within and outside India, both organically or inorganically. Technology upgradation, quality improvement, cost reduction EHS are the Company's focus areas in this journey. Endurance aims to fulfil all stakeholder expectations by following its five values of customer centricity, integrity, transparency, teamwork and innovation.

The Company's focus is on:

- driving profitable growth, by introducing more value-added products and enriching our product mix, focussing on VAVE and clean-sheet costing with vendor partners
- achieving and maintaining leadership with a focus on technology, product reliability, durability, performance and cost effectiveness. We are building internal capabilities and becoming self-reliant, in that our technology is a platform that we use to continue to maintain our competitive edge
- our endeavour to be a first choice supplier. We have focussed on ensuring that we deliver consistent performance (Quality, Cost, Development, Delivery and Management) to earn the trust of all our customers. We are building capabilities to meet the changing needs of our customers. Our target is to be the preferred partner for all our product verticals
- to expand our presence in the Aftermarket both in India and Europe
- building an EHS and Sustainability First culture at Endurance, consistently prioritising human lives, the environment, health, safety and sustainability in our decisions. We are driving sustainability by striving to achieve carbon neutrality in all our operations and in the operations of our vendor partners
- investing extensively to build the capabilities, work culture and skills of our people, who remain the key engine pushing us along our resurgent growth trajectory. We have built a high performance value-centric culture that consistently demonstrates our CITTI values in our actions, making us a globally trusted brand. Succession planning and building the next line of leaders from within are strategic priorities for us, and we believe in identifying the true potential of Endurians

Manufacturing Axle Clamp and Underbracket Aluminium Forgings as a Backward Integration for Inverted Front Forks

The Company is also looking to increase its anti-lock braking systems (ABS) business for 125cc plus motorcycles in collaboration with its technology partner. Supplies have already commenced to some key customers and Endurance is actively engaged with other OEMs for acquiring new ABS business.

The Company had recently commenced production of aluminium forgings, primarily for captive consumption, with technical inputs from an Italian counterpart. The Company is increasing its production capacity at its Waluj, Aurangabad plant from 280,000 parts per annum to 600,000 parts per annum with an incremental value of ₹750 million. The additional capacity is expected to come on stream in FY 2023-24 and reach a peak in FY 2024-25. The additional volumes will serve internal needs for higher volumes of inverted front forks and also certain third party business.

The Company is increasing its business of the 200cc motorcycle inverted front forks and adjustable rear mono shock absorbers with the help of its collaboration partner. It is boosting its supplies for on-road motorcycles, and is looking to start with the off-road motorcycles for inverted front forks

and rear shock absorbers. Endurance is also focussing on fully finished machined aluminium castings, as compared to raw casting and semi-finished casting for 2Ws, 3Ws, and 4Ws as well as for non-automotive casting.

Owing to the strong brand equity, customers recognise Endurance as a trusted and a capable partner in their value chain in terms of both technical and financial strengths. Today, Endurance is net debt free and has a net worth of over ₹40 billion.

Endurance has a very positive outlook for profitable business growth, based on new large business wins in the last three years, including those for electric vehicles, both in India and Europe.

In terms of financial performance, during FY 2022-23, 76.8% of Endurance's consolidated total income, including other income, came from Indian operations, 0.2% from Maxwell and the balance 23% from Europe. In FY 2022-23, the export sales of the India standalone business declined by 5.5% from ₹2,264.80 million to ₹2,139.76 million. The major impact was due to lower aftermarket exports to countries in Africa, South America as well as India's neighbouring countries.

In India, ₹9,350 million of new business was won from OEMs other than the largest customer. These wins include ₹7,800 million of new business and ₹1,550 million of replacement business. The total business win for EVs till date stood at ₹6,004 million of which ₹3,765 million worth new orders were bagged in FY 2022-23. The Company has received ₹25,668 million worth of requests for quotes from OEMs.

In Europe, in FY 2022-23, the Company won €83.87 million of new business. Cumulatively, in the last 2 years, approximately €158 million of new business was won in Europe.

The aforesaid orders secured in both regions have been won despite adverse macro-economic factors. The quantum of these orders, and sizeable EV/Hybrid related business therein, are very significant for the future growth of the Company.

EV focus

The Company sees huge growth potential in the EV space. Its current EV product portfolio includes suspension front forks and rear shock absorbers, disc brakes, ABS, driveshaft, and different types of aluminium castings, including case transmissions, battery housings, motor housing.

To harness the huge EV opportunity, Endurance acquired 51% equity stake in Maxwell Energy Systems Private Limited and the balance 49% stake will be acquired in a phased manner. Maxwell is in the business of advanced electronics, particularly in the battery management space (BMS) for automobile EVs and stationary storage. Endurance plans to leverage Maxwell's deep technical expertise and its BMS deployment experience both in India and Europe.

A significant order for BMS from a reputed player will start from July 2023. For this, the Company is setting up a new SMT line at Waluj, Aurangabad. With the current order book, order pipeline and technical strengths as well as synergies between Endurance and Maxwell, the Company is well positioned to benefit from the future growth in EV space.

The EV industry continues to offer significant growth opportunities for the automotive component industry. The Company has received significant orders for EV and hybrids in Europe, as well as from new-age OEMs in India.

SEGMENT-WISE PERFORMANCE

Casting business

Aluminium die casting and machining

With over three decades of dominance in the aluminium die-casting and machining segment, the Company is well known for developing and manufacturing high pressure, low pressure and gravity castings. It also designs and produces tools and dies used in precision machining of cast products.

To cater to increased orders of alloy wheels, the Company expanded its existing plant at Chakan, thereby increasing supplies and volumes to 4.5 million wheels per annum from 2.8 million wheels per annum. This plant commenced operations and supplies in July 2022.

The Company is also installing capacities for structural aluminium castings like swing arms, sub frames and structural fairings for both EV and ICE models which are going in for light-weighting for reputed OEMs. This business will commence in FY 2023-24 and will peak in FY 2024-25. The Company has commenced supplies to one of the customers since Q3 FY 2022-23.

Proprietary Business

Suspension

A pioneer in high performance suspension systems for 2W, 3W and quadricycles, Endurance has been a market leader

Experience Centre at Waluj, Aurangabad

Casting Automation Line in Lambardore, Italy

in the suspension segment for over two decades. It caters to the suspension needs of OEMs in both, domestic and international markets. The Company designs and produces a wide range of front forks and rear shock absorbers with an aim to provide safe, stable and comfortable riding experience across all road surfaces. Our product development efforts aim to provide performance, durability, reliability and cost optimal solutions to our customers. Endurance is a major Indian Company in the design, development and manufacturing of inverted front forks and mono shock absorbers for high-end motorcycles.

The Company is increasing its business of 200cc plus motorcycle inverted front forks and adjustable rear mono shock absorbers with its collaboration partner. Supplies of inverted front forks and rear shock absorbers have started to a reputed player in India. Endurance has won new orders for the inverted front fork from another major customer, and also is actively engaged with other OEMs to get new business for the inverted front forks and rear mono shock absorbers.

Front fork business of ₹ 1,398 million was acquired from a reputed scooter manufacturing company in FY 2022-23 and supplies will start from the Company's plant at Waluj, in FY 2024-25. For this, the Company is installing a new line with annual production capacity of one million front forks. From Q1 FY 2024-25, supply of inverted front forks, worth ₹ 212 million, will commence to another reputed OEM. Further, we have developed a 35-dia air suspension fork with the help of our technology partner. Production will commence by Q1 of FY25, from the Company's plant at Waluj, Aurangabad.

Significant new suspension business will be serviced from our existing plants at Kolar, Karnataka and Halol, Gujarat, which will benefit from higher utilisation levels.

Braking systems

The Company's extensive experience in high performing braking systems has enabled us deliver 'first-time-right' products. Being the first company in India to design and manufacture brake systems with split type callipers, integral callipers, and fixed type callipers, Endurance is a well-established brand. It is also the pioneer in designing and manufacturing master cylinders with both integral reservoir and remote reservoir.

The Company has focussed on the 200cc plus motorcycles' brakes business and is showing robust growth. The brake assembly business is growing with the addition of business from several esteemed customers. The second plant at Waluj, Aurangabad, has already commenced operations to handle this increase in volumes. With this new plant, the disc brake assembly capacity has increased to 6.2 million numbers per annum and the brake disc capacity has increased to 8.1 million numbers per annum.

From October 2023, CBS brakes business will commence for an EV scooter maker.

A production run rate of 4,000,000 ABS assemblies per annum was reached in Q3 FY 2022-23. The Company is in the process of supplying dual channel ABS by Q2 of FY 2023-24.

The Company is adding new lines of 200,000 ABS assemblies per annum, taking the total volume to 600,000 ABS assemblies per annum. There are plans to increase the volumes to 1.2 million single and dual channel ABS assemblies per annum from the second half of FY 2024-25. Since March 2023, the Company has started in-house manufacturing of the ABS valves. This is not only a technology component but will aid in substantial cost control, thereby improving profit margins on the ABS.

Transmission

The Company has strong technical understanding of the evolving market needs in transmission systems for 2Ws and 3Ws. In 2020, the Company further strengthened its transmission technology by acquiring its erstwhile collaborator Adler SpA, Italy. It constantly strives to create a wide range of technologically-advanced reliable clutches. The Company's unique product testing using simulation of the exact vehicle operating conditions increases the robustness of the product, reduces development time, and imparts high confidence to the consumer.

The 200cc plus motorcycle clutch business will commence by Q4 of FY24 aided by the acquisition of Adler in Italy.

Deckel VW Line at Chivasso, Italy

The launch of the 3W driveshaft will also steer future growth for the Company's transmission business.

EV and Hybrid

The Company strives to increase supply of value-added products for EV 2W and 3Ws. For electric scooters and 3Ws, it has already started supplies of brake assemblies, suspensions and aluminium castings. Consequent to the acquisition of Maxwell, BMS for 2W EVs and battery pack makers is supplied to the OEMs. The Company is committed to supply EV products to all the existing as well as new 2W and 3W OEMs. The Company is also focussing on E-bicycles business, especially for suspension, BMS, and brakes for both Indian OEMs as well as exports.

In FY 2022-23, the Company won ₹1,290 million of new business for EVs with a strong pipeline of RFQs.

The Company has received LOI from a reputed brand for the front fork and rear shock absorber business for their EVs worth ₹ 230 million. The supply has commenced in Q1 FY24.

The new EV suspension business will be serviced from our existing plants at Kolar, Karnataka and Halol, Gujarat. With low production start time, we would be able to commence despatches in the first half of FY 2023-34.

The Company has won two orders worth ₹ 700 million and ₹ 495 million, from reputed OEMs, whose supplies will start in July 2023 and September 2023 respectively.

For EV scooters, the capacity for aluminium castings is being ramped up to 240,000 per annum for battery pack and motor housing aluminium castings. A total order value of ₹ 1 billion per annum has been won, which will start in this financial year and will reach the peak in the next financial year. Further, the Company has started fully machined side-channel aluminium casting for an EV scooter model at the Vallam plant with a full business volume of 200,000 per annum valued at ₹ 410 billion, which will peak in FY 2023-24.

AFTERMARKET

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

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market in India and abroad. The Company recorded ₹ 4.3 billion of Aftermarket revenues from India, and posted a 12.5% CAGR of such revenues from FY 2016-17 to FY 2022-23, by establishing a strong distribution presence in India and abroad.

While the Company will continue to focus on its in-house suspension, braking systems, and transmission products, it will also enhance its focus on traded or outsourced value-added products including tyres, which are manufactured through outsourcing, but are based on our registered tread designs and brand.

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

On the Channel relationship front, to move away from transactional relationships to participative management relationships, a 15-member distributor governing council meets twice a year for a discussion and implementation of profitable growth strategies in the domestic market.

Larger dealers dealing with all product categories of Endurance are better for the long-term interest of the business. Therefore, an Endurance special club of dealers called ECC, having a minimum ₹ 10 million business relation with Endurance is promoted with additional benefits over regular dealers. This brings consistency and market share gains from the competition.

To expand the export business, there is a constant effort to enter new countries every year in line with domestic OEMs. Besides this, new product lines based on non-Indian vehicles are being developed to enter some high-potential countries where Indian vehicle potential is not sufficient. 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 the anvil to increase the distribution network in all the countries having Indian 2W/3W vehicle exports.


Audi Deckel Product Line at Chivasso, Italy

OVERSEAS SUBSIDIARIES

Endurance Overseas Srl: 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 of 5%. 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 2022-23, EOSrl reported total income of € 25.2 million which includes dividend distributed by Italian subsidiaries of € 15 million as against € 10.3 million in FY 2021-22. Profit after tax was € 16.1 million in FY 2022-23 as compared to € 1.4 million in FY 2021-22.

During the year, EOSrl acquired:

- 100% stake in Frenotecnica Srl, Italy, effective 10th June, 2022, for € 5.26 million. Frenotecnica is engaged in the business of designing and manufacturing friction materials and components for braking systems for 2Ws. The primary business activity comprises the sale of brake pads under its registered trademark "Brenta" including orders from third parties. The operations are carried out from its plant at Rovereto in Italy.
- 100% stake in New Fren Srl, Italy effective 16th November, 2022 for € 1.15 million. New Fren is engaged in the business of designing, manufacturing, and selling disc brakes, centrifugal clutches, pads and brake shoes for 2Ws under its registered trademark "NewFren". The operations are primarily carried out from its plant at Ciriè in Italy.

These acquisitions will provide growth opportunities to the group, by way of having renowned brands in the European aftermarket and creating synergies with the Indian aftermarket business. These acquisitions will also provide in-depth knowledge for production technologies of friction materials, particularly for brake applications.

In February 2023, EOSrl undertook certain reorganisation activities within the Italian operations and completed the transfer of industrial premises at Lombardore and Chivasso to its step-down subsidiary, Endurance SpA. The assets were earlier leased to Endurance SpA for their manufacturing activities. The objective for the assets transfer also aims to facilitate EOSrl to concentrate on its core activity of managing equity investments.

Endurance SpA: Endurance SpA ("ESpA") is a step-down operating subsidiary of the Company in Italy and is primarily engaged in the production of high pressure aluminium die casting and machining components for engine, gearbox and transmission of 4W, and assembling of other metallic components like aluminium alloys, cast iron and steel.


Solar Panels at Bione, Italy

During FY 2022-23, ESpA reported a 14.7% increase in total income to € 155.5 million, as compared to € 135.5 million in FY 2021-22. The growth is partially due to higher sales prices on account of pass-through of material price increases. The profit after tax increased by 8% to € 4.0 million as compared to € 3.7 million in the previous year. PAT margin at 2.6% was significantly lower compared to the earlier years, primarily due to rise in the price of energy, owing to the turmoil in the energy market in Europe. There was unprecedented increase in electricity prices by 250% in FY 2021-22 and 63% in FY 2022-23, while gas prices increased by 300% in FY 2021-22 and 70% in FY 2022-23. Certain corrective measures were taken by the Company to contain the negative effects of these energy price increases in the year.

The effective tax rate for ESpA was lower than the marginal rate, as it benefited from higher allowable depreciation related to technologically-advanced machines bought in previous years. Nevertheless, considering the significant carrying benefit anticipated for the next three years, no additional tax assets were recorded. A further benefit in terms of energy consumption savings is expected in FY 2023-24, as solar panels are under installation. During the year, the Company won new orders from OEMs, particularly powertrain components in BEV, Hybrid and ICE vehicles, for about € 50 million of annual turnover with start of production in FY 2023-24.

Endurance GmbH: Endurance GmbH ("EGmbH"), a wholly-owned subsidiary based in Germany, carries out manufacturing operations of high-pressure die casting and machining components. It caters to large automotive OEMs in the German market. During the year, EGmbH reported 2.1% increase in total income to € 50.4 million as compared to € 49.3 million in the previous year. The growth is partially due to the higher sales prices on account of pass-through of material price increases. Profit after tax was € 1.4 million as against the previous year's profit of € 1.1 million.

During the year, the Company won new orders from German OEMs, for about € 25 million of peak expected annual turnover, with start of production in FY 2024-25 to BEV, Hybrid and ICE applications.

Endurance Engineering Srl: 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, EEsrl reported 16.5% increase in total income to € 14.0 million as compared to € 12.1 million in the previous year, the increase being partially on account of pass-through of material price increases. Profit after tax was € 0.7 million as against the previous year's profit of € 0.7 million.

EEsrl continues to support the Endurance Group to offer alternative solutions to customers in producing engineering plastic components that are complementary to the production of aluminium parts offered by other companies of the Group. The Company won new orders from different customers for about € 4.5 million of peak annual expected turnover, with start of production in FY 2024-25.

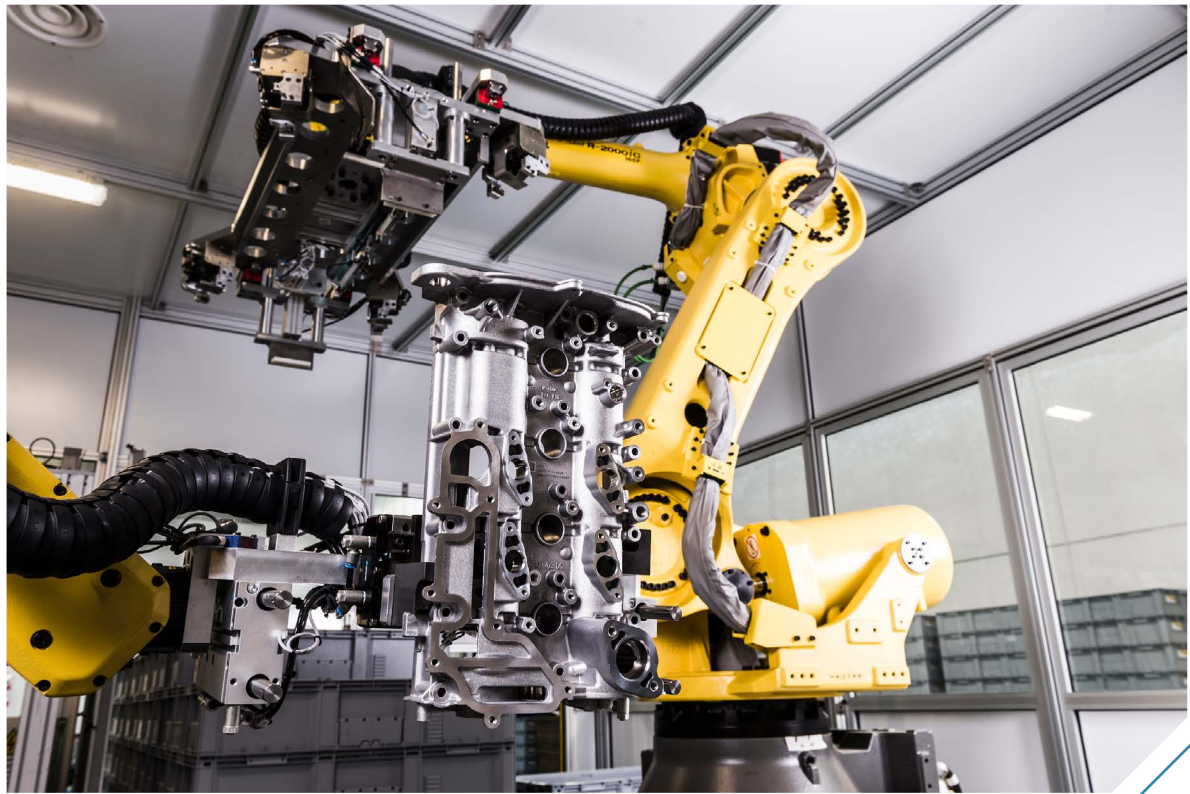
Endurance Castings SpA: Endurance Castings SpA ("ECSpA"), is a step-down operating subsidiary of the Company in Italy and is primarily engaged in the manufacturing operation of high-pressure die casting and machining components.

During FY 2022-23, ECSpA reported 16.8% increase in total income to € 41.5 million, from both intra-group and third party customers, as compared to € 35.5 million in the previous year. As aluminium die-casting is an energy-intensive company, ECSpA suffered energy cost increases which were offset by its customers. Profit after tax increased to € 2.7 million as compared to € 1.4 million in the previous year. Net profit was also marginally higher on account of lower taxes, which in turn was due higher allowable depreciation related to the technologically-advanced machines bought in previous years. ECSpA won new orders in FY 2022-23 from third party customers for about € 4.1 million of peak annual expected turnover, with start of production in FY 2024-25.

Endurance Adler SpA: 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 2Ws.

During FY 2022-23, EASpA reported a total income of € 10.8 million as compared to total income of € 8.1 million for the previous year. Profit after tax stood at € 0.2 million similar to that in the previous year.

Veicoli Srl: Veicoli Srl ("Veicoli"), is a step-down operating subsidiary of the Company in Italy acquired in November 2021. It provides fleet management services through its software application platform. During FY 2022-23,



Manufacturing Line at Lambardore, Italy

Veicoli reported a total income of €0.9 million and a profit after tax of €0.1 million (not comparable to the previous year, where the company's results were consolidated for only part of the year). Efforts are on-going to grow the business by expanding the offering and adding new customers.

Frenotecnica Srl: Frenotecnica Srl ("Frenotecnica"), is the new step-down operating subsidiary in Italy acquired in June 2022. Frenotecnica is primarily engaged in manufacturing the operation of brake pads for 2Ws in the after-market and replacement business. In January 2023, Frenotecnica changed its reporting period to 31st March from 31st December, to align uniformly with other group companies and hence the corresponding previous year financial numbers are not comparable. Post-acquisition, the Company contributed a total income of €3.1 million and a profit after tax of €0.1 million.

New Fren Srl: New Fren Srl ("New Fren"), is the new step-down operating subsidiary in Italy acquired in November 2022. New Fren is primarily engaged in the manufacturing operation of brake discs, centrifugal clutches, clutch discs, pads and brake shoes for 2Ws for sale in the after-market and replacement business. In January 2023, New Fren changed its reporting period to 31st March from 31st December, to align uniformly with the other group companies in Europe and hence the corresponding previous year financial numbers are not comparable. Post-acquisition, the Company recorded a total income for €2.2 million and a net loss of €0.2 million.

QUALITY AND PRODUCTIVITY FOCUS

The Company considers quality as a key driver of its growth strategy. Adherence to the stringent QCDDM parameters has enabled it to establish sustained market leadership, business sustainability, and long-lasting customer relationships globally. All its outsourcing business partners and vendors have to comply with QCDDM parameters, quintessential for a seamless supply chain. To ensure value creation for all stakeholders, the Company lays strong emphasis on strong production capabilities, internal process control and corporate governance.

Total Productivity Management (TPM) remains integral to ensuring proactive and preventive equipment maintenance to maximise operational efficiency and to empower operators. 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. It also enables improvement in material handling processes through real-time quality checks and lower human intervention on critical operations. TPM has proved to be an effective tool for productivity enhancement.

RISK MANAGEMENT

Macro-economic slowdown

Profitability of the Company gets negatively impacted in case of any unfavourable global or local event that affects the auto segment or economic growth.	**Mitigation strategy:** The Company has diversified its geographical presence as well as its product offerings in the auto component segment. The Company supplies its products to multiple OEMs and also to the Aftermarket. Its strong brand equity, long-standing customer relationships, excellent trade relations with vendors and superior quality control enable it to stay ahead of the industry curve.

Global turmoil

The ongoing geopolitical conflict poses a threat to energy price stability, global-level supply chains, and economic growth in many regions, which in turn may impact business growth.	**Mitigation strategy:** The Company has expanded its vendor base and focussed on strategic sourcing, cost optimisation and value addition. This has enabled it to effectively manage such turmoil. In case of certain key commodities, price changes are borne by the OEMs. The Company has ramped up its domestic supplier capacities to reduce dependence on China and the international supply chain. Indigenisation and value chain integration are also measures undertaken to mitigate such risks. In Europe, the Company manages energy price fluctuations by customer pass-through, government support and increasing use of sustainable energy. The latter is also true for Indian operations.

Raw material price volatility

Fluctuation in prices of key raw materials like aluminium and steel directly impacts profitability.	**Mitigation strategy:** The Company insulates itself from fluctuation in commodity prices, as price changes are effectively passed through to the OEM customers, in terms of the contracts entered into with them. This makes it unnecessary to undertake any commodity hedging. However, despite maintaining the same margins in absolute terms, higher metal prices lead to an arithmetical adverse impact on percentage margins, and vice versa.

Supply chain risk

Supply chain is integral to the smooth functioning of any business. This has direct bearing on business operations and profitability.	**Mitigation strategy:** Timely payments, business-friendly approach coupled with long-lasting vendor relationships helps the Company ensure uninterrupted supply. The policy of paying advances, as deemed fit, strengthens the bond with suppliers further. Endurance also shares close relationships with its own OEM customers, who supported it during escalation of commodity prices triggered by the external geopolitical situation. Indigenous sourcing of certain materials, meticulous material planning, and long-term fixed price contracts are other measures which help mitigate supply chain risks.

Customer concentration

Increased dependence on any customer for revenue leads to risk to profits in the event of negative performance by that client's business.	**Mitigation strategy:** The Company has a wide client base. Some amount of client concentration is only with strong industry leaders. It is the constant endeavour of the Company to expand its geographical footprint and client base to reduce risk from customer concentration.

Competitive risk

Given the lucrative growth prospects of the industry it operates, the Company faces competitive pressure from local and/or international players.	**Mitigation strategy:** Superior product quality, competitive pricing, focus on innovation, long-standing leadership position, deep-rooted client relations, and vast product portfolio give an edge to the Company over the competition. Its stronghold in the market is effective in countering the impact of competition on business.

Human capital risk

Human capital is crucial to business growth and continuity. Any disputes or high attrition may impact profitability.	**Mitigation strategy:** Well-structured HR policies ensure that the personal growth of employees is aligned with the business growth of the organisation. Focus on training and development, job satisfaction, motivated work culture, and timely rewards and recognition, enable the Company to keep the retention rate high. The Company fosters a safe, productive and healthy work environment.

FINANCIAL PERFORMANCE

During FY 2022-23, Consolidated Total Income including Other Income increased by 16.6% to ₹ 88,495 million from ₹ 75,902 million in the previous year.

Standalone Total Income including Other Income increased 18.8% to ₹ 67,957 million from ₹ 57,215 million in the previous year. Standalone EBITDA margin stood at 11.9%.

Total Income from European business increased 12.7% to € 245.6 million. European business EBITDA margins improved to 14.5% from 14.1% in FY 2021-22 amidst high energy costs, which were partially compensated by customers and government support.

Consolidated EBITDA stood at ₹ 10,817 million as compared to ₹ 10,057 million in the previous year. Consolidated EBITDA Margin was at 12.2%. Consolidated PAT stood at ₹ 4,796 million as compared to ₹ 4,607 million in the previous year.

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, 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 decreased to 133 times from 302 times in the previous year, primarily on account of increase in borrowings and increase in interest rates.

MANAGEMENT OUTLOOK

Endurance is strategically focussed on harnessing the opportunities in the automobile sector to grow through either M&A, greenfield projects or brownfield expansion. It continues to invest in new technologies that are designed to aid light-weighting and enhance cost efficiencies. Backward integration and value engineering remain critical to the Company's growth plans, which are centred around tapping with agility, into the potential created by the emerging trends in the industry. With customer satisfaction integral to its strategic approach, Endurance also remains focussed on the innovation of quality products that are safer, more affordable and deliver greater efficiencies.

Given the importance of a team in steering a Company's business plans, the Company has prioritised the development and progress of its people, along with their welfare and well-being. Strong vendor relationships are another key driver of its growth journey. The Company takes several initiatives aimed at making its operations and products more sustainable. Tight fiscal discipline is another area that the Company remains proactively focussed on nurturing, as part of its efforts to build a more agile, lean and future-fit organisation.

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.

Recognised amongst India's 'Best Managed Companies - 2022' by Deloitte

Board's Report

Dear Shareholders,

Your Directors present herewith the Twenty Fourth Annual Report on the business and operations of the Company together with financial statements for the financial year ended 31st March, 2023.

SUMMARISED STATEMENT OF PROFIT AND LOSS:

₹ in million

Particulars	Standalone		Consolidated	
	Financial Year 2022-23	Financial Year 2021-22	Financial Year 2022-23	Financial Year 2021-22
Revenue from operations	67,675.07	56,970.87	88,040.46	75,491.40
Other income	282.00	243.94	454.27	410.38
Total income	**67,957.07**	**57,214.81**	**88,494.73**	**75,901.78**
Raw Material Cost	45,326.04	37,583.26	53,295.23	44,201.44
Employee Benefit expenses	3,241.77	2,903.13	7,636.05	6,943.58
Finance cost	42.70	18.20	205.77	63.54
Depreciation	2,407.08	2,037.38	4,215.80	3,817.26
Other expenses	11,314.92	9,197.90	16,746.52	14,700.00
Total expenditure	**62,332.51**	**51,739.87**	**82,099.37**	**69,725.82**
Profit before exceptional items and tax	5,624.56	5,474.94	6,395.36	6,175.96
Exceptional Items	102.85	314.50	102.85	314.50
Profit before tax	**5,521.71**	**5,160.44**	**6,292.51**	5,861.46
Net Tax expense	1,432.54	1,343.01	1,496.76	1,254.37
Net profit for the year	**4,089.17**	**3,817.43**	**4,795.75**	**4,607.09**

DIVIDEND:

The Board of Directors, at its meeting held on 17th May, 2023, has recommended dividend of ₹ 7 per equity share of ₹ 10 each (@ 70%) (previous year ₹ 6.25 per equity share), for the financial year 2022-23, for consideration of the Members at the ensuing Twenty Fourth Annual General Meeting ("AGM").

The dividend, if approved by the Members, will result in an outgo of ₹ 984.64 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 2022-23.

The policy is placed on the Company's website https://www.endurancegroup.com/wp-content/uploads/2022/11/Dividend-Distribution-Policy.pdf

Transfer to reserves

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

INDUSTRY OVERVIEW AND COMPANY'S PERFORMANCE:

The performance of the auto industry reflected a positive sentiment. During the financial year ended 31st March, 2023, the auto industry recorded a growth of 11.8% as compared to the previous financial year. The sales of two wheelers also witnessed an increase by 8.3% and three wheeler sales increased by 12.2%. Despite inflation trending higher through the year and disruption in supply chain due to volatile geo-political situation, a combination of improved chip supply, higher incomes and pent-up demand resulted in increased sales of automobiles.

During the year under review, the Company posted a total income of ₹ 67,957.07 million on a standalone basis as against ₹ 57,214.81 million in the previous year. The total income on a consolidated basis was ₹ 88,494.73 million compared to ₹ 75,901.78 million in the previous year. The Company's total income on standalone and consolidated basis grew by 18.8% and 16.6%, respectively. In the financial year 2022-23, 77% of Company's consolidated total

Board's Report (Contd.)

income, including other income came from Indian operations and the balance 23% came from the overseas operations.

The Company's profit after tax grew by 7.1% in the financial year 2022-23 at ₹ 4,089.17 million as against ₹ 3,817.43 million in the previous year, on standalone basis; while consolidated profit after tax grew by 4.09% at ₹ 4,795.75 million as against ₹ 4,607.09 million in the previous year.

Acquisition of Maxwell Energy Systems Private Limited

The Company acquired 51% share capital of Maxwell Energy Systems Private Limited ("Maxwell") on 1st July, 2022, through a combination of primary issuance and secondary purchase, comprising 69,873 shares of face value of ₹ 1 each. The acquisition was for a total investment of ₹ 1,350 million and was effective 1st July, 2022, pursuant to which Maxwell became a subsidiary of the Company.

Maxwell was a wholly owned subsidiary of a US based company, ION Energy Inc. ("ION"). Maxwell is in the business of embedded electronics particularly in Battery Management Systems ("BMS") for vehicles including electric vehicles ("EV"). Maxwell also designs and develops BMS for stationary batteries / energy storage solutions. Maxwell's BMS leverages on proprietary algorithms to improve battery life and performance.

The acquisition will facilitate the group's foray into an EV-centric product line as an early participant to offer BMS to auto OEMs. It is expected that, as a preferred tier-1 auto component supplier, the Company will effectively leverage its business relationships to further grow the acquired business with its OEM customers.

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 2022-23 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 eleven operating subsidiaries as on 31st March, 2023 and as on the date of this Report, as tabulated below. Details of the subsidiary companies and their performance are detailed in the Management Discussion and Analysis Report, forming part of this Annual Report.

Sr. no.	Name of subsidiary	Brief particulars
1.	Endurance Overseas S.r.l., Italy (EOSrl), *Direct Subsidiary*	A special purpose vehicle (SPV) in Italy for making strategic overseas investments and it is a direct subsidiary of the Company.
2.	Endurance SpA, Italy *Step-down subsidiary*	Engaged in the activity of carrying out high pressure aluminium die casting and machining operations from its plants in Lombardore and Chivasso, Italy.
3.	Endurance Engineering S.r.l., Italy *Step-down subsidiary*	Engaged in the production of plastic components for automotive applications from its plant in Grugliasco, Italy.
4.	Endurance Castings SpA, Italy *Step-down subsidiary*	Primarily engaged in manufacturing of high pressure die casting and machining components having a plant in Bione, Italy.
5.	Endurance Adler SpA, Italy *Step-down subsidiary*	The company is having a plant in Rovereto, Italy and manufactures clutches and braking systems.
6.	Veicoli S.r.l, Italy *Step-down subsidiary*	The company offers a software platform to companies that operate fleets of commercial and passenger. It operates from Turin, Italy.
7.	Frenotecnica Srl, Italy *Step-down subsidiary*	The company is located in Rovereto, (Trento), Italy. It is engaged in the business of designing and manufacturing of friction materials and components for braking systems for two-wheeler vehicles. The primary business activity comprises sale of brake pads under its registered trademark "Brenta" for aftermarket and replacement business.
8.	New Fren Srl, Italy *Step-down subsidiary*	The company is located in Ciriè, Turin, Italy. It manufactures brake discs, centrifugal clutches, pads and brake shoes for two-wheeler vehicles through aftermarket channels and replacement business.

Board's Report (Contd.)

Sr. no.	Name of subsidiary	Brief particulars
9.	GDS Sarl, Hammas Sousse, Tunisia *Step-down subsidiary*	The company is a subsidiary of New Fren Srl with its manufacturing facility in Hammas Sousse, Tunisia. It supports its parent entity in the same line of business activities.
10.	Endurance GmbH, Germany *Direct Subsidiary*	The company is primarily engaged in the manufacturing of high pressure die casting and machining components with plants in Massenbachhausen, Germany.
11	Maxwell Energy Systems Private Limited, India, *Direct Subsidiary*	The Company is located in Mumbai, Maharashtra, India and it is into the business of advanced embedded electronics for BMS for EVs.

Further, as on 31st March, 2023 and as on the date of this report, the Company has one associate company, TP Green Nature Limited ("TP Green"). During the year under review, the Company has invested ₹ 65.85 million in TP Green and holds 6,584,488 equity shares of ₹ 10 each being 26% of its paid-up equity share capital. TP Green is an 'associate company' of the Company, in terms of Section 2(6) of the Act. However, the Company does not exercise any 'significant influence' in the management of its business affairs nor has any rights / obligations, except as its shareholder. Therefore, financial statements of TP Green are not required to be considered for consolidation in terms of Section 129 of the Act.

TP Green is a special purpose vehicle incorporated by TATA Power Renewable Energy Limited and is engaged in the business of solar power generation with a capacity of 12.5 MW. This investment enables the Company to qualify itself as a captive consumer as per the captive mechanism rules under the Electricity Act for procuring solar energy from TP Green for its certain manufacturing plants located in Chakan and Waluj, Maharashtra.

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

1. EOSrl acquired 100% equity stake in Frenotecnica Srl, Italy ("Frenotecnica") for an aggregate value of € 5,289,900, which includes acquisition cost of € 29,900. The effective date of acquisition was 10th June, 2022.

   Frenotecnica, based in Rovereto (Trento), Italy, is engaged in the business of designing and manufacturing of friction materials and components for braking systems for application in two-wheelers.

2. The Company acquired 51% share capital of Maxwell Energy Systems Private Limited ("Maxwell") on 1st July, 2022, through a combination of primary issuance and secondary purchase, comprising 69,873 shares of face value of Re. 1 each. The acquisition was for a total investment of ₹ 1,350 million and was effective 1st July, 2022.

   Maxwell is in the business of advanced embedded electronics, particularly in BMS for automobiles (including EVs), energy storage systems and battery packs.

3. EOSrl acquired 100% equity stake in New Fren Srl, Italy ("New Fren") for a total investment of € 1,165,394 which includes consideration of € 1,150,000 and acquisition cost of € 15,394. The effective date of acquisition was 16th November, 2022.

   New Fren is engaged in the business of designing, manufacturing and sale of brake discs, centrifugal clutches, pads and brakes shoes for two-wheeler vehicles.

   New Fren has a subsidiary namely, GDS Sarl ("GDS"), situated at Hammas Sousse, Tunisia, wherein it held 99% shareholding.

4. During the period under review, EOSrl acquired residual 1% stake in GDS for an aggregate value of € 2,600, equivalent to 8,580 Tunisian dinar. The effective date of acquisition was 9th March, 2022.

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

SHARE CAPITAL:

The paid-up equity share capital as on 31st March, 2023, 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.

Board's Report (Contd.)

DIRECTORS:

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

Sr. No.	Name of Director	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. Massimo Venuti, who 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.

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 five times. A detailed update on the Board, its composition and attendance of the Directors at each meeting is provided in the Corporate Governance report.

The Board has constituted six Committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee and Finance Committee (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 2022-23 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, 2023, the applicable accounting standards have been followed and there are no material departures;

ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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 2022-23.

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 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. 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. All Independent Directors of the Company are exempt from the requirement to undertake online proficiency self-assessment test.

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, forms part of the Corporate Governance report.

The policy was last revised by the Board at its meeting held on 18th April, 2023 and pursuant to the Listing Regulations is also placed on the Company's website at https://www.endurancegroup.com/wp-content/uploads/2022/11/nomination-and-remuneration-Policy-approved-by-the-Board-on-18-04-2023.pdf.

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 https://www.endurancegroup.com/wp-content/uploads/2022/11/nomination-and-remuneration-Policy-approved-by-the-Board-on-18-04-2023.pdf.

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.

Board's Report (Contd.)

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 2022-23:

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 to be held at a shorter notice, permission of at least one independent director is ensured. 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, 2023, 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 Operating Officer, to attend meetings of the Committee. The Statutory Auditors and the Chief Internal Auditor are also invited for specific agenda matters.

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

There was no change in the composition of the Committee during the year under review.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

As on 31st March, 2023, 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.

There was no change in the composition of the Committee during the year under review.

RISK MANAGEMENT COMMITTEE:

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

As on 31st March, 2023, 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 is reviewed annually and it was last revised in August, 2022. The updated policy is placed on the Company's website https://www.endurancegroup.com/wp-content/uploads/2022/11/Risk-Management-Policy.pdf.

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 reviewed periodically by the respective functions, for necessary updates. 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.

There was no change in the composition of the Committee during the year under review.

Board's Report (Contd.)

CREDIT RATING:

During the year under review, CRISIL Ratings Limited (a subsidiary of CRISIL Limited), a credit rating agency registered with the SEBI, has reaffirmed the long-term rating for bank credit facilities and the short-term rating for 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.

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 with 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 AND SUSTAINABILITY REPORT:

In terms of Regulation 34(2) of the Listing Regulations, a Business Responsibility and Sustainability Report for the financial year 2022-23 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").

Board's Report (Contd.)

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 UPSI Code documents the manner of disseminating Unpublished Price Sensitive Information ("UPSI") for making it accessible to the public on non-discriminatory basis. The UPSI Code was last reviewed and revised by the Board of Directors at its meeting held on 8th February, 2023.

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

In addition to the above, the Company also maintains a Structured Digital Database in terms of Regulation 3(5) of the PIT Regulations containing the nature of UPSI and the names of persons sharing the information, names of persons with whom information is shared along with the Permanent Account Number or any other identifier authorised by law.

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 undertakes 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 employability by imparting skill-building vocational training to unemployed youth and undertaking 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 undertaking the responsibility of upgrading the Sevak Trust Balwadi. The land parcel admeasuring 6,000 sq. mtr. was purchased in June 2022 at Waluj, Aurangabad and construction of new school premises has been initiated in the financial year under review. The upgraded Balwadi will be equipped with latest infrastructure and learning tools for primary education.

Salient features of the CSR Policy, are available on the Company's website at https://www.endurancegroup.com/wp-content/uploads/2022/11/Corporate-Social-Responsibility-Policy.pdf. 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 during the financial year 2022-23 have been utilised for the respective purposes and in the manner as approved by the Board.

Expenditure towards CSR activities

As per the requirements under the Act, the Company earmarked an amount of ₹ 110.26 million for the financial year 2022-23, 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 2022-23, and all of these activities were as per Schedule VII to the Act and the CSR Policy of the Company:

1. Village Development Project;
2. Setting up and running of Vocational Training Centre; and
3. Purchase of land parcel for construction of new building of Sevak Trust Balwadi and recurring expenses for running the school on existing premises taken on rent.

The total amount spent by the Company, during the financial year 2022-23 towards approved CSR projects and programmes was ₹ 112.67 million, which included administrative overheads, as against the budget of ₹ 110 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.

Board's Report (Contd.)

AUDITORS:

Statutory Auditors

Based on the recommendation of the Board, the Members of the Company at their Twenty Third AGM held on 24th August, 2022, approved appointment of M/s. S R B C & CO. LLP (ICAI Registration No. 324982E/E300003) ("SRBC") as Statutory Auditors of the Company for a second term of five consecutive years. This appointment was from the conclusion of the Twenty Third AGM 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.

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, 2023. The Auditors Reports for the financial year ended 31st March, 2023 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 2023-24. 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. 6029) Practicing Company Secretary, to conduct an audit of the secretarial records for the financial year 2022-23.

The Secretarial Audit report for the financial year 2022-23 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, 2022, till the date of this Report, the following policies were revised:

Sr. No.	Name of Policy	Revised effective
1.	Policy for Determination of Materiality of Event / Information	29th April, 2022
2.	Archival Policy for disclosures to Stock Exchanges	
3.	Nomination and Remuneration Policy ("NR Policy")	19th May, 2022 and later on 18th April, 2023
4.	Risk Management Policy	10th August, 2022
5.	Corporate Social Responsibility Policy ("CSR Policy")	7th November, 2022

Board's Report (Contd.)

Sr. No.	Name of Policy	Revised effective
6.	Fraud Prevention and Detection Policy	
7.	Code of Conduct for Directors and Senior Management Personnel	8th February, 2023
8.	Code of Practices and Procedures for Fair disclosure of Unpublished Price Sensitive Information	

The Board of Directors, at its meeting held on 7th November, 2022 has approved the revised CSR Policy of the Company to align it with "National Guidelines on Responsible Business Conduct" ("NGRBC") issued by the Ministry of Corporate Affairs and based on the recommendation made by the Corporate Social Responsibility ("CSR") Committee at its meeting held on 7th November, 2022. 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 18th April, 2023. Certain sections of the NR Policy were redrafted to align with the practice being followed by the Company for appointment of directors and review of their remuneration.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

A statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as 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 nos. 4, 4A and 4B of the standalone financial statements for the details of investments made by the Company as on 31st March, 2023.

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 Vigil Mechanism-Cum-Whistle Blower Policy in terms of Regulation 22 of the Listing Regulations for directors and employees. The objective of this policy is to provide a reporting mechanism 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 for all employees ("Codes of Conduct"). Such person can report the same to the Ombudsman appointed under the 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 https://www.endurancegroup.com/wp-content/uploads/2022/11/Whistle-Blower-policy.pdf.

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, 2023 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

Board's Report (Contd.)

reviews, on a quarterly basis, the details of the RPTs entered pursuant to the aforementioned omnibus approval.

Particulars of RPTs entered during the year 2022-23

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 https://www.endurancegroup.com/wp-content/uploads/2022/11/Policy-for-Determination-of-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf.

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, 2023 shall be available on the Company's website: https://www.endurancegroup.com/investor-relation/annual-return/.

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

The Company has adopted a "Policy on Safety & Security and Prevention of Sexual Harassment of Women Employees" ("POSH Policy") in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The POSH Policy aims to provide a safe, friendly, positive and productive working environment and promote an atmosphere in which employees can realise their maximum potential. The policy applies to all permanent and temporary employees and also to 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, three complaints were received by the IC under the POSH Policy. Out of three complaints, one has been satisfactorily resolved, and inquiry and investigation of the other two complaints has been completed and IC is in the process of concluding the same.

INDUSTRIAL RELATIONS:

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

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), out of which eight agreements were due for renewal during the period under review and were accordingly executed.

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, 2023.

The Company has uploaded details of unpaid and unclaimed dividend amounts lying with the Company as on 15th December, 2022, on the Company's website https://www.endurancegroup.com/investor-relation/unclaimed-unpaid-dividends.

Board's Report (Contd.)

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, 2023 (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	45,325.50	12th September, 2026
2019-20	3rd March, 2020	122,100.00	7th April, 2027
2020-21	25th August, 2021	45,145.00	24th September, 2028
2022-23	24th August, 2022	53,236.00	23rd September, 2029

ACKNOWLEDGMENTS:

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

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: 17th May, 2023

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 5,282,902 units of electricity (including 4,417,820 units of captive consumption). The Company earned an income of ₹ 35.38 million (including captive consumption of ₹ 30.44 million) from generation of wind power.

Your Company continues to undertake concerted initiatives for energy conservation.

(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 3.87 MW at Narsapura (0.39 MW), Sanand (0.99 MW), Halol (1MW) and Vallam (0.62 MW). In addition to the above, the Company has also started procuring solar energy through open access from a special purpose vehicle on a captive consumer model, from 1st January, 2023.
2. Installation of magnetic resonators in the powder coating and painting oven in certain plants.
3. Replaced old 10HP motors with energy efficient motors rated as IE4 and IE5 to optimise energy consumption.
4. Installation of variable-frequency drive (VFD) to optimise the speed and torque of hydraulic motors.
5. Replacement of diesel burner(s) with gas burner(s).
6. Outsourcing of the process of melting metal in the plants at Chakan and Vallam to optimize energy consumption.
7. Installation of digital thermistor controllers for heating of plating plant in chemical tank.
8. Reclaiming heat from compressed air by rerouting and heat energy utilisation for hot air blower systems for gluing machines.
9. Installation of energy efficient motors and pumps for main water pump, cooling tower and dust collection systems, powder coating booths, air circulation motors and pre-treatment lines.
10. 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.
11. Installation of motor sensors in rectifier areas and interlocking of lights.
12. 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.
13. To arrest the air leakages at the Gravity Die Casting ("GDC") machines, the air supply mechanism has been modified and automated.
14. Installation of auto changeover to air compressor as per requirement on shop floor.
15. Use of fuel catalyst on melting furnace to improve efficiency of furnace oil and Piped Natural Gas ("PNG").
16. 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.
17. Use of Programmable Logic Control (PLC) for controlling the operation of hydraulic motor on GDC machines.
18. Providing air boosters to certain critical machines thereby optimising compressed air pressure in machine shop area.
19. 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 11,218,894 kWh units, which is ~5.68% of total energy consumption.
2. Measures taken for lower consumption of PNG resulted in saving of 611,495 SCM (Standard Cubic Meter) units which is 5.42% of total PNG consumption.

Annexure I to Board's Report (Contd.)

3. Measures taken for conservation of water resulted in lower consumption of 266,579 KL which is 0.40% of total water consumption.

4. Generation of 21,319,486 kWh units of electricity from solar power plants and 9,087,040 kWh unit from wind power plants during FY 2022-23 which is 15.40% of total electrical energy used.

(ii) Capital investment on energy conservation equipment

The capital investment made by the Company during the financial year 2022-23 on energy conservation equipment was ₹ 219.94 million.

B. TECHNOLOGY ABSORPTION:

Research & Development

The Company believes that a strong Research and Development ("R&D") base is imperative 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 five R&D Centres approved by the Department of Scientific and Industrial Research (DSIR) for each of its product categories. In addition to more than 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 improvise 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 financial year 2022-23:

1. Ten patents were granted to the Company, for its following proprietary products:
   i. Suspension 5
   ii. Braking systems 4
   iii. Transmission 1

2. 20 applications were filed for grant of patents and 12 applications for new design registrations.

As on 31st March, 2023, the Company has:

- 32 patents granted;
- 24 designs registered;
- 93 patent applications; and
- 10 applications for design registration.

In furtherance to one of its corporate values – Innovation, the Company conducts Ideafest event periodically, 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, AEG continued to focus on ensuring 'first-time-right' and lean products, both in terms of cost and weight, and critical problem solving through Cross Functional Team (CFT) approach, thereby generating useful design inputs for all the future designs. Simultaneously, PLM systems were strengthened to streamline the New Product Development process along with enhanced information security and data confidentiality. Further, AEG has also initiated strategic projects in line with organisational goals of building quality and reliable products.

During the year under review, focus of CAE and EDA was to generate useful design inputs drawn from tests conducted on Endurance Proving Ground, 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 wheeler 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 special alloy parts for 5G communication system – a non-automotive application.

vii. Developed die casting parts for stationary and farm segment / equipment.

viii. Developed parts for two-wheeler and four wheeler electric vehicles.

ix. Improved profitability in raw and machined castings via productivity improvement and product mix.

x. Focus on eliminating fettling, light weighting, machine tonnage reduction, and multi-cavity dies.

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

i. Developed disc and Combined Braking System ("CBS") and production commenced for supply to a prominent electric scooter manufacturer.

ii. Based on the technology and intellectual property acquired from Grimeca Srl, Italy, high-end braking systems (for application in vehicles with displacement above 200cc) are being manufactured under the 'Grimeca' brand.

iii. Successfully developed and productionised Twin Pot and Single pot CBS for Japanese OEMs.

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

v. Calibration of single channel Anti-lock Braking System ("ABS") modulator has been developed for application in high-end motorcycles and commenced supplies of the same.

vi. Developed two channel ABS modulators and its calibration is under way for a 250CC premium motor cycle, production thereof is expected to commence during the financial year 2023-24.

vii. Completed design, development and validation of ABS Apply & Release Valve with the technology absorbed from technical collaborator and commenced manufacturing thereof.

viii. Developed braking system consisting of Radial Master cylinders with fixed seal technology and Radial Calipers and commenced manufacturing thereof for a range of premium sports motorcycles with engine capacity ranging from 390 to 790cc.

ix. Working with many leading electric vehicle OEMs for development of braking systems. Production started for two electric vehicle ("EV") OEMs. Development of braking system is underway for an EV three wheeler OEMs.

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

i. Developed APTC designs for motorcycles and three wheelers with displacement above 150cc, to be offered at competitive price. These clutch designs are of two types:
   o APTC EVO – It is an Assist and Slip ("A&S") clutch which offers numerous advantages on subjective and

Annexure I to Board's Report (Contd.)

objective performance parameters as against competition.

- o 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. Completed setting up in-house friction paper manufacturing facility under 'Make in India' initiative.

iii. Engaging more OEM's for standard & APTC clutches.

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

i. Developed technologically upgraded components including:

a. Φ48 inverted front fork for motorcycles upto 1290 cc;

b. Hydraulic preload adjuster for rear shock absorbers with floating piston;

c. New generation high performance shock absorbers for Light Commercial Vehicles.

ii. Successfully developed:

a. Function Side Air Side (FSAS) technology;

b. New generation oil seal technology; and

c. New generation compact floating piston rear shock absorbers for application in bikes for children.

iii. Developed electronically operated adjustable damping suspension system.

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

v. 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 and new 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)

There was no technology imported during the last three years.

Expenditure incurred on R&D

₹ in million

Sr. No.	Particulars of expenditure	2022-23	2021-22
1.	Capital	100.43	66.76
2.	Recurring	522.79	482.58
Total		**623.22**	**453.43**
Total research and development expenditure as a percentage of net revenue (without taxes).		**0.92%**	**0.95%**

C. Foreign Exchange Earnings and Outgo:

During the year under review, the Company exported automotive components to OEMs in European countries. The exports of spare parts for Aftermarket business 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	1,403.92
Foreign exchange outgo	3,461.26

For and on behalf of the Board

Soumendra Basu
Chairman
DIN 01125409

Date : 17th May, 2023

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

The Corporate Social Responsibility Policy ("CSR Policy") of the Company was approved and adopted by the Board at its meeting held on 6th June, 2014. In order to align the CSR Policy with the "National Guidelines on Responsible Business Conduct" issued by the Ministry of Corporate Affairs and based on the recommendation made by the Corporate Social Responsibility Committee at its meeting on 7th November, 2022, revision to the CSR Policy was approved by the Board at its meeting held on the even date.

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 have a focused 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 initiatives to monitoring thereof as per the annual action plan of the 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 the 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, Member	Chairman / Independent and 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.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

Not Applicable.

Annexure II to Board's Report (Contd.)

5. a. **Average net profit of the Company as per sub-section (5) of Section 135 of the Companies Act, 2013**

The average net profit of the Company as per Section 135(5) for the financial year 2021-22 was ₹ 5,512.79 million.

b. **Two percent of average net profit of the Company as per sub-section (5) of Section 135:**

₹ 110.26 million

c. **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:**

NIL

d. **Amount available for set-off for the financial year, if any:**

₹ 9.06 million

e. **Total CSR obligation for the financial year [(b)+(c)-(d)]:**

₹ 101.2 million

6. a. **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Projects)**

₹ 110 million

b. **Amount spent on Administrative Overheads**

₹ 2.67 million

c. **Amount spent on Impact Assessment, if applicable**

NIL

d. **Total amount spent for the Financial Year [(a)+(b)+(c)]**

₹ 112.67 million

e. **CSR amount spent / unspent for the financial year:**

(Amount in ₹ million)

Total Amount Spent for the Financial Year 2022-23	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 of section 135.		
	Amount	Date of transfer	Name of the fund	Amount	Date of Transfer
112.67	NIL		NIL		

f. **Excess amount for set-off, if any:**

Slr. No.	Particular	Amount (in ₹ million)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	110.26
(ii)	Total amount spent for the financial year 2022-23	112.67
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.41
(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)]	2.41

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(Amount in ₹ million)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) of the Act	Balance Amount in Unspent CSR Account under Section 135 (6) of the Act	Amount Spent in The Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years
					Amount	Date of Transfer	
Not Applicable							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

✓ Yes ✗ No

If Yes, enter the number of Capital assets created / acquired: One

Annexure II to Board's Report (Contd.)

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹ million)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.	Construction of Vocational Training Centre situated at Gut No. 54/P, Jogeshwari, Taluka Gangapur, District Aurangabad, Maharashtra. [Addition to the asset required on 30th October 2015]	431136	22nd May, 2022	3.44	CSR00004059	Sevak Trust	Gut No.: 41/3B, Kanchanwadi, Opp. Walmi, Aurangabad- Paithan Road, Aurangabad 431005, Maharashtra
2.	Purchase of land admeasuring 6,000 Sq. Mtrs, situated at Bhanudas Nagar, Phase –II, Gut No. 343/1, CIDCO, Waluj Mahanagar-III, Ramraj Road, Waluj Budruk, Taluka Gangapur, District Aurangabad, Maharashtra and plot development and construction thereon.	431109	7th June, 2022	36.06	CSR00004059	Sevak Trust	Gut No.: 41/3B, Kanchanwadi, Opp. Walmi, Aurangabad- Paithan Road, Aurangabad 431005, Maharashtra

9. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per Section 135(5):

Not Applicable

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

Date: 16th May, 2023

Annexure III to Board's Report

SECRETARIAL AUDIT REPORT

For the financial year ended 31 March, 2023

[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 Industrial Area, 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 31 March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2023 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 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 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, 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)*.

Annexure III to Board's Report (Contd.)

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

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

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

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

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

I further report that:

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

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

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

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

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

Sachin Bhagwat
ACS: 10189
CP: 6029
UDIN: A010189E000319245
PR No.: 654/2020

Place: Pune
Date: 17 May, 2023

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 Industrial Area, 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.

Sachin Bhagwat
ACS: 10189
CP: 6029
UDIN: A010189E000319245
PR No.: 654/2020

Place: Pune
Date: 17 May, 2023

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 2022-23:

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 2022-23
Executive Directors and Key Managerial Personnel			
1.	Mr. Anurang Jain, *Managing Director*	109.46	1.43%
2.	Mr. Satrajit Ray, *Director and Group Chief Financial Officer*	50.48	3.94%
3.	Mr. Ramesh Gehaney, *Director and Chief Operating Officer*	48.27	1.63%
4.	Mrs. Varsha Jain *Director and Head - CSR and Facility Management*	23.45	12.38%
Non-executive Directors@			
5.	Mr. Soumendra Basu, *Chairman*	6.32	9.81%
6.	Mr. Roberto Testore	4.68	(16.59)%
7.	Ms. Anjali Seth	5.39	(3.42)%
8.	Mr. Massimo Venuti*	N.A.	N.A.
9.	Mr. Indrajit Banerjee	5.19	(3.70)%
10.	Mr. Anant Talaulicar#	3.22	N.A.
Key Managerial Personnel			
11.	Mr. Sunil Lalai, *Company Secretary*	18.30	7.16%

@ 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. Anant Talaulicar was appointed effective 12th July, 2021, hence percentage change in remuneration in the FY 2022-23 is not comparable.

b) The median remuneration of the employees of the Company during the financial year 2022-23 was Rs. 0.60 million.

c) Percentage increase in the median remuneration of employees in the last financial year 2022-23 was 14.64% as compared to the previous year 2021-22.

d) Number of permanent employees as on 31st March, 2023 are 3,829.

e) Average percentile increase in the salaries of employees other than the managerial personnel in the financial year 2022-23 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 2022-23 was 2.75%; whereas the increase in the managerial remuneration in the financial year 2022-23 was 3.03%.

   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

17th May, 2023

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, 2023:

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

For **Endurance Technologies Limited**

Sd/-
Anurang Jain
Managing Director
DIN: 00291662

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

Declaration by Managing Director

10th May, 2023

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,
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 March 31, 2023 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 March 31, 2023 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 April 01, 2022 to March 31, 2023 :

      (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.

Opinion

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 March 31, 2023, 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: 23089802BGYPWF2054

Place of Signature: Kraków, Poland
Date: May 17, 2023

Corporate Governance Report

The Directors present the Corporate Governance Report of the Company for the financial year 2022-23. 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, Team Work and Innovation. These have been instilled in the 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, 2023, the Board comprised 10 (ten) Directors, 4 (four) of whom are Executive Directors, 5 (five) are Non-executive and Independent Directors including 1 (one) woman Independent Director and 1 (one) Non-executive and Non-Independent Director. The Chairman of the Board is a Non-executive and Independent Director.

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.

Composition of the Board of Directors, during the year ended on 31st March, 2023 was as under:

Sr. No.	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	7	7	0
2.	Mr. Anurang Jain	Managing Director, Executive and Promoter	27th December, 1999 / 1st April, 2021	Yes	2	1	0
3.	Mr. Roberto Testore	Non-executive, Independent	17th October, 2007 / 10th June, 2021	Yes	1	0	0
4.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	6th June, 2014 / 6th June, 2019	Yes	1	0	0
5.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	6th June, 2014 / 6th June, 2019	Yes	1	1	0
6.	Ms. Anjali Seth	Non-executive, Independent	10th June, 2016 / 10th June, 2021	Yes	6	6	4
7.	Mr. Massimo Venuti	Non-executive, Non-Independent	2nd December, 2016	Yes	1	0	0
8.	Mrs. Varsha Jain	Director and Head – CSR and Facility Management, Executive	10th November, 2020	Yes	1	0	0
9.	Mr. Indrajit Banerjee	Non-executive, Independent	9th February, 2021	Yes	3	3	1
10.	Mr. Anant Talaulicar	Non-executive, Independent	12th July, 2021	Yes	8	6	1

Corporate Governance Report (Contd.)

* 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.

b) Table giving names of other listed entities where the Directors are holding directorships, as on 31st March, 2023

Sr. No.	Director	Name of listed entity	Category of directorship
1.	Mr. Soumendra Basu	India Carbon Limited	Independent Director
2.	Ms. Anjali Seth	Kalpataru Power Transmission 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
		Everest Industries Limited	Independent Director
		KPIT Technologies Limited	Independent Director

Number of Board meetings:

During the financial year 2022-23, the Board of Directors met five times on following dates, viz. 29th April, 2022, 19th May, 2022, 10th August, 2022, 07th November, 2022 and 8th February, 2023. The statement below tabulates the attendance of each of the director at the afore-mentioned Board meetings.

Sr. No.	Date of Meeting	Category	29th April, 2022	19th May, 2022	10th August, 2022	7th November, 2022	8th February, 2023
	No. of Meeting / Name of Directors		123rd	124th	125th	126th	127th
1.	Mr. Soumendra Basu	Chairman, Non-executive, Independent					
2.	Mr. Anurang Jain	Managing Director, Executive, Promoter					
3.	Mr. Roberto Testore	Non-executive, Independent	X				
4.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive					
5.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive					

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Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	29th April, 2022 (123rd)	19th May, 2022 (124th)	10th August, 2022 (125th)	7th November, 2022 (126th)	8th February, 2023 (127th)
6.	Ms. Anjali Seth	Non-executive, Independent	○	○	○	○	○
7.	Mr. Massimo Venuti	Non-executive, Non-Independent	●	●	●	●	●
8.	Mrs. Varsha Jain	Director and Head – CSR and Facility Management, Executive	○	○	○	○	○
9.	Mr. Indrajit Banerjee	Non-executive, Independent	●	●	●	●	●
10.	Mr. Anant Talaulicar	Non-executive, Independent	●	●	●	●	●

N.A. = Not Applicable

● ○ - Presence of Directors

× - Leave of Absence

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:

None of the Non-executive Directors holds any equity share or convertible instrument in the Company.

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 and 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 and 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 and Development	Knowledge in current technology trends and products. Expertise in technology tie-ups.

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 and Development
Mr. Soumendra Basu	×	✓	✓	✓	×	✓	×
Mr. Anurang Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Roberto Testore	✓	✓	✓	✓	×	×	✓
Mr. Ramesh Gehaney	✓	✓	✓	×	✓	×	✓
Mr. Satrajit Ray	✓	✓	✓	✓	✓	×	×
Ms. Anjali Seth	×	✓	×	×	✓	✓	×
Mr. Massimo Venuti	✓	✓	✓	✓	✓	✓	×
Mrs. Varsha Jain	×	✓	✓	×	✓	×	×
Mr. Indrajit Banerjee	×	✓	✓	✓	✓	×	×
Mr. Anant Talaulicar	✓	✓	✓	✓	×	×	✓

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 https://www.endurancegroup.com/wp-content/uploads/2023/07/Familiarisation-Program-2022-23.pdf.

The aim of familiarisation programmes is to give Independent Directors an update on:

i. the industry in which the Company operates;

ii. business model and strategic plans of the Company;

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

iv. other relevant / significant information pertaining to or affecting the Company to enable them take informed decisions.

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

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

I. Appointment of Director(s)

A formal letter of appointment is issued to a Director, inter alia, giving details of the Committee(s) where he / she is also appointed as member along with the terms of reference, information about other Board constituted committees, 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:

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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 Vigil mechanism – cum – 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 apprised 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 and 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 domestic and overseas subsidiaries including business trends based on economic and geo-political specific influence;

iii. Strategic business plans including annual budgets;

iv. An overview on key functions like Environment, Health and Safety (EHS), Research and Development (R&D), Marketing, Sourcing, Human Resources, their staffing, relevant update and progress in their respective areas including SWOT analysis.

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

vi. Initiatives relating to EHS;

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

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

ix. Any significant information relating to subsidiary companies;

x. Significant internal audit findings / observations;

xi. Initiatives undertaken towards Corporate Social Responsibility;

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

Corporate Governance Report (Contd.)

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 https://www.endurancegroup.com/wp-content/uploads/2022/11/Policy-for-determination-of-Materiality-of-Event.pdf.

Quarterly updates on the performance of the Company and auto industry, both in India and overseas are also shared with the Independent Directors. These primarily contain overview on the:

- Company containing updates on performance and key events such as acquisitions, new business wins, and new technology offerings;
- Regulatory and auto industry updates including Electric Vehicles (EVs); and
- OEM specific performance.

IV. Interactions with 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 2022-23 are given below:

Sr. No.	Date	Particulars of Familiarisation	No. of hours spent
1.	29th April, 2022	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 the FY 2022-23.	3
2.		Presentation on status update of Environment, Health and Safety ("EHS") of the Company encompassing following for FY 2022-23: • Group Safety Performance including measures implemented; • Corporate Safety initiatives; • Update on actions taken on hazard identification, risk assessment and management, safety, zero effluent discharge, environment initiatives and sustainability performance and development of framework for reporting.	
3.	19th May, 2022	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 2021-22.	2
4.		Update on projects and programmes undertaken by the Company in terms of Corporate Social Responsibility Policy in the FY 2021-22.	
5.	10th August, 2022	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, 2022.	2
6.		Presentation by President - Aftermarket giving an overview of the key targets for the Aftermarket business and strategies to achieve the same.	
7.	23rd and 24th August, 2022	Visit by Independent Directors, except Mr. Roberto Testore, to the plants at Waluj, Aurangabad	7

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Sr. No.	Date	Particulars of Familiarisation	No. of hours spent
8.	7th November, 2022	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, 2022.	3
9.		Presentation by Head – Marketing encompassing an overview on the Company's sales performance, business development status, initiatives by the function for existing and new product range, risk assessment and mitigation, and strategy for the medium term.	
10.		Presentation on EHS covering following points – • Overview on the Group Safety Performance; • Corporate Safety initiatives; and • Environmental initiatives and sustainability performance.	
11.	8th February, 2023	Review on amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and their implication to the Company.	3
12.		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, 2022.	
13.		Presentation by the Head - Human Resources on the Human Resources function of the Company giving an overview of the organisation structure of the function, challenges encountered and solutions thereof, initiatives planned and implemented, and outlook for FY 2023-24.	
Total number of hours			**20**

Attendance of Directors for the above programmes

Sr. No.	Name of Director	Whether attended	No. of hours spent up to previous year 2021-22	No. of hours spent during current year for 2022-23	Cumulative No. of hours spent as on 31st March, 2023
1.	Mr. Roberto Testore	Yes	47	10	57
2.	Mr. Soumendra Basu	Yes	54	20	74
3.	Ms. Anjali Seth	Yes	54	20	74
4.	Mr. Indrajit Banerjee	Yes	14.5	20	34.5
5.	Mr. Anant Talaulicar	Yes	26	20	46

g) Credit rating:

During the year under review, CRISIL Ratings Limited (a subsidiary of CRISIL Limited), a credit rating agency registered with the SEBI, has reaffirmed the long-term rating for bank credit facilities and the short-term rating for 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.

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, 2023, the Committee comprised following Directors as its members:

i. Mr. Indrajit Banerjee, Chairman;

ii. Mr. Soumendra Basu; and

iii. Ms. Anjali Seth.

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

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

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

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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;
    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

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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 2022-23, the Committee met four times viz. 19th May, 2022, 10th August, 2022, 7th November, 2022 and 8th February, 2023.

Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	19th May, 2022	10th August, 2022	7th November, 2022	8th February, 2023
			43rd	44th	45th	46th
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, 2023, the Committee comprised following Directors as its members:

i. Ms. Anjali Seth, Chairperson;

ii. Mr. Soumendra Basu; and

iii. Mr. Indrajit Banerjee.

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.

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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 2022-23, the Committee met twice on 29th April, 2022 and 18th May, 2022. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	29th April, 2022	18th May, 2022
			16th	17th
1.	Ms. Anjali Seth	Non-executive, Independent	✓	✓
2.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓
3.	Mr. Indrajit Banerjee	Non-executive, Independent	✓	✓

✓ - Presence of Directors

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 2022-23 was conducted. Based thereon, the Board at its meeting held on 18th April, 2023, 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") adopted by the Board of the Company, which is placed on the Company's website at https://www.endurancegroup.com/wp-content/uploads/2022/11/nomination-and-remuneration-Policy-approved-by-the-Board-on-18-04-2023.pdf.

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 https://www.endurancegroup.com/wp-content/uploads/2022/11/nomination-and-

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remuneration-Policy-approved-by-the-Board-on-18-04-2023.pdf.

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. Subject to applicable laws, they are entitled to superannuation benefits from an approved life insurance company, which forms part of their perquisites. Annual increment is decided by the Board within the limits stipulated under Section 197(1) of the Act as approved by the Members and is effective from 1st April of every year. No pension is paid by the Company.

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

In addition to the commission paid to Non-executive Independent Directors 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.

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

(₹ in million)

Sr. No.	Name of Director	Category	Salary*	Commission (for the FY 2022-23)	Sitting Fees	Others	Total
1.	Mr. Anurang Jain	Managing Director, Executive and Promoter	65.88	-	-	-	65.88
2.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	29.05	-	-	-	29.05
3.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	30.38	-	-	-	30.38
4.	Mrs. Varsha Jain	Director and Head – CSR and Facility Management, Executive	14.11	-	-	-	14.11
5.	Mr. Massimo Venuti	Non-executive, Non-independent	-	-	-	-	-
6.	Mr. Roberto Testore	Non-executive, Independent	-	2.55	0.27	-	2.82
7.	Mr. Soumendra Basu	Non-executive, Independent	-	3.00	0.81	-	3.81
8.	Ms. Anjali Seth	Non-executive, Independent	-	2.55	0.70	-	3.25
9.	Mr. Indrajit Banerjee	Non-executive, Independent	-	2.40	0.73	-	3.13
10.	Mr. Anant Talaulicar	Non-executive, Independent	-	1.61	0.33	-	1.94

* This includes variable salary of Mr. Ramesh Gehaney, Mr. Satrajit Ray and Mrs. Varsha Jain for the financial year 2022-23 which was ₹ 4.15 million, ₹ 4.07 million and ₹ 1.90 million, respectively.

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Notes:

1. During the financial year 2022-23, 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 ₹ 5667.71 million.
2. The Managing Director has relinquished his right to receive commission for the financial year 2022-23.
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, 2023, 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.

The terms of reference of the Committee are 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 Companies Act, 2013 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 2022-23, the CSR Committee met four times viz. on 19th May 2022, 10th August 2022, 7th November 2022, and 8th February 2023.

Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	19th May, 2022 (21st)	10th August, 2022 (22nd)	7th November, 2022 (23rd)	7th February, 2023 (24th)
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

Corporate Governance Report (Contd.)

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, 2023, 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 are as 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 Companies Act and other applicable law(s).

During the financial year 2022-23, the SRC met twice viz. on 29th April, 2022 and 10th August, 2022. Details of attendance at the SRC meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	29th April, 2022	10th August, 2022
			12th	13th
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 2022-23, were pertaining to:

a. Non-receipt / request for hard copy of Annual Report;

b. Non-receipt / revalidation of dividend warrant; and

c. Credit of dividend to a wrong bank account as the desired bank account was not updated by the shareholder with his depository participant.

During this period, the Company received and disposed of one investor query / complaint. The grievance was resolved to the satisfaction of shareholder and as on 31st March, 2023, 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.

Corporate Governance Report (Contd.)

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, 2023, 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.

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.

During the financial year 2022-23, the Committee met twice on 28th July, 2022 and 20th January, 2023. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting / No. of Meeting / Name of Directors	Category	28th July, 2022	20th January, 2023
			8th	9th
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

✕ - Leave of Absence

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, 2023, 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 are as 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"):

a) 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

Corporate Governance Report (Contd.)

such alterations / corrections / modifications as may be required;

b) to decide the persons to whom the CPs, as issued from time to time, have to be allotted;

c) to decide terms and conditions for buy-back of CPs issued from time to time;

d) 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;

e) 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;

f) to give such confirmations, declarations, certifications on behalf of the Board, as may be required under applicable laws, or as may be otherwise necessary or expedient in relation to the listing of CPs;

g) to authorise and approve the incurring of expenditure, including the payment of fees, commissions, remuneration and expenses in connection with the listing of CPs;

h) 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;

i) 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

j) to delegate any of the above powers of the Committee to any of the Directors or officers of the Company.

During the financial year 2022-23, the Committee met twice on 8th June, 2022 and 20th January, 2023. All members 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 preceding three years are tabulated below:

AGM	Date and time of AGM	Location	Details of special resolution(s) passed at the AGMs, if any
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.
23rd AGM	24th August, 2022 at 2.00 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. 2022-23, 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	Special resolution passed
8th February, 2023	From 17th February, 2023 to 18th March, 2023	Resolutions were passed for following purposes: 1. Alteration of the Objects Clause of the Memorandum of Association of the Company to insert clauses relating to manufacturing of electronic hardware and components, sensors, development of software for embedded electronics and to undertake related activities. 2. Alteration of the Articles of Association of the Company by deleting / altering relevant regulations to remove reference of common seal.

Corporate Governance Report (Contd.)

Procedure for Postal Ballot:

i. Mrs. Sarika Kulkarni, Practicing Company Secretary was appointed as scrutiniser for scrutinising the process of postal ballot through remote e-voting;

ii. Dispatch of the Postal Ballot Notice dated 8th February, 2023, along with Explanatory Statement, to the Members of the Company was completed on 14th February, 2023;

iii. Remote e-voting through postal ballot commenced on 17th February, 2023 and concluded on 18th March, 2023;

iv. Based on the Scrutiniser's Report, the results of the remote e-voting were declared on 21st March, 2023

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 communication(s) 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.

11. General Shareholder Information:

a) Twenty Fourth Annual General Meeting:

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

Date:	Wednesday, 23rd August, 2023
Time:	11.30 a.m.
Venue:	Tango Hall, Vivanta by Taj, 8-N-12, CIDCO, Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad – 431003, Maharashtra

b) Financial Year:

Particulars	Date
Financial reporting for the:	
1st quarter ending on 30th June, 2023	10th August, 2023
2nd quarter ending on 30th September, 2023	On or before 14th November, 2023
3rd quarter ending on 31st December, 2023	On or before 14th February, 2024
Financial year ending on 31st March, 2024	On or before 30th May, 2024

c) Date of dividend payment: The dividend, if declared by the shareholders at the Twenty Fourth AGM, shall be paid on or after 29th August, 2023 but before 21st September, 2023.

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 2022-23, has been paid in full on 2nd May, 2023 and 12th April, 2023, 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:

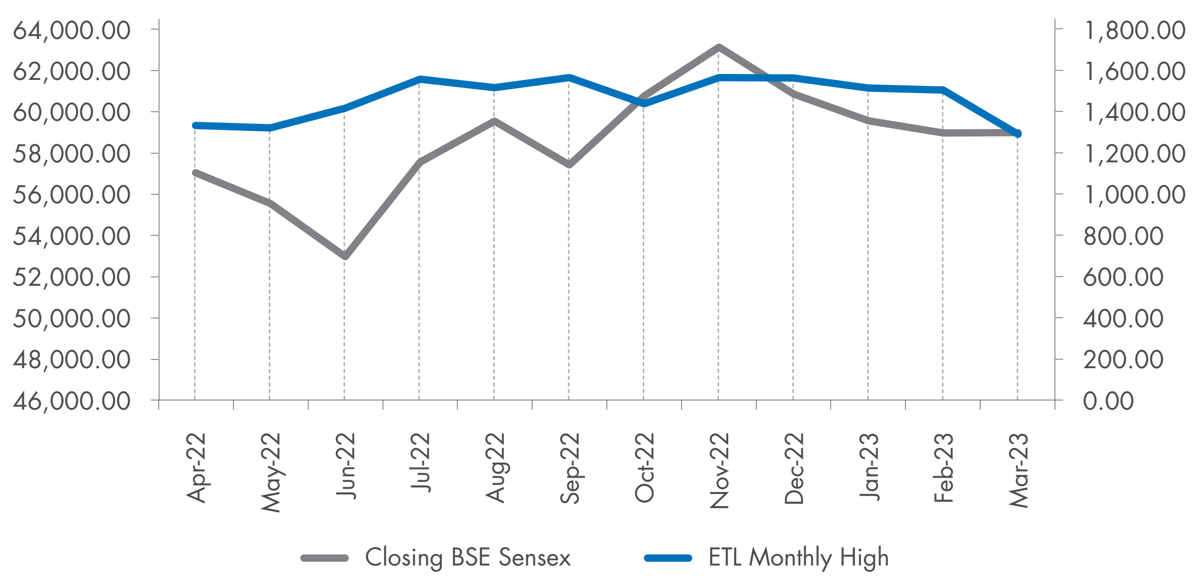
Monthly highs and lows of Company's shares during 2022-23 (₹ vis-à-vis CNX Nifty and BSE Sensex):

Month	BSE		NSE		Closing CNX Nifty	Closing BSE Sensex
	High	Low	High	Low		
Apr-22	1,337.00	1,080.00	1,278.00	1,085.50	17,102.55	57,060.87
May-22	1,325.00	1,095.00	1,328.00	1,095.00	16,584.55	55,566.41
Jun-22	1,419.30	1,211.30	1,419.00	1,222.00	15,780.25	53,018.94
Jul-22	1,555.90	1,396.55	1,527.20	1,396.85	17,158.25	57,570.25
Aug-22	1,515.70	1,397.75	1,517.90	1,397.00	17,759.30	59,537.07
Sep-22	1,562.45	1,376.00	1,563.60	1,375.55	17,094.35	57,426.92
Oct-22	1,438.45	1,295.55	1,439.55	1,259.00	18,012.20	60,746.59
Nov-22	1,563.35	1,345.00	1,565.00	1,344.35	18,758.35	63,099.65
Dec-22	1,561.50	1,350.00	1,559.60	1,350.45	18,105.30	60,840.74
Jan-23	1,513.25	1,351.10	1,513.95	1,355.00	17,662.15	59,549.90
Feb-23	1,503.30	1,217.40	1,504.90	1,217.25	17,303.95	58,962.12
Mar-23	1,295.35	1,171.60	1,286.30	1,179.00	17,359.75	58,991.52

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 2022-23 (based on month end closing).

Endurance Technologies Limited Vs BSE Sensex, indexed to 100 on 31st March, 2023

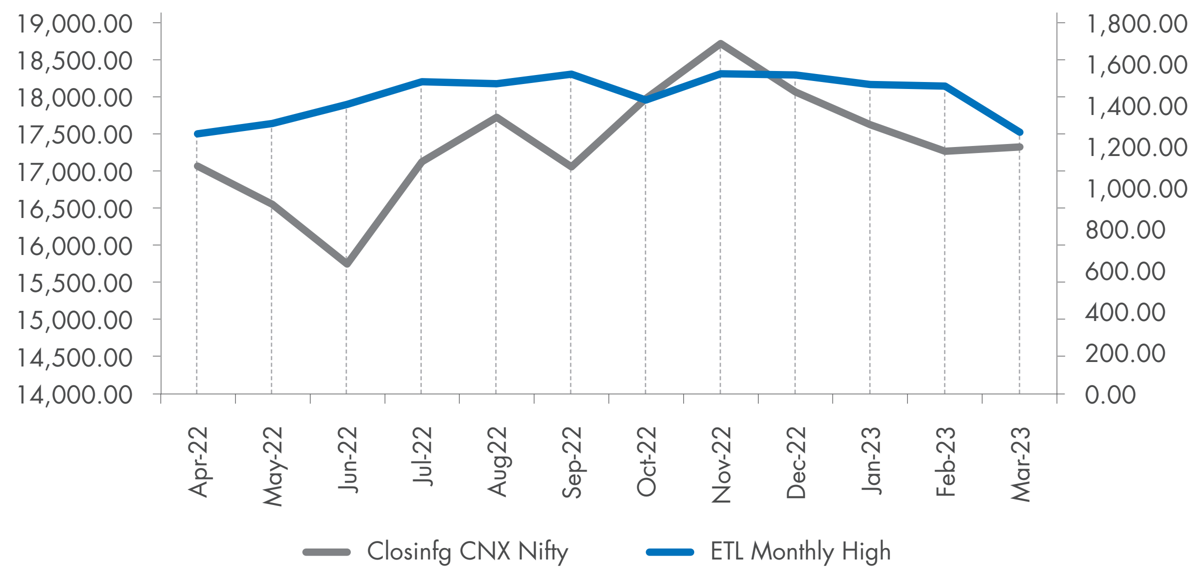
ETL vs BSE Sensex



Corporate Governance Report (Contd.)

Endurance Technologies Limited Vs CNX Nifty, indexed to 100 on 31st March, 2023

ETL vs CNX Nifty



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 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, 2023.

Category Distribution:

Categories	31st March, 2023	
	No. of shares	Percentage
Promoter	43,396,976	30.85%
Promoter Group	62,100,160	44.15%
Foreign Portfolio Investors (Corporate)	10,754,912	7.65%
Mutual Funds	13,277,753	9.44%
Other Bodies Corporate	8,704,299	6.19%
Public	2,428,748	1.73%
Total	**140,662,848**	**100%**

Corporate Governance Report (Contd.)

Distribution of Shareholding as on 31st March, 2023:

No. of shares held	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	78,430	99.35%	1,822,500	1.30 %
501 to 1000	220	0.28%	163,259	0.12 %
1001 to 2000	86	0.11%	124,702	0.09 %
2001 to 3000	31	0.04%	78,266	0.05 %
3001 to 4000	12	0.02%	40,408	0.03 %
4001 to 5000	8	0.01%	35,600	0.02 %
5001 to 10000	25	0.03%	180,124	0.13 %
10001 and above	128	0.16%	138,217,989	98.26%
Total	**78,940**	**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.

Shares held in physical and electronic mode as on 31st March, 2023 are given in the table below:

Particulars	Position as on 31st March, 2023	
	No. of shares	% to total shareholding
Physical	23	0.00%
Dematerialised		
NSDL	139,593,969	99.24%
CDSL	1,068,856	0.76%
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) **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	Company
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Maharashtra Telephone - +91 22 49186000 Facsimile - +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

Corporate Governance Report (Contd.)

m) **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 Nos. E-92 and 93, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
3.	Plot No. K-120, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	4.	Plot Nos. K-226/1 and 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 Nos. K-228 and K-229, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
7.	Plot No. L-6/3, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	8.	Plot No. L-20, MIDC Industrial Area, Vitawa Village, Gangapur, Tal. Aurangabad - 431 109 Maharashtra
9.	E-71, MIDC Industrial Area, Waluj, Aurangabad - 431 136, Maharashtra	10.	Plot Nos. B-1/2 and 1/3, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra
11.	Plot No. B-20, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra	12.	Plot Nos. B-22 and A-12, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune – 410 501, Maharashtra
13.	Plot No. 3, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand	14.	Plot No. 7, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand
15.	Plot No. F-82, SIPCOT Industrial Park, Irungattaukottai, Pennaur Post, Shriperumburam Taluk, Kancheepuram Dist., Chennai - 602 105 Tamil Nadu	16.	G-102 and 103, SIPCOT Industrial Park, Vallam Vadagal Scheme, Village Vallam, Sriperumbudur, Dist. Kancheepuram, Chennai – 602105 Tamil Nadu
17.	Plot Nos. E4 and E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad - 382 110 Gujarat	18.	Plot 103/6, GIDC, Halol -2 & Halol Maswad Industrial Estate, Ta – Halol, Dist. Panchmahal - 389 350 Gujarat
19.	Survey Nos. 28/4A, 28/4B, 28/5, 28/6, 28/7, 28/8 and 34/5, within village limit of Karinayakanahalli, Kasaba Hobli, Malur Taluka, Kolar District, 563130 Karnataka		

12. Other Disclosures:

a) **Related party transactions:**

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

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

The 'Policy on Determining Materiality of and Dealing with Related Party Transactions' is placed on Company's website at https://www.endurancegroup.com/wp-content/uploads/2022/11/Policy-for-Determination-of-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf.

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

Corporate Governance Report (Contd.)

/ suspected leak of Unpublished Price Sensitive Information etc. which could be detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

The updated Policy is placed on the Company's website at https://www.endurancegroup.com/wp-content/uploads/2022/11/Whistle-Blower-policy.pdf.

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	3
No. of complaints disposed of during the financial year	1
No. of complaints pending during the financial year	2

* The inquiry and investigation of one complaint has been completed and 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 quarterly conference call to respond to any investor queries with regard to the financial results or operations of the Company.

III. Modified opinion(s) in audit report:

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

IV. Separate posts of Chairperson and Managing Director:

The Company has appointed separate persons to the posts of Chairperson and Managing Director.

V. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

h) Subsidiary companies:

The Company had ten overseas subsidiaries and one Indian subsidiary, as at 31st March, 2023 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 S.r.l., Italy (EOSrl)	N.A.	Material*
2.	Endurance SpA, Italy	N.A.	Material*
3.	Endurance Engineering S.r.l., Italy	N.A.	Otherwise
4.	Endurance Castings SpA, Italy	N.A.	Otherwise
5.	Endurance Adler SpA, Italy	N.A.	Otherwise
6.	Veicoli S.r.l, Italy	N.A.	Otherwise
7.	Frenotecnica Srl, Italy	N.A.	Otherwise
8.	New Fren Srl, Italy	N.A.	Otherwise
9.	GDS Sarl, Hammas Sousse, Tunisia	N.A.	Otherwise
10.	Endurance GmbH, Germany (Formerly known as Endurance Amann GmbH)	N.A.	Otherwise
11.	Maxwell Energy Systems Private Limited, India	U72900MH2017PTC298930	Otherwise

N.A.= Not Applicable

* EOSrl and Endurance GmbH are the direct subsidiaries of the Company. EOSrl is the holding company of the bodies corporate mentioned from Sr. nos. 2 – 18 and New Fren Srl is holding company of GDS Sarl.

Based on consolidated financial statements of FY 2022-23, in terms of Regulation 16(1)(c) of Listing Regulations, Endurance SpA (Standalone) and EOSrl (consolidated) are the material subsidiaries of the Company.

During the year under review, following corporate actions took place with respect to subsidiaries of the Company

1. Acquisition of Frenotecnica Srl, Italy

   During the period under review, EOSrl acquired 100% equity stake in Frenotecnica Srl, Italy ("Frenotecnica") for an aggregate value of Euro 5,289,900, which includes acquisition cost of Euro 29,900. The effective date of acquisition was 10th June, 2022.

2. Acquisition of Maxwell Energy Systems Private Limited ("Maxwell")

   The Company acquired 51% share capital of Maxwell on 1st July, 2022, through a combination of primary issuance and secondary purchase, comprising 69,873 shares of face value of ₹1 each. The acquisition was for a total investment of ₹ 1,350 million and was effective 1st July, 2022.

3. Acquisition of New Fren Srl, Italy ("New Fren")

   EOSrl acquired 100% equity stake in New Fren for a total investment of Euro 1,165,394 which includes consideration of Euro 1,150,000 and acquisition cost of Euro 15,394. The effective date of acquisition was 16th November, 2022.

   New Fren has a subsidiary namely, GDS Sarl, situated at Hammas Sousse, Tunisia, wherein it held 99% shareholding.

4. Purchase of 1% stake in GDS Sarl, Tunisia

   EOSrl acquired residual 1% stake in GDS Sarl ("GDS") for an aggregate value of Euro 2,600, equivalent to 8,580 Tunisian dinar. The effective date of acquisition was 10th March, 2023.

Material Subsidiaries Companies:

The Company had 2 (Two) material subsidiaries as at 31st March, 2023 viz. Endurance Overseas S.r.l., Italy (EOSrl) and Endurance SpA, Italy.

Sr. No.	Name	Date of Incorporation	Place of incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
1.	Endurance Overseas S.r.l., Italy (EOSrl)	14th May, 2007	Via Del Boschetto n. 2/43-10040 Lombardore (TO)	Deloitte & Touche S.p.A. Via Tortona 25 20144	30th June, 2020
2.	Endurance SpA	21st January, 1977	Via Regione Pozzo n. 26, Chivasso (Italy)	Deloitte & Touche S.p.A. Via Tortona 25 20144	30th June, 2020

Corporate Governance Report (Contd.)

Corporate Governance Report (Contd.)

Materiality threshold:

The Company's Policy for Determining Material Subsidiaries is placed on the Company's website at https://www.endurancegroup.com/wp-content/uploads/2022/11/Policy-for-determination-of-materiality-of-Subsidiaries.pdf.

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:

1. Acquisition of Frenotecnica Srl, Italy

   During the period under review, EOSrl acquired 100% equity stake in Frenotecnica Srl, Italy ("Frenotecnica") for an aggregate value of Euro 5,289,900, which includes acquisition cost of Euro 29,900. The effective date of acquisition was 10th June, 2022.

2. Acquisition of New Fren Srl, Italy ("New Fren")

   EOSrl acquired 100% equity stake in New Fren for a total investment of Euro 1,165,394, which includes consideration of Euro 1,150,000, and acquisition cost of Euro 15,394. The effective date of acquisition was 16th November, 2022.

   New Fren has a subsidiary namely, GDS Sarl, situated at Hammas Sousse, Tunisia, wherein it held 99% shareholding.

3. Purchase of 1% stake in GDS Sarl, Tunisia

   EOSrl acquired residual 1% stake in GDS Sarl ("GDS") for an aggregate value of Euro 2,600, equivalent to 8,580 Tunisian dinar. The effective date of acquisition was 10th March, 2023.

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 https://www.endurancegroup.com/wp-content/uploads/2022/11/Policy-for-Determination-of-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf.

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 and 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 28th April, 2022 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

iii. Compliance Certificate:

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

iv. Performance evaluation of Independent Directors:

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, for the financial year 2022-23, the Board has carried out annual performance evaluation of Independent Directors, at its meeting held on 18th April, 2023. 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 28th April, 2022 without the attendance of Non-independent Directors and management. Agenda of the said meeting was to:

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

b. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors; and

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

vi. Report on Corporate Governance:

This section, read together with the information given in the Board's Report, Management Discussion and Analysis section and General Shareholder Information, constitute the compliance report on Corporate Governance during the year. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the Listing Regulations.

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 https://www.endurancegroup.com/wp-content/uploads/2022/11/Draft-of-Letter-of-Appointment.pdf.

Corporate Governance Report (Contd.)

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 7th November, 2022 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 https://www.endurancegroup.com/wp-content/uploads/2022/12/code-of-co-5e0ff684e2fa906.pdf.

The Company has also Endurance Code of Conduct for all its employees.

All the Board Members, senior management personnel and employees of the Company have affirmed compliance with the respective Codes of Conduct for 2022-23. A declaration to this effect, signed by the Managing Director, is given in this Annual Report.

iv. Vigil mechanism – cum – Whistle Blower Policy:

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

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

Refer item no. "4(i)" 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 and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity -	L34102MH1999PLC123296
2.	Name of the Listed Entity	Endurance Technologies Limited
3.	Year of incorporation	1999
4.	Registered office address	E-92, MIDC Industrial Area, Waluj, Aurangabad - 431 136, Maharashtra
5.	Corporate address	E-92, MIDC Industrial Area, Waluj, Aurangabad - 431 136, Maharashtra
6.	E-mail	investors@endurance.co.in
7.	Telephone	+91-240-2569600
8.	Website	www.endurancegroup.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE), National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 1,406,628,480
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR	1. Mr. Anurang Jain Managing Director Contact number: +91 240 2569600 Email ID: corporate@endurance.co.in/ vjr@endurance.co.in 2. Mr. Ramesh Gehaney Director and Chief Operating Officer Contact number: +91 240 2569600 Email ID: corporate@endurance.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure under this report is made on a standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacturing of auto components	98%

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Aluminium die cast products	24320	38%
2.	Suspension products	30913	34%
3.	Braking systems and transmission products	30913	18%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	19	3	22

Business Responsibility and Sustainability Report (Contd.)

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	31

b. What is the contribution of exports as a percentage of the total turnover of the entity?

3.16%

c. A brief on type of customers

The Company primarily caters to original equipment manufacturers (OEMs) of two, three and four-wheeler vehicles. The Company also exports to OEMs and caters to retail market in India and across other countries.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		EMPLOYEES				
1.	Permanent (D)	1,956	1,898	97.03%	58	2.97%
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	**Total employees (D + E)**	**1,956**	**1,898**	**97.03%**	**58**	**2.97%**
		WORKERS				
4.	Permanent (F)	1,873	1,870	99.83%	3	0.16%
5.	Other than Permanent (G)	6,293	5,682	90.29%	611	9.71%
6.	**Total workers (F + G)**	**8,166**	**7,552**	**92.48%**	**614**	**7.52%**

*Note: All off-role employees are classified as workers other than permanent

b. Differently abled employees and workers: Not Applicable

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		DIFFERENTLY ABLED EMPLOYEES				
1.	Permanent (D)	Nil	Nil	Nil	Nil	Nil
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	**Total differently abled employees (D + E)**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
		DIFFERENTLY ABLED WORKERS				
4.	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5.	Other than permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	**Total differently abled workers (F + G)**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

Business Responsibility and Sustainability Report (Contd.)

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20%
Key Management Personnel	1	0	0%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	16.2%	12.7%	16.1%	16.0%	34.8%	16.4%	NA	NA	NA
Permanent workers	1.3%	0	1.3%	1.9%	0	1.9%	NA	NA	NA

NA = Not Available

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Endurance GmbH, Germany	Direct Subsidiary	93.65%	No
2.	Endurance overseas Srl, Italy	Direct Subsidiary	95%	No
3.	Endurance SpA, Italy	Indirect Subsidiary	100%*	No
4.	Endurance Engineering Srl, Italy	Indirect Subsidiary	100%*	No
5.	Endurance Castings SpA, Italy	Indirect Subsidiary	100%*	No
6.	Endurance Adler SpA, Italy	Indirect Subsidiary	100%*	No
7.	Veicoli Srl, Italy	Indirect Subsidiary	100%*	No
8.	Frenotecnica Srl, Italy	Indirect Subsidiary	100%*	No
9.	New Fren Srl, Italy	Indirect Subsidiary	100%*	No
10.	GDS Sarl, Tunisia	Indirect Subsidiary	100%*	No
11.	Maxwell Energy Systems Private Limited, India	Direct Subsidiary	51%	No

* Shares held by Endurance Overseas Srl, Italy, directly or indirectly.

VI. CSR Details

(₹ In Million)

	Response
(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in ₹)	67,675.07
(iii) Net worth (in ₹)	33,291.93

Business Responsibility and Sustainability Report (Contd.)

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the Principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct ("NGRBC"):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	**Yes-** The Company engages with the community through CSR activities wherein their needs and concerns are addressed on a timely basis. Ad-hoc and fortnightly meetings are held for the beneficiaries, and it is intended to resolve the issues at the earliest. However, currently there is no structured mechanism to record the number of complaints.	0	0	-	0	0	-
Investors and Shareholders	**Yes-** Shareholders and other investors can raise their queries and concerns by sending email to investors@endurance.co.in. Grievances / complaints can also be raised on grievance redressal platform of SEBI – SCORES. Contact details of the designated officials of the Company responsible for assisting and handling investor grievances are provided on the website of the Company at https://www.endurancegroup.com/investor-relations/ Additionally, the Company has a Stakeholders' Relationship Committee responsible for enquiry into and redressal of grievances of shareholders / security holders and investors of the Company including complaints related to transmission/ transposition of shares, non-receipt of annual report, non-receipt of declared dividends, general meeting related issues, etc.	01	0	-	01	0	-
Employees and workers*	**Yes-** The Company has a Vigil Mechanism-cum-Whistle Blower Policy in place, accessible to all the employees and workers, wherein the covered employees can raise their concerns or grievances. The policy is available on the Company's website: https://www.endurancegroup.com/wp-content/uploads/2022/11/Whistle-Blower-policy.pdf Complaints, grievances, and feedback received from employees and workers are discussed and resolved during townhall meets, MD communication meetings and other interactions between the employees and the HR function.	0	0	-	0	0	-
Customers (retail)	**Yes-** Customers can reach out to the Company with their queries related to products/services or any other grievances. Contact details for customer feedback / grievances are: # Email ID: marketing@endurance.co.in and customercare@endurance.co.in; # Contact nos.: 0240-2569723 and +91 8010187593; # Address: E-94, MIDC Industrial Area, Waluj, Aurangabad- 431 136, Maharashtra.	123	0	All complaints have been resolved to the satisfaction of the customer	98	0	All complaints were resolved to the satisfaction of the customer
Value Chain Partners	**Yes-** Value chain partners can reach out directly through our Company website	02	0	All valid complaints were resolved.	07	0	All complaints were resolved
Other (please specify)**	NA	NA	NA	NA	NA	NA	NA

* There is no formal mechanism in place to monitor the number and resolution of complaints received from employees and workers. It is ensured that all the received complaints are addressed and resolved promptly considering the nature of the complaint. The Company has plant level grievance committee in place which aids in addressing the grievances of employees and workers in a timebound manner.

**The Company has identified employees, customers, investors, vendors, contractors, collaborators / technical partners, local community and government / regulators as its key stakeholders.

Business Responsibility and Sustainability Report (Contd.)

CORPORATE OVERVIEW STATUTORY REPORTS FINANCIAL STATEMENTS

Business Responsibility and Sustainability Report (Contd.)

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Resource Management and Supply Chain	Risk	• Raw materials are the most important input in the production of goods. Cost of raw materials forms a significantly higher proportion in the total cost to the Company as compared to other costs. Availability of raw materials is subject to market volatility, resulting from supply chain disruptions, increased demand with significant increase in the price. • Moreover, the Company relies on third parties to source raw materials, parts and components used in the manufacture of the products. Disruptions to supply chains and shortages of essential raw materials, parts and components may adversely affect the production volume, results of operations, revenue and profitability of the Company. • In addition to it, ongoing geopolitical conflicts pose a great threat to commodity price stability, including energy price stability and global supply chains.	• Devised and implemented sourcing strategy targeted at diversifying sourcing, driving localisation of procuring critical components for production, robust vendor selection process and conducting regular vendor audit. • Developing strong brand equity, long-standing relationships with vendors, excellent trade relations and ensuring superior quality control. • Indigenisation and value chain integration • Pass-through of changes in raw material prices to the OEMs as per the contracts signed.	Negative impact on profitability and business growth
2	Customer concentration	Risk and Opportunity	Customer concentration can lead to an adverse impact on the Company's business, should such a customer reduce purchase / off-take from the Company.	• Significant steps have been taken to mitigate the risk: – Diversification of customer base. – Client concentration only with strong industry leaders. – Expansion of geographical footprint.	Positive and Negative, depending on the performance of the Company and share of revenue / business.
3	Product innovation	Opportunity	• In order to remain competitive in this dynamic and challenging automotive market, it becomes imperative for the Company to offer innovative products to customers while maintaining product quality standards. • Company has dedicated Research and Development facilities for all its product segments. Company's strong focus on continuous and intensive research and development forms the core of its growth strategy.	-	Positive Continuous innovation ensures in competitive positioning of the Company amongst its peers and leads to development of superior quality products, thereby leading to increased share of revenue.

Business Responsibility and Sustainability Report (Contd.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Talent acquisition and retention	Risk	• Human capital is crucial to business growth and continuity. The need for highly capable workforce with technical abilities is becoming more crucial. • Moreover, it is becoming challenging for industries to retain the existing employees and ensure sustainability	Strong focus on employee wellbeing through implementation of various measures and initiatives such as: • Formulation of well-structured HR policies; • Focus on training and development; • Providing motivated work culture; and • Timely rewards and recognition.	Positive and negative. Continuous employee engagement and recognition results in increased efficiency of employees and alignment of their personal growth with business growth of the Company. Low levels of engagement or high attrition can have detrimental impact on operations, thus, affecting the profitability of the Company.
5	Corporate Governance	Opportunity	• Corporate Governance practices followed by the Company are aligned with its corporate values i.e., Customer Centricity, Integrity, Transparency, Teamwork, and Innovation • The Company continuously strives to achieve high standards of integrity, transparency, fairness, accountability, disclosures, and business ethics in dealing with its stakeholders	–	Positive Strong governance principles are essential for sustained value creation for all our stakeholders, promoting long-term financial viability, opportunity, and returns.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	No	Yes	No	Yes	Yes*	No	Yes	No
b. Has the policy been approved by the Board? (Yes/No)	No	NA	No	NA	No	No	NA	No	NA
c. Web Link of the Policies, if available	https://endurancegroup.com/investor-relations								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	NA	Yes	NA	Yes	Yes	NA	Yes	NA
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	NA	No	NA	No	NA	NA	No	NA
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	While formulating policies and procedures, the Company follows all mandatory national as well as international regulations, acts and guidelines. List of certain national and international codes / certifications / standards followed by the Company are given below: • ISO 9001:2015 • ISO 14001:2015 • ISO 45001:2018 • IATF All the manufacturing locations of the Company are compliant with the requirements of ISO9001, ISO14001 and ISO45001 standards. Presently, six plants have received the certificates and the Company is in the process of obtaining the same for other plants as well. All the plants of the Company are IATF 16949 certified.								

* Environment, Health and Safety (EHS) Policy is internally available and accessible to all the employees and workers of the Company.

Business Responsibility and Sustainability Report (Contd.)

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	Yes, the Company has specific goals, and commitments under the category of sustainable and safe products and services. The goals have been set up with defined target timelines, focused on minimising the resource utilisation, water and effluent management, ensuring workforce safety and protecting the human rights.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The Company has achieved its commitments, goals and targets set for the year.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:	The Company believes, that as a corporate citizen, we carry the responsibility to reciprocate for the betterment of the society and environment for a sustainable future. We are committed to contribute to the United Nations Sustainable Development Goals (UNSDGs). We frame our polices and initiatives in line with the UNSDGs, NGRBC principles and national regulatory requirements. We have envisioned sustainability targets for FY 2023-24 for driving carbon neutrality. Further, initiatives have been undertaken for reducing energy consumption with a focused approach towards procuring renewable energy, water recovery, reducing and recycling hazardous and non-hazardous waste. The Company is in the process of implementing 6R's of sustainability in manufacturing viz. Rethink, Refuse, Reduce, Reuse, Recycle, and Repair. We are consistently working towards enhancing the use of cleaner fuels, harnessing solar energy, implementing zero liquid discharge and effective waste disposal system in plants to avoid landfill, and take steps for afforestation by planting of trees around our manufacturing facilities. It is our constant endeavor to bring positive impact to economically weaker strata of society through village development programmes where we improve sanitation, ensure availability of better educational infrastructure, facilitate medical care and health check-ups. We believe that education is an empowering tool for a better future and are working towards making education available and accessible to children residing in remote areas, in the vicinity of Aurangabad, Maharashtra. The Company also promotes vocational training, undertakes digital literacy drives, amongst other initiatives. We understand that in order to achieve sustainability, we have to join hands with stakeholders in the value chain. We assist and guide our suppliers and vendors to implement environment friendly operations in their facilities in a sustainable manner. Further, as part of 'contract management system' implemented in our plants, trainings and awareness sessions are conducted on various safety measures. We shall continue to assess, review and monitor our operations and processes to accelerate our efforts to achieve sustainability across the value chain.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	1. Mr. Anurang Jain Managing Director Contact number: +91 240 2569600 Email ID: corporate@endurance.co.in / vjr@endurance.co.in 2. Mr. Ramesh Gehaney Director and Chief Operating Officer Contact number: +91 240 2569600 Email ID: corporate@endurance.co.in								
9. Does the entity have a specified Committee of the Board / Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	Company's Directors and senior management team regularly monitor various aspects of social, environmental, governance and economic responsibilities of the Company. Moreover, the Corporate Social Responsibility ('CSR') Committee formulates and recommends the CSR policy to the Board and monitors CSR budget, activities and expenditure for the projects or programmes. At present, the entity does not have a specified Committee for decision making on sustainability related issues.								

Business Responsibility and Sustainability Report (Contd.)

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Department heads and the leadership team examine the Company's Business Responsibility policies. They are responsible for assessing the efficacy of the policies. Additionally, necessary modifications to policies and processes are made after a thorough review.									Annually or on a need-to-need basis								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	We comply with all applicable laws and regulations where we operate in.																	

11.	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.					No				

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA. All the topics are material to our business.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	Yes**	NA	Yes	NA	NA	Yes	NA	Yes**
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	The Company continues to strengthen its talent pool by developing / recruiting professionals from various academic or technical background making its workforce more competent that offers competitive advantage.							
It is planned to be done in the next financial year (Yes/No)	NA	No	NA	No	NA	No	No	NA	No
Any other reason (please specify)					No				

NA = Not Applicable

** The Company has defined Standard Operating Procedures (SOPs) and internal guidelines which are available and accessible to all employees of the Company.

List of Principles as per NGRBC

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.

Business Responsibility and Sustainability Report (Contd.)

SECTION C: PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1 | **Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors	06*	During the year, the Board of Directors of the Company (including the Committees) has invested more than 20 hours individually on various matters relating to an array of issues viz. 1. Review of business updates, new business strategies, and Company's financial performance; 2. Review of Corporate Social Responsibility strategies and programmes; 3. EHS initiatives and sustainability performance; and 4. Regulatory updates, amendments to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") and SEBI (Prohibition of Insider Trading), Regulations, 2015.	100%
Key Managerial Personnel	04	All the principles of BRSR, except Principle 7, are covered under the training programmes.	100%
Employees other than BoD and KMPs	194		93%
Workers	07	Workers were provided various training programmes covering the following BRSR Principles: **Principle 1:** Ethics and Integrity **Principle 3:** Employee Well-being **Principle 4:** Stakeholder Engagement **Principle 6:** Environment **Principle 8:** Inclusive Growth	55%

* Various familiarisation initiatives were carried out throughout the year on an ongoing basis which included 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.

Business Responsibility and Sustainability Report (Contd.)

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil	NA			
Settlement					
Compounding Fee					

Non-Monetary				
	NGRBC Principles	Name of regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an Appeal been preferred (Yes/No)
Imprisonment	Nil	NA		
Punishment				

NA = Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/Judicial institutions
Not Applicable	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   The Company has a Code of Conduct for employees which lays down various guidelines to act in accordance with the Company's values, commitment and ideals and is applicable to all its employees and workers. The Code of Conduct expects all the employees to comply with applicable laws, regulations and professional standards that govern the business. The Company has zero tolerance policy against bribery and corruption practices. Any act of fraud or corruption in or against the Company or any abetment to such fraud/ corruption is unacceptable. The policy is available at the Company's website and can be accessed at https://www.endurancegroup.com/wp-content/uploads/2023/06/ECOC.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

Business Responsibility and Sustainability Report (Contd.)

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Not Applicable, since there were no cases of corruption and conflicts of interest during the FY 2022-23.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
02	Suppliers were provided training or awareness on various topics covering principles of BRSR: • Safety and Environment, Sustainability and resource management, • Green House Gases, Rise in Temperature, challenges in water sector, waste management, earth resource consumption, drivers of sustainability, • Core sustainability issues: Social - Human rights, Labour practices, fair operating practices, Occupational Health & Safety Practices, Environmental - Environment management systems & audits, climate change, GHG emissions from operations, waste management, Green/ responsible procurement, bribery and corruption, etc. • Waste management, Green Supply chain, Green Building, Green IT, Green Product development, Global reporting initiatives, benefits of reporting, measurement of sustainability performance.	24.55%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If Yes, provide details of the same.

   Yes- In terms of Reg 26(5) of Listing Regulations, the Company obtains declarations from the Board of Directors and senior management personnel relating to all material financial and commercial transactions, if any, where they have personal interest that might have potential conflict with the interest of the Company.

PRINCIPLE 2 | Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	Not Available. At present, we do not have a mechanism in place to track and monitor the relevant information.		
Capex			

2 a. Does the entity have procedures in place for sustainable sourcing?

   Yes

   b. If yes, what percentage of inputs were sourced sustainably?

   The Company has integrated sustainability criteria in their supplier selection process while sourcing raw materials. By far, we have assessed around 20 suppliers based on various sustainability parameters. The assessment criteria for suppliers include electricity consumption, use of renewable energy and thermal energy, water consumption, water recycling, hazardous and non-hazardous waste generation, etc. 5.38% inputs (BOM parts) were sourced sustainably basis the assessment of suppliers.

Business Responsibility and Sustainability Report (Contd.)

3 Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   Manufacturing operations generate various types of wastes such as plastic waste, e-waste, paper waste, wood waste, used oil, etc. The Company follows a structured approach for reclaiming products. Detailed procedure for safely reclaiming products in each category has been described below:

   (a) Plastic Waste – Plastic waste is generated in packaging of the products of the Company. Plastic waste is given to agencies authorised by Pollution Control Board ("PCB") for recycle and refabrication.

   (b) E-waste – Our product portfolio comprises production of auto components and other allied products. However, as a mechanism to ensure proper disposal of e-waste generated within the Company's premises, such waste is disposed/ discarded safely after their useful life by giving to authorised agencies as per 'E-waste Management and Handling' rules.

   (c) Hazardous waste – It is ensured that hazardous waste generated is safely disposed as specified in consent to operate, through Government authorised treatment, storage and disposal facilities. Hazardous waste like used oil, spent xyline, empty cans, empty barrels are recycled in compliance with respective PCB guidelines.

   (d) Other wastes – Other wastes such as scrap metal, wooden packing, cardboards are sent for recycling.

   Reclaiming of products is not applicable.

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

   Yes, Extended Producer Responsibility (EPR) under "The Plastic Waste Management & Handling Rules, 2016" (as amended) is applicable for managing plastic waste generated across all the operations. The Company is registered as a "Brand Owner" and as an "Importer". Plastic is used to pack auto-component products. EPR plan is submitted to Central Pollution Control Board (CPCB). About 135 MT of plastic has been recycled through authorised recycling vendors, which is assured and certified by authorised vendor and the certificate is shared with CPCB. Hazardous waste is sent for recycling to authorised recycling agencies approved by Pollution Control Boards (PCBs).

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing Industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Nil	Nil	Nil	Nil	Nil	Nil

Note: During the FY 2022-23, the Company did not conduct Life Cycle Assessment.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action taken
Not applicable	Not applicable	Not applicable

Business Responsibility and Sustainability Report (Contd.)

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
In casting plants, recycled material used in casting (60% fresh ingots and 40 % recycled material)	40%	40%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	41.68	0	0	36.09
E-waste	0	0	0.639	0	0	0.695
Hazardous waste	0	0	670.528	0	0	644.015
Other Waste	0	0	459.66	0	0	469.804

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

PRINCIPLE 3 | **Businesses should respect and promote the well-being of all employees, including those in their value chains**

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1,898	1,898	100%	1,859	97.94%	NA	NA	NA	NA	NA	NA
Female	58	58	100%	55	94.83%	58	100%	NA	NA	NA	NA
Total	**1,956**	**1,956**	**100%**	**1,914**	**97.85%**	**58**	**100%**	**NA**	**NA**	**NA**	**NA**
Other than Permanent employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

NA = Not Applicable

Business Responsibility and Sustainability Report (Contd.)

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1,870	1,870	100%	1,870	100%	NA	NA	NA	NA	NA	NA
Female	3	3	100%	3	100%	3	100%	NA	NA	NA	NA
Total	**1,873**	**1,873**	**100%**	**1,873**	**100%**	**3**	**100%**	**NA**	**NA**	**NA**	**NA**
Other than permanent workers											
Male	5,682	5,682	100%	5,682	100%	NA	NA	NA	NA	NA	NA
Female	611	611	100%	611	100%	611	100%	NA	NA	NA	NA
Total	**6,293**	**6,293**	**100%**	**6,293**	**100%**	**611**	**100%**	**NA**	**NA**	**NA**	**NA**

Note: All contract labourers are covered under ESIC. They get benefits w.r.t health, accident and maternity.

NA = Not Applicable

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of Total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI*	0%	NA	NA	0%	NA	NA
Others – please specify	Nil	Nil	Nil	Nil	Nil	Nil

NA = Not Applicable

Note: All eligible employees are covered under ESI.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Currently, the Company does not have differently abled employees in its workforce composition. The Company is continuously striving to ensure accessibility by improving infrastructure across all locations and making premises more inclusive.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is an equal opportunity provider and does not discriminate on the basis of gender, religion, ethnicity, age, race, sexual orientation, or disability. The policy is available on the Company's website and can be accessed at https://www.endurancegroup.com/wp-content/uploads/2023/06/ECOC.pdf

Business Responsibility and Sustainability Report (Contd.)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent Employees		Permanent Workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male				
Female	Not applicable	Not applicable	Not applicable	Not applicable
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes. The Company 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. The policy protects a whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The policy is available at https://www.endurancegroup.com/wp-content/uploads/2022/11/Whistle-Blower-policy.pdf In addition to this, employees and workers may register their grievances to their immediate supervisor, responsible to resolve the issue within defined timeframe. If the employee does not receive a satisfactory resolution of issue, then the aggrieved party may present the grievance to the 'Grievance Committee' ('GC') in writing through the respective plant HR Head. The GC is chaired by the Plant /Operations Head and comprises following members: Plant HR Head and one official not less than the grade of Senior Officer and two other members representing workmen. At a few plants whenever the aggrieved person is a workman who is a union member, then the respective Plant HR head is responsible to ensure that the union committee is also given an option to nominate two of their representatives on the GC. The plant HR is responsible to organise a meeting at the plant level GC for a minimum 30 minutes in their respective plants (irrespective of whether grievances are registered or not) every first Friday of the month in the Pune Region and every first Monday of the month in Aurangabad and the rest of India. The Group ER Regional in-charge facilitates the meetings of the 'GC', i.e., the Group ER Regional in-charge or his/her representative are present for the 'GC' meetings as a 'Process Facilitator'.

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	**No. of employees / workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees/ workers in respective category (C)**	**No. of employees/ workers in respective category, who are part of association(s) or Union(D)**	**% (D / C)**
Total Permanent Employees	**1,956**	**0**	**0%**	**1,656**	**0**	**0%**
- Male	1,898	0	0%	1,619	0	0%
- Female	58	0	0%	37	0	0%
Total Permanent Workers	**1,873**	**1,438**	**76.77%**	**1,926**	**1,508**	**78.29%**
- Male	1,870	1,438	76.89%	1,921	1,508	78.50%
- Female	03	0	0%	05	0	0%

Business Responsibility and Sustainability Report (Contd.)

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	**On health and safety measures**		**On skill upgradation**		**Total (D)**	**On health and safety measures**		**On skill upgradation**	
		No. (B)	**% (B/A)**	**No. (C)**	**% (C/A)**		**No. (E)**	**% (E/D)**	**No. (F)**	**% (F/D)**
Employees (in man-hours)										
Male	5,990	638	11%	4,869	81%	5,126	1,454	28.37%	4,960	97%
Female	246	32	13%	185	75%	172	51	29.65%	170	99%
Total	**6,236**	**670**	**11%**	**5,054**	**81%**	**5,298**	**1,505**	**28.41%**	**5,130**	**97%**

Category	FY 2022-23					FY 2021-22				
	Total (A)	**On health and safety measures**		**On skill upgradation**		**Total (D)**	**On health and safety measures**		**On skill upgradation**	
		No. (B)	**% (B/A)**	**No. (C)**	**% (C/A)**		**No. (E)**	**% (E/D)**	**No. (F)**	**% (F/D)**
Workers (in man-days)										
Male	1,870	1,623	86.79%	1,662	88.87%	1,921	1,850	96.30%	1,565	81.46%
Female	03	03	100%	03	100%	05	05	100%	05	100%
Total	**1,873**	**1,626**	**86.81%**	**1,665**	**88.89%**	**1,926**	**1,855**	**96.31%**	**1,570**	**81.51%**

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23			FY 2021-22		
	Total (A)	**No. (B)***	**% (B/A)**	**Total (C)**	**No. (D)***	**% (D/C)**
Employees						
Male	1,898	1,466	77.24%	1,619	1,383	85.42%
Female	58	33	56.90%	37	25	67.57%
Total	**1,956**	**1,499**	**76.63%**	**1,656**	**1,408**	**85.02%**
Workers						
Male	1,870	368	19.67%	1,921	343	17.85%
Female	03	03	100%	05	02	40.00%
Total	**1,873**	**371**	**19.80%**	**1,926**	**345**	**17.91%**

* Columns (B) and (D) represent the number of employees and workers eligible for performance appraisal. The remaining number of Employees and Workers were not eligible for performance and career development reviews as on 31st March, 2023/31st March, 2022, as per their terms of employment.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Ocupational health and safety is of paramount importance to the Company and we accord highest priority to occupational well-being of our employees, workers and other relevant stakeholders. The Company has implemented occupational health and safety management system in all plants. The system ensures the safety of all employees, and workers engaged in all operational plants and R&D departments. All the manufacturing locations of the Company are compliant with the requirements of ISO9001 / ISO14001 and ISO45001 standards. Presently, six plants have received the certificates and the Company is in the process of obtaining the same for other plants as well.

The Company's safety proposition includes health monitoring of employees, workplace hygiene monitoring and general awareness of EHS practices. The awareness of safety culture comprises activities such as sharing best practices, safety champion rounds, visual safety leadership rounds, mock drills and exercises culminating into a monthly review meeting conducted by the senior management team.

Business Responsibility and Sustainability Report (Contd.)

Further, based on the assessment of plants on safety parameters and analysis of past incidents, improvement areas are further strengthened.

The safety strategy of the Company also includes mapping safety on legal metrics.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company undertakes the 'Hazard Identification and Risk Assessment' (HIRA) for all the plants to evaluate and mitigate any work-related hazards. It helps in the risk assessment on a routine and non-routine basis and suggest control measures to eliminate or reduce the identified risks to acceptable levels.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. A suggestion box is available in all plants; where employees can report any work-related incidents, hazards and near misses. Furthermore, the Company's online portal allows employees to report any unsafe condition and near misses, hazards in the operational activity/system. At all the operational plants, there is a safety committee headed by the department head responsible for identification, assessment, and resolution of workers' grievances on work-related hazards. Meetings are conducted periodically wherein employee representatives report the concerns of employees.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.22	0.41
	Workers	0.22	0.40
Total recordable work-related injuries	Employees	0	73
	Workers	15	463
No. of fatalities	Employees	0	0
	Workers	0	01
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	02	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company strongly emphasises on the value of maintaining a safe and healthy workplace for all of its employees and workers (including contract workers) working in its premises. Certain measures implemented by the Company are:

- Identification of leading indicators like near miss, un-safe acts, un-safe conditions and actions taken to address the issues raised.
- Undertaking of safety initiatives in plants such as a work permit system and Installation of safety interlocks on machines.
- Assessment of plants on defined safety parameters; recognise and reward plants scoring high on these parameters and ensure horizontal deployment of best safety practices across all locations.
- Building a safety-first culture with focus on adherence to PPE guidelines, Consequence Management Policy, Management of Change guidelines and Contractor Safety Management.

A safety committee has been constituted at each plant for employees to raise their concerns on safety related issues.

Business Responsibility and Sustainability Report (Contd.)

Further, the implemented activities include:

Management of Change: This emphasises on completion of EHS related legal compliances throughout green field / brown field projects and internal layout changes.

Safety Champions Process: Employees from diverse departments are educated to identify action areas to enhance safety conditions in plants and offices.

Visual Safety Leadership: Refers to senior executives' interactions with workers to help them incorporate safety into their daily tasks and acknowledge such behaviour.

Consequence Management Policy: Refers to a policy that has zero tolerance for violating safety standards and regulations.

Contractor Safety Management: This provides a framework of EHS requirements that all contractors working for the Company are required to meet.

Training and Education: Regular health and safety training provided to employees as well as workers, including induction training provided to new recruits.

13. Number of complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	-	0	0	-
Health and Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% by entity and third parties
Working Conditions	100% by entity and third parties

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices, and working conditions.

Safety is of utmost priority to the Company and as an effort to maintain safe and healthy work-culture, the Company is continuously striving to improve the existing systems and processes.

Corporate EHS function has undertaken various measures to the eliminate unsafe conditions and unsafe practices from process areas based on significant risk assessment of process operations.

Trainings and awareness sessions are being conducted for all employees and workers on safety standards of the Company. EHS Management System training is a part of employees as well as workers induction programmes before deploying them on shop floor.

Other key initiatives taken during FY 2022-23 comprise:

- Linking of Contractor Safety Management (CSM) evaluation portal with vendor code creation in SAP - Company's ERP system.
- Strengthening safety induction programme for all new and existing contract employees.

The Company's Health and Safety Committee ensures establishment, implementation, maintenance, and continual improvement of processes needed for the elimination of hazards and minimisation of risks through continuous monitoring of processes and strengthening the risk assessment processes.

Business Responsibility and Sustainability Report (Contd.)

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   In order to remain relevant in today's challenging business environment, it requires regular interaction with all the relevant stakeholder groups which affect the business directly or indirectly. Stakeholders play a key role in bringing value to the Company and aid in decision making at the strategic level. Thus, it becomes important to understand the expectations and interact with them. 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.

2. List of stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, community meetings, Notice Board, Website, others)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Employee Engagement Satisfaction Survey • Grievance redressal mechanism • Company's intranet • Internal communication • Notice board • Training and awareness programmes • Emails and meetings • Social media platforms	Continuous	• Training and development • Career growth opportunities • Fair wages and equal opportunity • Rewards and recognition • Health and safety • Communication with senior leadership team
Shareholders and investors	No	• Annual General Meetings • Quarterly briefings • Press releases • Periodic investor calls / meetings • Company's website	Quarterly interaction after publishing of quarterly financial results as well as annually at the Annual General Meetings	• Helps in understanding the current business scenario • Periodic review of compliance and business strategy
Customers	No	• Customer meetings • Email exchanges with marketing team • Customer feedback • Company's website	Continuous	• Continuous improvement in the delivery of products and services helps in remaining competitive in the market. • Concerns related to product and service-related issues • New business opportunities
Regulators	No	• Annual Report • Media and Entertainment • Communication with regulatory bodies • Policy advocacy • Representation on industry bodies and associations	As and when required	• Compliance of laws and regulations • Community development
Vendors and suppliers	No	• Annual meetings • Suppliers' code of conduct • Suppliers' assessment • Emails and meetings • Annual Report	Periodic	• Business relation continuity • Pricing of raw materials and negotiations • Long-term partnership
Communities	Yes	• Community meetings • Meetings with NGOs • Press release • Social media • Surveys including need assessment and satisfaction surveys • CSR programmes	Fortnightly/Monthly	• Long term value creation by engaging on the ongoing projects, enabling overall development and discuss the concerns and queries and any futuristic needs • Supporting projects related to village development, basics of computer education and employment opportunities • Local employment • Livelihood opportunities creation
Others- Village Panchayat	No	Direct Meetings	Monthly	• Discussions related to ongoing and future projects related to village development
Others- Farmers	Yes	Direct Meetings	Fortnightly	• Trainings related to agricultural practices, commercial aspects of farming and digital literacy
Others- Women	Yes	Direct Meetings	Fortnightly	• Supporting women empowerment projects ranging across small businesses, medical and health checkups and digital literacy

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees /workers covered (B)	% (B / A)	Total (C)	No. employees/ workers covered (D)	% (D / C)
Employees						
Permanent	639	505	79.03%	NA	NA	NA
Other than permanent	0	0	0%	0	0	0%
Total Employees	**639**	**505**	**79.03%**	**NA**	**NA**	**NA**
Workers						
Permanent	1,873	1,446	77.20%	1,926	1,378	71.55%
Other than permanent	6,293	4,857	77.18%	6,065	5,013	82.65%
Total Workers	**8,166**	**6,303**	**77.18%**	**7,991**	**6,391**	**79.98%**

NA = Not Applicable

Business Responsibility and Sustainability Report (Contd.)

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F / D)
Employees										
Permanent	**1,956**	**0**	**0%**	**1,956**	**100%**	**1,656**	**0**	**0%**	**1,656**	**100%**
Male	1,898	0	0%	1,989	100%	1,619	0	0%	1,619	100%
Female	58	0	0%	58	100%	37	0	0%	37	100%
Other than Permanent	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	**1,873**	**0**	**0%**	**1,873**	**100%**	**1,926**	**0**	**0%**	**1,926**	**100%**
Male	1,870	0	0%	1,870	100%	1,921	0	0%	1,921	100%
Female	03	0	0%	03	100%	05	0	0%	05	100%
Other than Permanent	**6,293**	**6,293**	**100%**	**0**	**0%**	**6,065**	**6065**	**100%**	**0**	**0%**
Male	5,682	5,682	100%	0	0%	5,562	5,562	100%	0	0%
Female	611	611	100%	0	0%	503	503	100%	0	0%

NA = Not Applicable

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	3.47 million	2	8.68 million
Key Managerial Personnel	1	11.02 million	0	0
Employees other than BoD and KMP	1,893	0.66 million	57	0.06 million
Workers*	-	-	-	-

* Not maintained

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

The Company upholds the rights of every individual and has zero tolerance for any abusive behaviour, violence, use of inappropriate language/ gestures, etc. at workplace. At present, the Company does not have an individual committee responsible for addressing human rights impacts or issues. However, the Company prohibits any form of child labour, forced labour/compulsory labour, discrimination and rather promotes diversity and equal opportunity, ensures minimum wages, prioritise EHS, sustainability and compliance with all applicable laws. The Company has well-laid down policies and systems in place which contribute to continuous monitoring of all the aspects of human rights across the value chain.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company does not have a formal mechanism in place to redress grievances related to all human rights issues. However, availability and accessibility of Vigil Mechanism-cum-Whistle Blower Policy gives access to the employees to report any grievances related, but not limited to, discrimination, harassment, violation/breach of code of conduct, etc.

Business Responsibility and Sustainability Report (Contd.)

In addition to it, the Company's policy on Safety and Security and Prevention of Sexual Harassment of Women employees at Workplace ("POSH Policy") promotes a safe and secure workplace environment. Continuous training is provided to employees and workers, including security personnel, to ensure appropriate conduct within the organisation.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	3	1	The inquiry and investigation of one pending complaint has been completed and IC is in the process of concluding the same.	4	1	The inquiry and investigation of one pending complaint has been completed and IC is in the process of concluding the same
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human Rights related issues	0	0	-	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company promotes an inclusive work culture free from any kind of discrimination and prohibits harassment at workplace. Employees can lodge their grievances to Ombudsman of the Company as mentioned in the Vigil Mechanism-cum-Whistle Blower Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistle blowers. Complete protection is, therefore, given to whistle blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the whistle blower's right to continue to perform his duties/functions including making any further Protected Disclosure.

8. Do human rights requirements form part of your business agreements and contracts?

Yes- Vendors of the Company are mandatorily required to comply with the Suppliers' Code of Conduct and abide by all the terms and conditions as laid down therein, which includes aspects of human rights as well. Moreover, value chain partners have to abide by all the agreed clauses in job work agreement wherein engagement or employment of child labour is strictly prohibited.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	During the FY 2022-23, the Company did not conduct any third-party assessment for its plants and offices. However, there are policies intended to prohibit any violation of human rights and ensure that there are no adverse consequences. The Company ensures that no person below the age of 18 years is employed. Additionally, the Company promotes equal opportunities, irrespective of gender, race, ethnicity. These are embodied in the Endurance Code of Conduct for employees and the same is reviewed, on a periodic basis.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

Business Responsibility and Sustainability Report (Contd.)

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    There was no evaluation conducted during the FY 2022-23. However, the Company ensures that no human rights violation occurs and monitors the same internally through well-laid policies and while doing business with its value chain partners. There were no significant risks / concerns reported during the FY 2022-23. The Company's systems and controls monitor various aspects of human rights such as no child labour in the workforce, ensuring statutory compliance to the wages and salary regulations, no forced labour practice observed, etc.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) (in GJ)	6,96,266.64	6,33,918.14
Total fuel consumption (B) (in GJ)	78,873.44	64,927.11
Energy consumption through other sources (C) (in GJ)	-	-
Total energy consumption (A+B+C) (in GJ)	7,75,140.08	6,98,845.24
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ/₹)	$1.14*10^{-5}$	$1.22*10^{-5}$
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   Not applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	1,69,562	1,10,420.1
(iii) Third party water	5,45,190	5,09,399.0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**7,14,752**	**6,19,819.1**
Total volume of water consumption (in kiloliters)	**7,14,752**	**6,19,819.1**
Water intensity per rupee of turnover (Water consumed / turnover)	$1.16*10^{-5}$	$1.09*10^{-5}$
Water intensity (optional) –the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N).

If yes, name of the external agency. - No

Business Responsibility and Sustainability Report (Contd.)

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   Company has implemented a mechanism for Zero Liquid Discharge (ZLD) in following plants:

Sr. No.	Plant Address	Sr. No.	Plant Address
1.	Plot No. B-2, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	2.	Plot Nos. 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 Nos. K-228 & K-229, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
5.	Plot Nos. B-1/2 & 1/3, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra	6.	Plot No. B-20, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra
7.	Plot Nos. B-22 & A-12, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 801 Maharashtra	8.	Plot No. 3, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand
9.	Plot No. 7, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand	10.	Plot Nos. E4 & E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad - 382 110 Gujarat
11.	Plot No. 103/6, GIDC, Halol -2 & Halol Maswad Industrial Estate, Ta – Halol, Dist. Panchmahal - 389 350 Gujarat	12.	Plot Nos. G-102 & 103, SIPCOT Industrial Park, Vallam Vadagal Scheme, Village Vallam, Sriperumbudur, Dist. Kancheepuram, Chennai – 602105 Tamil Nadu

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-2023	FY 2021-2022
NOx	MT/Annum	23.0	23.57
SOx	MT/Annum	28.5	30.5
Particulate matter (PM)	MT/Annum	150.5	151.74
Persistent organic pollutants (POP)	MT/Annum	0	0
Volatile organic compounds (VOC)	MT/Annum	0.055	0.062
Hazardous air pollutants (HAP)	MT/Annum	0	0
Others – please Specify	MT/Annum	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Unit	FY 2022-2023	FY 2021-2022
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	5,216.01	4,383.00
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1,23,693.41	1,13,905.67
Total Scope 1 and Scope 2 emissions per rupee of Turnover	Metric tonnes of CO_2 equivalent/INR	$1.90*10^{-6}$	$2.08*10^{-6}$
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	–	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

   Yes, the Company has developed an action plan for reducing GHG emission.

   - The Company has constituted ENCON team across all locations to undertake projects related to energy conservation. The initiatives taken by the Company include installation of Variable Frequency Drive (VFD), replacement of high

Business Responsibility and Sustainability Report (Contd.)

electricity consumption motors with ecofriendly motors, replace CFL with LED, installation of timers for conveyor or lighting system, installation of motion sensors etc.

Please refer Annexure I to the Board's report for measures implemented.

- Company is actively working on procuring green energy for some of its plants through installation of wind power and solar power system.
- In addition to the above, the Company has undertaken plantation of trees in the plant premises as per the guidelines of respective Pollution Control Boards.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-2023	FY 2021-2022
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	271.82	185
E-waste **(B)**	02	1.5
Bio-medical waste **(C)**	0.5	0.5
Construction and demolition waste **(D)**	01	0
Battery waste **(E)**	02	0.4
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	3,277	2,519.72
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	13,250	14,105.54
Total (A+B + C + D + E + F + G + H)	**16,804.32**	**16,812.66**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	17,103	14,531.436
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**17,103**	**14,531.436**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	725	793
(ii) Landfilling	230	240
(iii) Other disposal operations	2,340	2,520
Total	**3,295**	**3,553**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has a waste management strategy in place which is in compliance with the guidelines of Central Pollution Control Board (CPCB). Activities undertaken to reduce and manage waste include the following-

- Switching from the process from painting to powder coating to limit the production of hazardous waste.
- Ensure that there is no garbage sent to landfills.

Business Responsibility and Sustainability Report (Contd.)

- Hazardous waste storage as mentioned in CPCB guidelines.
- Disposal of all types of waste to agencies approved by respective PCB.
- Storing all types of wastes/scrap as per PCB guidelines for recycling/reuse.
- No usage of hazardous and toxic chemicals in product formation.

We make concerted efforts to reduce hazardous waste generation through co-processing initiatives. Hazardous waste, such as sewage sludge, is sold to cement plants and the crushed dust is converted into iron oxides needed by the paint industry.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable. None of our plants / offices are located near notified ecologically sensitive areas.			

11. Details of Environmental Impact Assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable.					

12. Is the entity compliant with the applicable environmental laws/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, all our manufacturing units are compliant with the applicable environmental laws/regulations/guidelines.				

PRINCIPLE 7 | **Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. - **7**

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Automobile Component Manufacturers Association	National
2.	Society of Indian Automobile Manufacturers	National
3.	Confederation of Indian Industries	National
4.	Employer Federation of India	National
5.	Centre for Marathwada Industries & Agriculture	State
6.	National Safety Council	National
7.	Mutual Aid Response Group	State

Business Responsibility and Sustainability Report (Contd.)

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

   None.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review of Board (Annually/Half Yearly/Quarterly/ Others-Please Specify)	Web Link- if available
The Company recognises the significance of value creation to all customers, partners, shareholders, investors, and others having interest in the Company's business. Thus, it contributes to public policy formulation through symbiotic partnerships with external stakeholders, including industry associations, government representatives and regulatory bodies, and others.					

PRINCIPLE 8 | Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAF)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not applicable					

3. Describe the mechanisms to receive and redress grievances of the community.

   Currently, there is no formal grievance redressal mechanism in place at the Company. However, the CSR team connects with the community in and around its manufacturing locations to address their concerns. Wherever, the attention from senior management is required on any of the concerns, those are escalated to the higher authority and addressed and resolved in a timely manner.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/small producers	44.60 %	45.88 %
Sourced directly from within the district and neighbouring districts	50.71 %	48.89%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable	

Business Responsibility and Sustainability Report (Contd.)

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
Not applicable			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

   (b) From which marginalised /vulnerable groups do you procure?

   (c) What percentage of total procurement (by value) does it constitute?

   No, the Company does not have a formal preferential procurement policy in place. However, we prefer procurement from local suppliers for goods and services to aid in creating economic opportunities in the communities in which we operate.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Village Development Project	270	80%
2	Vocational Training Centre	100	100%
3	Balwadi	60	100%

PRINCIPLE 9 | Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

   The Company receives and responds to consumer complaints and grievances. Consumers can lodge complaints either via telephone, over email or addressed to the office of the Company at E-94, MIDC Industrial Area, Waluj, Aurangabad - 431136 Maharastra. The customer care numbers are 0240 - 2569723 & 8010187593 and email ID is customercare@endurance.co.in and marketing@endurance.co.in.

2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Available
Safe and responsible usage	Not Available
Recycling and/or safe disposal	100% Our products carry relevant information on recycling. Buyback system is also available for our used empty and clean bags. Materials are collected from plants which are 100% recyclable. The materials are collected in corrugated boxes or poly bags of prescribed thickness.

Business Responsibility and Sustainability Report (Contd.)

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at the end of the year		Received during the year	Pending resolution at the end of the year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other-Consumer Complaints on Food Products, adulteration, short weight etc.	0	0	NA	4	0	All complains resolved

NA = Not Applicable

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

   The Company has a cyber security policy available and it is accessible to all the employees. The policy is based on ISO27001 framework.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   Not applicable, since there were no cases of consumer complaints relating to advertising, and delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls, etc.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   The details and pertinent information of our products can be found on our website: www.endurancegroup.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   The Company ensures safe and responsible usage of the products through creation of consumer awareness on a regular basis. We organise meets with retailers and mechanics for creating awareness regarding our products. The product labelling includes important product information, instructions for safety along with consumer support details.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Not Applicable

Business Responsibility and Sustainability Report (Contd.)

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes. The Company displays information on the product as per 'Legal Metrology Act' of government of India. Also, product packaging contains other relevant information such as product compliance, address, consumer handling contact, thickness of the plastic used for packaging, etc.

   Customer centricity is intrinsic to our business values and purpose. We continuously strive to provide best-in-class products through continuous engagement to enhance consumer experience. During the FY 2022-23, we didn't conduct any customer satisfaction survey.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along with impact.

      In the FY 2022-23, there were no substantiated complaints received concerning data breaches of customer privacy.

   b. Percentage of data breaches involving personally identifiable information of customers

      0%

Important note:

The Business Responsibility and Sustainability Report ("BRSR") is also being filed in XBRL format with Stock Exchanges where shares of the Company are listed viz. BSE and NSE. In the event of any inconsistency between the print and XBRL versions of BRSR, the print version shall prevail.

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 2023, 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, 2023, 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 judgement, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. 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
Impairment assessment for investment in Maxwell Energy Systems Private Limited (as described in Note 2.03 a(iii) of the standalone financial statements)	
The Company has investment of ₹ 1,356.18 million in equity shares of its subsidiary Maxwell Energy Systems Private Limited ("Maxwell") as at March 31, 2023. As required by Ind AS 36 "Impairment of assets", at each reporting period end, management assesses the existence of impairment indicators for investments in subsidiaries. In case of existence of impairment indicators, the investment balances are subjected to impairment test. The recoverable amount of investment in subsidiary is determined based on the discounted cash flow model which has sensitivity around key assumptions such as operating margins, discount rate, terminal growth, etc. and involves significant judgements and estimates. This is considered as a key audit matter as the amount of investment in Maxwell is material to the standalone financial statements of the Company and the determination of recoverable value for impairment assessment involves significant management judgements and estimates.	Our audit procedures included the following: • We obtained understating of the Company's process on assessment of impairment of investments and tested the design and operating effectiveness of the relevant controls over impairment assessment. • We evaluated the Company's valuation methodology applied in determining the recoverable amount. We also assessed the objectivity and independence of Company's external specialist involved in the process. • We involved valuation specialist, where necessary, to assist in assessing the appropriateness of the valuation model including the independent assessment of the underlying key assumptions relating to operating margins, discount rate and terminal growth. • We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • We tested the arithmetical accuracy of the models. • We assessed the adequacy of disclosures in the standalone financial statements

Independent Auditor's Report (Contd.)

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Governance report (but does not include the standalone financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and the Board's Report, Business Responsibility and Sustainability Report (BRSR), Management Discussion and Analysis and Corporate Overview, 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 identified above and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Board's Report, Business Responsibility and Sustainability Report (BRSR), Management Discussion and Analysis and Corporate Overview, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Standalone 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.

The Board of Directors is 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.

Independent Auditor's Report (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone 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, 2023 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 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;

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 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.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 23089802BGYPWB7868

Place of Signature: Kraków, Poland
Date: May 17, 2023

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) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in 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, 2023. 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 inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

(b) As disclosed in note 14.01 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions 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/statements filed by the Company with such banks and financial institutions are in agreement with the books of account of the Company.

(iii) (a) During the year, the Company has provided interest free loans to employees as follows:

Particulars	Loans (₹ in million)
Aggregate amount granted during the year	18.94
Balance outstanding as at the balance sheet date	14.76

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 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 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 employees which are overdue for more than ninety days. Accordingly, the requirement to report on clause 3 (iii) (d) of the Order in respect of employees is not applicable.

(e) There were no loans granted to employees which have 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.

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

(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 goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	INR in million**	Period to which amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	4.37	2011-2018	Assistant / Deputy Commissioner
Central Excise Act, 1944	Excise Duty	15.67	2012-2018	Joint / Additional Commissioner
Central Excise Act, 1944	Excise Duty	20.63	2006-2008	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	9.48	2008-2017	CESTAT
Finance Act, 1994	Service Tax	1.37	2014-2017	Assistant / Deputy Commissioner
Central Goods and Services Tax Act, 2017	Goods and Services Tax	183.21	2017-2018	Assistant / Deputy Commissioner
Income Tax Act,1961	Income Tax	424.21	2010-2018	Commissioner of Income Tax (Appeals)
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 ₹0.89 million 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 by the Company or no 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 (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 (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

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

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 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: 23089802BGYPWB7868

Place of Signature: Kraków, Poland
Date: May 17, 2023

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, 2023 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 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.

Annexure 2 (Contd.)

To the Independent Auditor's Report of even date on the Standalone Financial Statements of Endurance Technologies Limted

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, 2023, 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: 23089802BGYPWB7868

Place of Signature: Kraków, Poland
Date: May 17, 2023

Balance Sheet

as at 31st March, 2023

₹ in million

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	16,248.54	15,083.92
(b) Capital work-in-progress	3A	1,191.08	837.84
(c) Other intangible assets	3	514.70	565.57
(d) Intangible assets under development	3A	123.76	54.03
(e) Investments in subsidiaries	4	4,993.79	3,637.61
(f) Financial assets			
(i) Investments	4A	254.42	11.53
(ii) Other financial assets	5	96.60	88.25
(g) Deferred tax assets (net)	17A	11.09	38.22
(h) Other non-current assets	6	390.11	412.53
		23,824.09	**20,729.50**
2 Current assets			
(a) Inventories	7	4,289.22	3,666.79
(b) Financial assets			
(i) Investments	4B	2,678.67	2,094.50
(ii) Trade receivables	8	8,488.03	8,010.88
(iii) Cash and cash equivalents	9	426.86	1,031.00
(iv) Bank balances other than (iii) above	9A	0.48	0.42
(v) Loans	5A	14.76	11.03
(vi) Other financial assets	5B	1,062.14	1,635.74
(c) Other current assets	6A	306.20	213.54
		17,266.36	**16,663.90**
Total Assets (1+2)		**41,090.45**	**37,393.40**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	31,902.78	28,661.85
		33,309.41	**30,068.48**
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	11	78.72	19.67
(ii) Other financial liabilities	12	240.67	279.68
(b) Provisions	13	60.37	88.48
		379.76	**387.83**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	200.00	316.99
(ii) Lease liabilities	14A	18.78	6.38
(iii) Trade payables:	15		
(a) Total outstanding dues of micro enterprises and small enterprises		992.76	843.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,671.71	4,455.61
(iv) Other financial liabilities	12A	350.50	359.02
(b) Other current liabilities	16	683.60	543.42
(c) Provisions	13A	326.38	282.51
(d) Current tax liabilities (net)	17	157.55	129.50
		7,401.28	**6,937.09**
Total Equity and Liabilities (1+2+3)		**41,090.45**	**37,393.40**
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: 17th May, 2023
Place: Kraków, Poland

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: 17th May, 2023
Place: Mumbai

Statement of Profit and Loss

for the year ended 31st March, 2023

₹ in million

	Particulars	Note	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I	Revenue from operations	18	67,675.07	56,970.87
II	Other income	19	282.00	243.94
III	**Total income (I + II)**		**67,957.07**	**57,214.81**
IV	**Expenses:**			
	(a) Cost of materials consumed	20A	45,110.87	37,451.79
	(b) Purchases of stock-in-trade (traded goods)	20B	639.13	540.73
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	20C	(423.96)	(409.26)
	(d) Employee benefits expense	21	3,241.77	2,903.13
	(e) Finance costs	22	42.70	18.20
	(f) Depreciation and amortisation expense	3	2,407.08	2,037.38
	(g) Other expenses	23	11,314.92	9,197.90
	Total expenses (IV)		**62,332.51**	**51,739.87**
V	**Profit before exceptional items and tax (III-IV)**		**5,624.56**	**5,474.94**
VI	Exceptional items	41	102.85	314.50
VII	**Profit before tax (V-VI)**		5,521.71	5,160.44
VIII	**Tax expense:**			
	(a) Current tax expense		1,413.95	1,365.88
	(b) Deferred tax (credit) / charge		18.59	(22.87)
	Total tax expense	24	**1,432.54**	**1,343.01**
IX	**Profit for the year (VII - VIII)**		**4,089.17**	**3,817.43**
X	**Other comprehensive income**			
	(a) Item that will not be reclassified to profit and loss in subsequent years			
	- Remeasurements of defined benefit plan		(20.78)	16.65
	Income-tax effect		5.23	(4.19)
	- Changes in fair valuation of FVOCI equity investments		60.23	-
	Income-tax effect		(13.78)	-
	Total other comprehensive income for the year		**30.90**	**12.46**
XI	**Total comprehensive income for the year (IX + X)**		**4,120.07**	**3,829.89**
XII	Basic and diluted earnings per equity share (₹) (Face value per equity share ₹ 10)		29.07	27.14
	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: 17th May, 2023
Place: Kraków, Poland

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: 17th May, 2023
Place: Mumbai

Statement of Changes in Equity

for the year ended 31st March, 2023

A Equity share capital

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	1,406.63	1,406.63
Changes in Equity Share Capital during the year*	-	-
Balance at the end of the year	1,406.63	1,406.63

* There are no changes in share capital due to prior period errors.

B Changes in other equity

₹ in million

Particulars	Reserves and surplus			Other reserves	Total equity
	Securities premium	General reserve	Retained earnings	Equity instruments through other comprehensive income	
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/(loss) 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

₹ in million

Particulars	Reserves and surplus			Other reserves	Total equity
	Securities premium	General reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at 1st April, 2022	160.40	1,208.89	27,292.56	-	28,661.85
Profit for the year	-	-	4,089.17	-	4,089.17
Other comprehensive income/(loss) for the year, net of tax	-	-	(15.55)	46.45	30.90
Payment of dividend (Refer note 38)	-	-	(879.14)	-	(879.14)
Subtotal	**-**	**-**	**3,194.48**	**46.45**	**3,240.93**
Balance as at 31st March, 2023	160.40	1,208.89	30,487.04	46.45	31,902.78

There are no prior period errors during the current year and previous year.

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: 17th May, 2023
Place: Kraków, Poland

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: 17th May, 2023
Place: Mumbai

Cash flow statement

for the year ended 31st March, 2023

₹ in million

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A	**Cash flow from operating activities**		
	Profit before tax	5,521.71	5,160.44
	Adjustments for:		
	Depreciation and amortisation expense	2,407.08	2,037.38
	Income recognised as per EPCG scheme	(8.21)	-
	Finance costs	34.32	12.14
	Profit on sale of property, plant and equipment (net)	(58.96)	(36.92)
	Excess provision/creditors written back	(10.58)	(21.39)
	Unrealised exchange loss (net)	6.01	19.01
	Income from investments in mutual funds	(129.52)	(112.78)
	Interest income	(6.61)	(4.99)
	Operating profit before working capital changes	**7,755.24**	**7,052.89**
	Movement in working capital		
	Adjustments for (increase)/decrease in operating assets		
	Inventories	(622.43)	(371.46)
	Trade receivables	(476.84)	118.50
	Other financial assets	561.95	123.70
	Other assets	(114.78)	(12.79)
	Adjustments for increase/(decrease) in operating liabilities		
	Trade payables	362.51	59.94
	Provisions	(4.42)	(121.17)
	Other current liabilities	148.39	30.69
	Other financial liabilities	10.63	17.80
	Cash generated from operating activities	**7,620.25**	**6,898.10**
	Direct taxes paid (net of refunds)	(1,386.00)	(1,408.86)
	Net cash generated from operating activities	**6,234.25**	**5,489.24**
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)	(3,913.79)	(3,575.60)
	Proceeds from sale of property, plant and equipment	106.16	64.12
	Investment in subsidiaries	(1,350.00)	-
	Transaction cost related to investment in subsidiaries	(6.18)	
	Investment in equity shares	(182.66)	-
	(Investments in) /redemption of mutual funds, net	(454.65)	(282.46)
	Increase in other bank balances	(0.06)	(0.04)
	Interest received	7.10	4.48
	Net cash used in investing activities	**(5,794.08)**	**(3,789.50)**

Cash flow statement (Contd.)

for the year ended 31st March, 2023

₹ in million

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C	**Cash flow from financing activities**		
	Repayments of short term borrowings (net)	(116.90)	(146.48)
	Dividend paid	(879.08)	(843.94)
	Finance costs paid	(35.82)	(13.12)
	Payment of principal portion of lease liability	(12.51)	(7.74)
	Net cash used in financing activities	**(1,044.31)**	**(1,011.28)**
	Net increase/(decrease) in cash and cash equivalents	**(604.14)**	**688.46**
	Cash and cash equivalents at the beginning of the year	1,031.00	342.54
	Cash and cash equivalents at the end of the year	426.86	1,031.00
	Net increase/(decrease) in cash and cash equivalents	**(604.14)**	**688.46**

Significant accounting policies 2

See accompanying notes forming part of the financial statements.

Notes:

1 Figures in brackets represent outflows.

2 Previous year figures have been regrouped, wherever necessary, to conform to current year's presentation.

3 Refer note 40 for change in financial liabilities arising from financing activities.

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: 17th May, 2023
Place: Kraków, Poland

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: 17th May, 2023
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, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 17th May, 2023.

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 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.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.03 Use of estimates and assumptions

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Estimates

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, defined benefit plan and impairment of non current investments.

(i) 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.

(ii) Defined benefit plan

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected

Notes forming part of financial statements

future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 29.

(iii) Impairment of non-current investments (other than financial assets)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget approved by the senior management and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

2.04 Revenue from contract with customer

Revenue is recognized when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. The timing of when the Company transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Company based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer. Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

Generally, the normal credit period is 30 to 60 days upon delivery for customers in India and 30 to 120 days for overseas customers. The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, discounts etc.), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is 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.

Notes forming part of financial statements

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 received. 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 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.

Notes forming part of financial statements

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 capitalised as part of the cost of 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 costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. 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 Remission of Duties and Taxes on Export Product (RODTEP) scheme and Duty Drawback are recognized on accrual basis in the year of export.

3. Government grant in respect of loan

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

2.09 Employee benefits

1. Defined contribution plan:

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

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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 using the projected unit credit method at the reporting date. The Company has taken a Company 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.

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

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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

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost of acquisition or construction where cost includes amount added/ deducted on revaluation less accumulated depreciation / amortization and impairment 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.

iv) Renewable energy equipments - 22 Years

The residual values, useful life and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

2.12 Intangible Assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, 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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon 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.

2.13 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 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

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of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Company estimates the following provision matrix at the reporting date:

	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortized cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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.

c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Financial instruments

Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (2.04) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

(i) Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are

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recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets. For more information on receivables, refer to Note 8.

(ii) Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

(iii) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

(iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised in the statement of profit and loss when the right of payment has been established.

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 and fees or costs that are an integral part of the EIR.

Equity instruments

All equity instruments in scope of Ind AS 109, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the 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 done 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 group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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

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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

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

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.

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.

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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/ equity shares - are valued at net asset value declared by Association of Mutual Funds in India (AMFI) at the reporting date/ share market price.

2) Derivatives (recurring fair value measurement) - at values determined by counter parties / banks using market observable data.

2.22 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.

2.23 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.

2.24 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders. A corresponding amount is recognized directly in equity.

2.25 Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represent the revenue, total expenses and the net profit of the sole reportable segment.

2.26 Provisions and contingent liabilities

A provision is 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

Notes forming part of financial statements

sheet date and 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.

The initial estimate of warranty related cost is revised at each balance sheet date.

2.27 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, income recognition is postponed to the extent income is reasonably certain and can be reliably measured.

2.28 Changes in accounting policies and disclosures

New and amended standards

Several amendments and interpretations apply for the first time in March 2023, but do not have a material impact on the Standalone Financial statements of the Company.

Ministry of Corporate Affairs ("MCA") have notified certain amendements to the existing standards and certain interpretations are applicable for the first time from April 01, 2023. These amendements/ interpretations will not have any material impact on the standalone financial statements of the Company.

Notes forming part of financial statements

3 Property, plant and equipment

₹ in million

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	As at 1st April, 2022	Additions during the year	Deductions during the year	As at 31st March, 2023	Up to 1st April, 2022	For the year	Deductions during the year	Up to 31st March, 2023	As at 31st March, 2023
	(a)	(b)	(c)	(d=a+b-c)	(e)	(f)	(g)	(h=e+f-g)	(i=d-h)
(I) TANGIBLE ASSETS (at cost)									
Freehold land	150.20	-	-	150.20	-	-	-	-	150.20
	(150.20)	-	-	(150.20)	-	-	-	-	(150.20)
Buildings	4,137.31	242.50	7.62	4,372.19	699.01	154.30	2.80	850.51	3,521.68
	(3,630.19)	(507.33)	(0.21)	(4,137.31)	(563.60)	(135.47)	(0.06)	(699.01)	(3,438.30)
Plant and equipment	18,254.00	2,951.85	1,012.61	20,193.24	9,242.85	2,007.88	980.01	10,270.72	9,922.52
	(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)
Renewable energy generators	105.99	80.67	12.99	173.67	64.63	5.37	12.99	57.01	116.66
	(67.79)	(38.20)	-	(105.99)	(63.65)	(0.98)	-	(64.63)	(41.36)
Computers	239.53	49.57	4.00	285.10	174.21	34.98	4.00	205.19	79.91
	(185.01)	(57.06)	(2.54)	(239.53)	(153.69)	(23.04)	(2.52)	(174.21)	(65.32)
Electrical fittings	119.39	13.21	0.58	132.02	54.25	11.72	0.58	65.39	66.63
	(107.12)	(12.64)	(0.37)	(119.39)	(43.49)	(11.06)	(0.30)	(54.25)	(65.14)
Vehicles	209.03	60.74	30.52	239.25	118.85	30.11	21.47	127.49	111.76
	(218.40)	(14.01)	(23.38)	(209.03)	(105.10)	(28.92)	(15.17)	(118.85)	(90.18)
Furniture and fixtures	182.10	25.52	1.84	205.78	98.49	15.62	1.77	112.34	93.44
	(179.12)	(9.50)	(6.52)	(182.10)	(89.41)	(15.41)	(6.33)	(98.49)	(83.61)
Office equipments	193.86	30.28	3.03	221.11	141.74	25.52	2.92	164.34	56.77
	(182.39)	(15.66)	(4.19)	(193.86)	(122.14)	(23.69)	(4.09)	(141.74)	(52.12)
Total - I	**23,591.41**	**3,454.34**	**1,073.19**	**25,972.56**	**10,594.03**	**2,285.50**	**1,026.54**	**11,852.99**	**14,119.57**
Previous year as at 31st March, 2022	**(20,817.53)**	**(3,429.35)**	**(655.47)**	**(23,591.41)**	**(9,270.14)**	**(1,945.66)**	**(621.77)**	**(10,594.03)**	**(12,997.38)**

Notes forming part of financial statements

₹ in million

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	As at 1st April, 2022	Additions during the year	Deductions during the year	As at 31st March, 2023	Up to 1st April, 2022	For the year	Deductions during the year	Up to 31st March, 2023	As at 31st March, 2023
	(a)	(b)	(c)	(d=a+b-c)	(e)	(f)	(g)	(h=e+f-g)	(i=d-h)
(II) Right of use assets									
Land	2,139.99	-	0.32	2,139.67	75.71	26.10	0.31	101.50	2,038.17
	(2,157.19)		(17.20)	(2,139.99)	(49.44)	(26.27)	-	(75.71)	(2,064.28)
Buildings	45.79	83.96	-	129.75	23.53	15.43	-	38.96	90.79
	(43.57)	(2.22)	-	(45.79)	(15.04)	(8.49)	-	(23.53)	(22.26)
Total - II	**2,185.78**	**83.96**	**0.32**	**2,269.42**	**99.24**	**41.53**	**0.31**	**140.46**	**2,128.96**
Previous year as at 31st March, 2022	**(2,200.76)**	**(2.22)**	**(17.20)**	**(2,185.78)**	**(64.48)**	**(34.76)**	**-**	**(99.24)**	**(2,086.54)**
Total - (I+II)	**25,777.19**	**3,538.30**	**1,073.51**	**28,241.98**	**10,693.27**	**2,327.03**	**1,026.85**	**11,993.45**	**16,248.54**
Previous year as at 31st March, 2022	**(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)**
(III) INTANGIBLE ASSETS (at cost)									
(Other than internally generated)									
Technical know-how	578.33	3.52	-	581.85	49.68	60.30	-	109.98	471.87
	(240.96)	(337.37)	-	(578.33)	(15.07)	(34.61)	-	(49.68)	(528.65)
Software	202.04	25.65	0.05	227.64	165.12	19.75	0.05	184.82	42.82
	(184.02)	(18.50)	(0.48)	(202.04)	(143.25)	(22.35)	(0.48)	(165.12)	(36.92)
Total - III	**780.37**	**29.17**	**0.05**	**809.49**	**214.80**	**80.05**	**0.05**	**294.80**	**514.70**
Previous year as at 31st March, 2022	**(424.98)**	**(355.87)**	**(0.48)**	**(780.37)**	**(158.32)**	**(56.96)**	**(0.48)**	**(214.80)**	**(565.57)**
Total - (I+II+III)	**26,557.56**	**3,567.47**	**1,073.56**	**29,051.47**	**10,908.07**	**2,407.08**	**1,026.90**	**12,288.25**	**16,763.24**
Previous year as at 31st March, 2022	**(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)**

Other Notes:

i) Freehold land includes land procured from Karnataka Industrial Areas Development Board (KIADB) on lease-cum-sale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years i.e. October 2023. 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

3A Capital work-in-progress

₹ in million

Particulars	Amounts in CWIP for a period of				
Aging as on 31st March, 2023	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	1,158.52	32.56	-	-	1,191.08
Projects temporarily suspended	-	-	-	-	-

₹ in million

Particulars	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	-	-	-	-	-

3A Intangible assets under development

₹ in million

Particulars	Amounts in Intangible assets under development for a period of				
Aging as on 31st March, 2023	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	74.07	49.69	-	-	123.76
Projects temporarily suspended	-	-	-	-	-

₹ in million

Particulars	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	-	-	-	-	-

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) For CWIP and Intangible assets under development, there are no projects whose completion date is overdue or its cost exceeded as compared to its original plan for the year ended at 31st March, 2023.

4 Investments in subsidiaries

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in equity shares (all fully paid, measured at cost, unquoted):		
Endurance GmbH (Refer note 25a)	1,930.62	1,930.62
Endurance Overseas Srl (Refer note 25b)	1,706.99	1,706.99
Maxwell Energy Systems Private Limited (Refer note 25c) [69,873 (Previous year Nil) equity shares of face value ₹1 each]	1,356.18	-
Total	**4,993.79**	**3,637.61**

Notes forming part of financial statements

4A Non-current investments

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
I Investments in equity shares (all fully paid, unquoted):		
a. Measured at fair value through Other Comprehensive Income (OCI)		
Watsun Infrabuild Pvt Ltd [145,201 (Previous year 145,201) equity shares of face value ₹ 10 each]	1.45	1.45
Marathwada Auto Cluster [10,000 (Previous year 10,000) shares of face value ₹ 100 each]	10.00	10.00
b. Measured at fair value through Statement of Profit and Loss		
TP Green Nature Limited (Refer note 26) [65,84,488 (Previous year Nil) equity shares of face value ₹ 10 each]	20.45	-
II Other investments (all fully paid, unquoted):		
Measured at amortised cost		
National Savings Certificates	0.04	0.04
III Investments in equity shares (all fully paid, quoted):		
a. Measured at fair value through Statement of Profit and Loss		
Indian Overseas Bank [2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]	0.05	0.04
b. Measured at fair value through Other Comprehensive Income (OCI)		
Pierer Mobility AG (Refer note 27) [31,654 (Previous year Nil) equity shares]	222.43	-
Total Investments (I+II+III)	**254.42**	**11.53**

4B Current investments

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investment in mutual funds, measured at fair value through profit or loss (Quoted, fully paid)		
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	378.54	239.38
14,543,498.154 units(Previous year 9,736,027.729 units)		
ICICI Prudential Overnight Fund - Direct Plan - Growth	-	60.00
Nil (Previous year 523,552.307 units)		
HDFC Corporate Bond Fund - Direct Plan - Growth	274.66	263.34
9,944,428.346 units (Previous year 9,944,428.346 units)		
SBI Magnum Gilt Fund - Direct Growth	66.37	62.50
1,148,912.216 units (Previous year 1,148,912.216 units)		
SBI Magnum Ultra Short Duration Fund - Direct Growth	-	253.65
Nil units (Previous year 51,795.666 units)		
SBI Banking and PSU Fund - Direct Growth	94.61	90.96
34,093.171 units (Previous year 34,093.171 units)		
SBI Corporate Bond Fund - Direct Plan Growth	94.89	90.96
7,120,685.853 units (Previous year 7,120,685.853 units)		
IDFC Low Duration Fund - Growth Direct Plan	217.52	206.99
6,496,810.517 units (Previous year 6,496,810.517 units)		
Bandhan Corporate Bond Fund - Direct Plan Growth	125.12	-
7,536,554.134 units (Previous year NIL units)		
UTI Overnight Fund - Growth Direct Plan	200.03	-
65,185.039 (Previous year Nil)		
Kotak Floating Rate fund - Growth Direct Plan	222.12	212.41
173,067.799 units (Previous year 173,067.799 units)		
Aditya Birla Sunlife Banking and PSU Debt Fund - Growth Direct Plan	176.23	168.34
553,166.818 units (Previous year 553,166.818 units)		
Aditya Birla Sunlife - Corporate Bond Fund - Growth Direct	125.14	-
1308,896.758 units (Previous year NIL units)		
Axis Banking and PSU Debt Fund - Direct Growth	169.39	161.87
74,010.823 units (Previous year 74,010.823 units)		
IDFC Cash fund - Growth - Direct Plan	-	60.01
Nil (Previous year 23,341.53 units)		
Kotak Overnight Fund - Growth Direct Plan	-	62.50
Nil (Previous year 55,127.206 units)		
Kotak Corporate Bond - Direct Growth	125.13	-
38,194.464 units (Previous year Nil)		
UTI Corporate Bond Fund - Direct Plan	168.80	161.59
12,056,305.793 units (Previous year 12,056,305.793 units)		
DSP Liquidity Fund - Direct Plan	240.12	-
74,635.618 units (Previous year NIL units)		
Total	**2,678.67**	**2,094.50**

5 Other non-current financial assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits	93.52	85.17
Sales tax receivable	3.08	3.08
Total	**96.60**	**88.25**

5A Loans

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans to employees	14.76	11.03
Total	**14.76**	**11.03**

Notes forming part of financial statements

5B Other current financial assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Interest accrued on deposits	0.03	0.52
(b) Receivable for sale of property, plant and equipment	6.02	6.55
(c) Foreign currency derivative assets	1.99	0.54
(d) Government incentives receivables	1,044.79	1,612.11
(e) Export incentive (RODTEP, Duty drawback)	7.39	6.53
(f) Others	1.92	9.49
Total	**1,062.14**	**1,635.74**

6 Other non-current assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Capital advances	221.59	266.23
(b) Prepayments	60.57	17.60
(c) Income tax paid in advance less provision	23.80	23.70
(d) Deposit under protest [Refer note 28 (a)]	-	20.85
(e) Income tax deposited under protest	84.15	84.15
Total	**390.11**	**412.53**

6A Other current assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Advances for supplies	212.03	125.20
(b) Prepayments	89.00	78.55
(c) Others[1]	5.17	9.79
Total	**306.20**	**213.54**

[1] Includes amount of ₹ 0.89 million (Previous year ₹ 0.81 million) paid to various regulatory authorities under protest.

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

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Raw materials and components	1,154.11	1,017.98
(b) Work-in-progress	1,103.63	926.76
(c) Finished goods (other than those acquired for trading)	1,460.46	1,230.60
(d) Stock-in-trade (acquired for trading)	123.32	106.09
(e) Stores, spares and packing material	385.86	348.89
(f) Loose tools and instruments	61.84	36.47
Total	**4,289.22**	**3,666.79**

Notes forming part of financial statements

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Included above, Goods-in-transit in respect to		
(i) Raw materials and components	110.94	277.28
(ii) Finished goods (Other than those acquired for trading)	316.04	323.75
Total	**426.98**	**601.03**

8 Trade receivables

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured:		
i) Considered good	8,488.03	8,010.88
ii) Credit impaired	1.27	1.27
Less: Allowance for credit impaired	(1.27)	(1.27)
Total	**8,488.03**	**8,010.88**

Ageing schedule:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	Between 6 months - 1 year	Between 1 - 2 years	Between 2 - 3 years	More than 3 years	
31st March, 2023						
i) Undisputed Trade receivables considered good	8,470.77	5.93	9.52	1.54	0.27	8,488.03
ii) Undisputed 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	**8,470.77**	**5.93**	**9.52**	**1.54**	**1.54**	**8,489.30**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	Between 6 months - 1 year	Between 1 - 2 years	Between 2 - 3 years	More than 3 years	
31st March, 2022						
i) Undisputed Trade receivables considered good	8,009.43	0.79	0.58	0.04	0.04	8,010.88
ii) Undisputed 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

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 ₹6.70 million (previous year ₹4.45 million) due from the Company's subsidiary Endurance Adler S.p.A. For terms and conditions relating to related party receivables, refer Note 34.

9 Cash and cash equivalents

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Cash on hand	0.08	0.52
(b) Balances with banks:		
i) In current accounts	426.78	280.48
ii) In deposit accounts - with original maturity of less than three months	-	750.00
Total	**426.86**	**1,031.00**

9A Other bank balances

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other bank balances (in earmarked accounts)		
(i) In current account for equity dividend	0.36	0.30
(ii) Balance held as margin money against letters of credit*	0.12	0.12
Total	**0.48**	**0.42**

* 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.

10 Share Capital

₹ in million

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	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**

Notes forming part of financial statements

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, 2023		As at 31st March, 2022	
	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
Changes during the year	-	-	-	-
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 promoters in the Company are as follows:

Particulars	No. of shares as at 31st March, 2023	%	No. of shares as at 31st March, 2022	%
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, 2023	%	No. of shares as at 31st March, 2022	%
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.

Notes forming part of financial statements

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, 2023	As at 31st March, 2022
Reserves and surplus		
(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 (refer note (iii) below)		
Balance at the beginning of the year	27,292.56	24,306.65
Profit for the year	4,089.17	3,817.43
Remeasurements of defined benefit plans, net of tax	(15.55)	12.46
Dividend including interim dividend (Refer note 38)	(879.14)	(843.98)
Balance at the end of the year	**30,487.04**	**27,292.56**
Other reserves		
(a) Equity instruments through other comprehensive income (refer note (iv) below)		
Balance at the beginning of the year	-	-
Fair valuation gain for the year (net of tax)	46.45	-
Balance at the end of the year	**46.45**	**-**
Total	**31,902.78**	**28,661.85**

(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.

(iii) Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

(iv) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity. The Company may transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

11 Non current lease liabilities

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Right of use lease liability (Refer note 11.01 & 40)	78.72	19.67
	78.72	**19.67**

Notes forming part of financial statements

11.01 Maturity profile

₹ in million

Particulars	As at 31st March, 2023	Total
Current maturities		
2023-24	18.78	18.78
Non-current maturities		
2024-25	20.59	20.59
2025-26	20.99	20.99
2026-27 to 2028-29	37.14	37.14
Total	**78.72**	**78.72**

₹ in million

Particulars	As at 31st March, 2022	Total
Current maturities		
2022-23	9.69	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, 2023	As at 31st March, 2022
(a) Security deposits received from dealers	94.07	58.96
(b) Retention money payable	23.93	48.41
(c) Deferred payable for technical knowhow	122.67	172.31
Total	**240.67**	**279.68**

12A Other current financial liabilities

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Interest accrued but not due on borrowings	-	0.90
(b) Foreign currency derivative liabilities	28.63	33.99
(c) Unpaid equity dividend*	0.36	0.30
(d) Payables on purchase of property, plant and equipment	321.51	323.83
Total	**350.50**	**359.02**

* There are no amounts that are required to be credited to Investor Education and Protection Fund as on 31st March 2023 and 31st March 2022

Notes forming part of financial statements

13 Non-current provisions

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Provision for employee benefits:		
Provision for gratuity (Refer note 29)	33.53	63.25
(b) Provision for others:		
Provision for warranty (Refer note 13A.01)	26.84	25.23
Total	**60.37**	**88.48**

13A Current provisions

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Provision for employee benefits:		
i) Provision for compensated absences	118.54	111.36
ii) Provision for gratuity (Refer note 29)	149.74	115.96
(b) Provision for others:		
i) Provision for warranty (Refer note 13A.01)	58.10	55.19
Total	**326.38**	**282.51**

13A.01 Details of provision for warranty (Refer note 13 (b) and 13A (b))

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Carrying amount as at 1st April	80.42	73.13
Provision made during the year	88.69	55.86
Discounting/unwinding effect	(0.79)	(0.78)
Amount paid/utilised during the year	(83.38)	(47.79)
Carrying amount as at 31st March	84.94	80.42

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, 2023	As at 31st March, 2022
Measured at amortised cost		
A. Secured borrowings (Refer note 14.01)		
a) Packing credit loans from banks:	-	313.68
Total secured borrowings (A)	**-**	**313.68**
B. Unsecured borrowings		
a) Packing credit loans from banks:	200.00	-
b) Current maturities of long term debt	-	3.31
Total (A+B)	**200.00**	**316.99**

Notes forming part of financial statements

14.01 Details of security provided in respect of current borrowings

Fund based unsecured working capital facilities outstanding from a bank as on March 31, 2023 is ₹ 200.00 million

In previous year, the Company availed working capital facilities of ₹ 313.68 million from consortium member bank on secured basis. Subsequently, in January 2023, the charge created on the Company's assets (Immovable and movable) in favour of a consortium of lenders was released, and the consortium banking arrangement was disbanded. Prior to that, the working capital facilities sanctioned by the consortium member banks were 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 FY2022-23 carries interest rate linked to SOFR rates with mutually agreed spread [effective interest rate is in the range of 1.24% p.a. to 4.38% p.a.(previous year around 1% p.a.)] .

Short term rupee denominated borrowings carry interest cost linked to MCLR with mutually agreed spread [effective interest rate ranges from 2.65 % p.a. to 8.60 % p.a. (previous year 1.7 % p.a. to 7 % 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 of the Company.

In quarterly returns and statements submitted to the banks, the Company has considered:

a) Trade payables excluding provision for expenses, payables to the Government authorities, other payables and netted off advances received from vendors and current account balances.

b) Trade receivables excluding related party receivables and net off advance received from customers and security deposits.

14A Current lease liabilities

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Right of use lease liability (Refer note 11.01 & 40)	18.78	6.38
	18.78	**6.38**

15 Trade payables

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payable for goods and services		
i) Total outstanding dues of micro enterprises and small enterprises (Refer note 30)	992.76	843.66
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,671.71	4,455.61
Total	**5,664.47**	**5,299.27**

Notes forming part of financial statements

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, 2023					
i) Total outstanding dues of micro enterprises and small enterprises ('MSME')	992.76	-	-	-	992.76
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,474.15	183.60	13.96	-	4,671.71
iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**5,466.91**	**183.60**	**13.96**	**-**	**5,664.47**

₹ 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) Total outstanding dues of micro enterprises and small enterprises ('MSME')	842.74	-	-	-	842.74
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,112.50	343.11	-	-	4,455.61
iii) Disputed dues of micro enterprises and small enterprises	-	0.92	-	-	0.92
iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**4,955.24**	**344.03**	**-**	**-**	**5,299.27**

Note i) Trade payables include ₹ 0.26 million (previous year ₹ Nil) due to the Company's subsidiary Endurance Adler S.p.A. For terms and conditions relating to related party receivables, refer Note 34.

16 Other current liabilities

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Advances received from customers	141.41	77.57
(b) Income received in advance	5.78	6.23
(c) EPCG deferred payable	-	8.21
(d) Statutory remittances (contributions to PF, ESIC, Withholding taxes, Goods and Service tax etc.)	536.41	451.41
Total	**683.60**	**543.42**

17 Current tax liabilities (net)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Provision for income tax (net of advance taxes and taxes deducted at source)	157.55	129.50
Total	**157.55**	**129.50**

Notes forming part of financial statements

17A Deferred tax assets

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(124.39)	(129.61)
Fair valuation of investment in mutual funds	(35.38)	(15.17)
Fair valuation of equity investments	(13.78)	-
Others	-	(1.31)
Total	**(173.55)**	**(146.09)**
Deferred tax assets		
On account of temporary differences in		
Provision for employee benefits	95.97	93.14
Provision for doubtful debts	0.32	0.32
Expenses disallowed	88.10	89.90
Others	0.25	0.95
Total	**184.64**	**184.31**
Net deferred tax assets	**11.09**	**38.22**

18 Revenue from operations (Refer note 18.01)

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Revenue from contracts with customers	66,748.05	56,044.28
(b) Other operating revenue	927.02	926.59
Total	**67,675.07**	**56,970.87**

18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from contracts with customers		
i) Goods transferred at a point in time		
Sale of manufactured goods		
Shock absorbers	23,019.59	21,303.37
Disc brake assembly (including rotary disc)	7,716.89	5,711.92
Aluminium die casting parts	19,693.77	16,330.47
Alloy wheels	6,131.27	3,836.42
Clutch and clutch parts	4,156.18	4,029.65
Others	4,869.17	3,818.90
Total - (A)	**65,586.87**	**55,030.73**
Sale of traded goods		
Components and spares	959.89	816.78
Total - (B)	**959.89**	**816.78**
Total - (A+B)	**66,546.76**	**55,847.51**

Notes forming part of financial statements

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
ii) Services transferred over time		
Job work charges	201.29	196.77
Revenue from contracts with customers (i+ii)	**66,748.05**	**56,044.28**
Other operating revenue comprises:		
Scrap sales	232.69	192.37
Government incentives (Refer note 35 (a))	589.27	633.90
Wind power generation	4.94	4.55
Export incentives (Refer note 35 (b) & (c))	100.12	95.77
Total	**927.02**	**926.59**

18.02 Revenue from contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Outside India	2,139.76	2,264.80
India	64,608.29	53,779.48

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, 2023	For the year ended 31st March, 2022
Revenue as per contracted price	**67,112.65**	**56,374.79**
Adjustments:		
Discounts	364.60	330.51
Revenue from contracts with customers	**66,748.05**	**56,044.28**

19 Other income

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Interest income		
i) Bank deposits	1.47	0.62
ii) Others	5.14	4.37
(b) Other non operating income		
i) Excess provision/creditors' balances written back	10.58	21.39
ii) Income from investments in mutual funds*	129.52	112.79
iii) Profit on sale of property plant and equipment (net)	58.96	36.92
iv) Miscellaneous income	34.57	55.30
(c) Net gain on foreign currency transactions (other than considered as finance cost)	41.76	12.55
Total	**282.00**	**243.94**

* Includes gain on sale of investments ₹ 49.21 million (previous year ₹ 52.53 million) and gain on fair value changes ₹ 80.31 million (previous year ₹ 60.26 million).

Notes forming part of financial statements

20A Cost of materials consumed

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening stock (including goods in transit)	1,017.98	1,091.07
Add: Purchases	45,431.91	37,502.64
	46,449.89	**38,593.71**
Less: Closing stock (including goods in transit)	1,154.11	1,017.98
Cost of materials consumed	45,295.78	37,575.73
Cost of materials capitalised	(184.91)	(123.94)
Total	**45,110.87**	**37,451.79**
Material consumed comprises		
i) Aluminium alloy	14,835.92	10,217.97
ii) Others	30,459.86	27,357.76
Total	**45,295.78**	**37,575.73**

20B Purchases of stock-in-trade (traded goods)

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Components and spares	639.13	540.73
Total	**639.13**	**540.73**

20C Changes in inventories of finished goods, stock-in-trade and work-in-progress

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventories at the end of the year		
Finished goods	(1,460.46)	(1,230.60)
Work-in-progress	(1,103.63)	(926.76)
Stock-in-trade	(123.32)	(106.09)
Inventories at the beginning of the year		
Finished goods	1,230.60	981.25
Work-in-progress	926.76	789.64
Stock-in-trade	106.09	83.30
Net increase	**(423.96)**	**(409.26)**

21 Employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Salary, wages and bonus	2,908.76	2,599.34
(b) Contribution to provident and other funds (Refer note 29)	234.55	226.76
(c) Staff welfare expenses	98.46	77.03
Total	**3,241.77**	**2,903.13**

Notes forming part of financial statements

22 Finance costs

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Interest expenses on		
i) Borrowings	21.67	7.48
ii) Lease liability	4.34	2.26
iii) Others	8.31	2.40
(b) Other borrowing costs		
i) Bank charges	6.85	6.06
(c) Exchange difference regarded as an adjustment to borrowing cost	1.53	-
Total	**42.70**	**18.20**

23 Other expenses

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Stores and spares consumed	1,246.61	1,054.22
Packing material consumed	577.64	523.67
Tools and instruments consumed	257.52	187.46
Processing charges	1,762.39	1,518.73
Labour charges	1,593.16	1,231.80
Power, water and fuel	2,770.20	2,038.36
Rent	78.92	76.98
Repairs and maintenance:		
Plant and machinery	734.63	628.95
Building	54.96	40.80
General	236.11	202.23
Insurance	86.64	80.83
Rates and taxes	35.04	16.45
Travelling and conveyance	254.38	198.33
Freight	879.48	768.81
Advertisement	13.56	1.58
Payment to auditors (Refer note 23.01)	10.00	8.10
Directors fees and travelling expenses	27.11	19.02
Warranty claims	88.98	60.12
Expenditure on corporate social responsibility (Refer note 37)	110.00	111.10
Miscellaneous expenses	557.63	509.06
Total	**11,374.96**	**9,276.60**
Expenses capitalised	(60.04)	(78.70)
Total	**11,314.92**	**9,197.90**

Notes forming part of financial statements

23.01 Payment to auditors

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
As auditor		
Audit fee	9.27	8.00
Expenses reimbursed	0.73	0.10
Total	**10.00**	**8.10**

24 Taxes

Income tax expense

(i) Statement of Profit and Loss Section

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Current expenses	1,413.95	1,365.88
(b) Deferred tax charge / (credit)	18.59	(22.87)
Total	**1,432.54**	**1,343.01**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Net (loss)/ gain on remeasurement of defined benefit plan	(20.78)	16.65
(b) Income tax charged to OCI on remeasurement of defined benefit plan	5.23	(4.19)
(c) Net gain on fair valuation of investment in equity shares	60.23	-
(d) Income tax charged to OCI on fair valuation of investment in equity shares	(13.78)	-

(iii) Reconciliation of effective tax rate

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Accounting profit before income tax	5,521.71	5,160.44
(b) Enacted tax rate in India	25.17%	25.17%
(c) Computed tax expense	1,389.70	1,298.78
(d) Reconciliation items		
Investment allowance reversal	-	0.25
CSR expenditure & Donation	110.00	111.10
Adjustment to Property, plant and equipment balances on account of EPCG	23.28	22.32
Others	10.78	15.78
Depreciation on leasehold land	26.10	26.27
(e) Net adjustment	170.17	175.72
(f) Tax expense/ (saving) on net adjustment (e x b)	42.84	44.23
(g) Net tax expense recognised in Statement of Profit and Loss (c+f)	**1,432.54**	**1,343.01**

Notes forming part of financial statements

25 a) Endurance GmbH, Germany

The total investment of the Company in Endurance GmbH, Germany (a wholly owned subsidiary of the Company) as on 31st March, 2023 amounts to ₹ 1,930.62 million (Euro 30.93 million) [Previous year ₹ 1,930.62 million (Euro 30.93 million)]

b) Endurance Overseas Srl, Italy (EOSrl)

The total investment of the Company in EOSrl as at 31st March, 2023 amounts to ₹ 1,706.99 million (Euro 25.83 million) [Previous year ₹ 1,706.99 million (Euro 25.83 million)].

c) Maxwell Energy Systems Pvt Ltd

The Company executed a Share Subscription and Purchase Agreement dated 18th May, 2022 ('the Agreement') with Maxwell Energy Systems Private Limited ("Maxwell") and its shareholders for acquiring 100% of the equity share capital of Maxwell in a phased manner. Maxwell is engaged in manufacture of battery management systems (BMS) for electric vehicles. On 1st July, 2022 the Company acquired 51% stake in the equity share capital of Maxwell through a combination of primary issuance and secondary purchase and paid a consideration of ₹ 1,350.00 million. As a result, Maxwell became a subsidiary of the Company with effect from 1st July, 2022. Further, as per the Agreement, the balance 49% of the equity share capital of Maxwell will be purchased by the Company in five tranches spread over next five financial years. The consideration for each tranche will depend on Maxwell achieving certain financial targets as specified in the Agreement with a floor and cap on the total consideration payable for each tranche.

The investment value of ₹ 1,356.18 million includes consideration for shares of ₹ 1,350.00 million and stamp duty charges of ₹ 6.18 million.

26 TP Green Nature Limited

During the year, the Company has acquired 26% stake in TP Green Nature Limited by purchasing 65,84,488 equity shares for ₹ 65.84 million. TP Green Nature Limited is a special purpose vehicle incorporated by TATA Power Renewable Energy Limited and is engaged in the business of solar power generation. The purpose of investment is to purchase the electricity units for plants at Chakan and Waluj for captive consumption. Based on the terms of the Power Delivery Agreement with TP Green Nature Limited and the Share Holders' Agreement with Tata Power Renewable Energy Limited, the Company has classified this investment as financial instrument measured at fair value through statement of profit and loss.

27 Pierer Mobility AG, Austria

During the year, the Company executed a Share Purchase agreement with Pierer Konzerngesellschaft mbH, a shareholder of PIERER Mobility AG, Austria (' PMAG'), to purchase the equity shares of PMAG, worth of EUR 4 million in two equal tranches in financial year 2022-23 and 2023-24. PMAG is a European manufacturer of powered two wheelers and is listed on the Swiss stock exchange, Zurich.

In current financial year, the Company has invested in 31,654 equity shares (0.09% stake) in Pierer Mobility AG, Austria at a cost of ₹ 162.20 million (Euro 2.0 million) and has opted for irrevocable option of recognising fair value change through Other Comprehensive Income (OCI) as this is a startegic investment. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. The restated investment value as on 31st March, 2023 at ₹ 222.43 million and fair value gain for the year is ₹ 60.23 million.

Notes forming part of financial statements

28 Contingent liabilities and commitments

(a) Contingent liabilities (To the extent not provided for)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
i) Excise matters[1]	50.15	55.93
ii) Service tax matters[1]	1.37	1.36
iii) Income tax matters[1]	433.34	592.48
iv) Employees related matters[1]	0.80	0.50
v) Goods and Service Tax[3]	183.21	-
vi) Environment pollution control matters[2]	-	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 the Maharashtra Pollution Control Board, based on order passed by the Hon'ble National Green Tribunal (NGT). National Green Tribunal (NGT) disposed of the appeal in the current financial year, with the net demand of ₹ 18.96 Million. The compensation has been recognised in the profit and loss account as the Company is not pursuing for further appeal.

3 The Goods and Service Tax Department issued a demand notice (dated November 10, 2022) relating to the alleged availing of GST credit without receiving the goods processed from jobwork location during the period Jul 2017 to Mar 2018.

The company has submitted clarification to the Deputy Commissioner SGST Uttarakhand on 22nd November, 2022 against which order is awaited.

(b) Commitments

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	1,000.48	737.43
(ii) Other commitment		
- Aluminium alloy	3,746.70	5,650.47
- Investment in equity share of Maxwell Energy Systems Pvt Ltd [refer para 25 (c)]		
- Investment in shares of Pierer Mobility AG, Austria [refer para 27]		
Total	**4,747.18**	**6,387.90**

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, 2023	For the year ended 31st March, 2022
Employers contribution to provident fund/pension fund	146.55	134.79
Employers contribution to superannuation fund	17.47	17.24
Employers contribution to ESIC	1.33	1.65
Employers contribution to Labour welfare fund	0.18	0.17
Total	**165.53**	**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

(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, 2023	As at 31st March, 2022
Liability at the beginning of the year	678.82	656.86
Interest cost	45.98	39.47
Current service cost	57.28	59.51
Benefits paid*	(43.96)	(60.52)
Remeasurement (gain) / loss	20.07	(16.50)
Liability at the end of the year	**758.19**	**678.82**

*Includes amounts directly paid by the Company.

II Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fair value of plan assets at the beginning of the year	499.61	369.75
Interest income	36.43	26.57
Contributions	56.24	140.99
Benefits paid	(14.46)	(37.04)
Mortality Charges and Taxes	(2.20)	(0.49)
Return on plan assets - gain / (loss)	(0.71)	(0.16)
Fair value of plan assets at the end of the year	574.92	499.61
Actual return on plan assets	35.72	26.41

III Amount to be recognized in the Balance Sheet

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Liability at the end of the year	758.19	678.82
Fair value of plan assets at the end of the year	574.92	499.61
Amount to be recognized in Balance Sheet - Net liability	183.27	179.21

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, 2023	For the year ended 31st March, 2022
Current service cost	57.28	59.51
Interest cost	9.54	12.91
Mortality charges and taxes	2.20	0.49
Expenses recognized in Statement of Profit and Loss	69.02	72.91

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

V Remeasurement for the year

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Experience (gain)/ loss on plan liabilities	42.84	14.28
Financial (gain)/ loss on plan liabilities	(22.78)	(30.78)
Experience (gain)/ loss on plan assets	4.36	0.58
Financial (gain)/ loss on plan assets	(3.64)	(0.42)

VI Amount recognized in statement of other comprehensive income (OCI)

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening amount recognized in OCI	111.68	128.33
Remeasurement for the year - obligation (gain)/ loss	20.07	(16.50)
Remeasurement for the year - plan assets (gain)/ loss	0.71	0.15
Total remeasurement cost / (credit) for the year recognized in OCI	20.78	(16.65)
Closing amount recognized in OCI	132.46	111.68

VII Principal actuarial assumptions:

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Discount rate (i)	7.50%	7.00%
Rate of return on plan assets	7.00%	6.20%
Salary escalation rate (ii)	7.00%	7.00%
Withdrawal rate (iii)	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, 2023

₹ in million

Years ending	Amount
31st March, 2024	149.74
31st March, 2025	91.83
31st March, 2026	83.73
31st March, 2027	159.19
31st March, 2028	78.27
31st March, 2029 to 31st March, 2033	481.77

Notes forming part of financial statements

Expected benefit payments for the years ending, assessed on 31st March, 2023

₹ 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, 2033	401.55

(v) Weighted Average duration of defined benefit obligation: 9.67 years (Previous year 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, 2023 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	As at 31st March, 2023	As at 31st March, 2022	As at31st March, 2023	As at 31st March, 2022
Defined Benefit Obligation	716.27	638.94	805.08	723.59

₹ in million

B. Effect of 1 % change in the assumed salary escalation rate	1% Increase		1% Decrease	
	As at 31st March, 2023	As at 31st March, 2022	As at31st March, 2023	As at 31st March, 2022
Defined Benefit Obligation	798.02	716.92	721.83	644.13

₹ in million

C. Effect of 1 % change in the assumed withdrawal rate	1% Increase		1% Decrease	
	As at 31st March, 2023	As at 31st March, 2022	As at31st March, 2023	As at 31st March, 2022
Defined Benefit Obligation	759.06	678.43	757.23	679.23

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, 2023	As at 31st March, 2022
Principal amount due to micro and small enterprises	992.76	843.66
Interest due on above	-	0.41

The interest due as on 31st March, 2022 has been paid in current year. Further, no interest is due and paid during the year or was outstanding as on 31st March, 2023 as per MSMED Act 2006.

The information is required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

Notes forming part of financial statements

31 Earnings per share (EPS)

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a) Earnings for the purpose of basic / diluted earnings per share -		
Net profit after tax (₹ in million)	4,089.17	3,817.43
Earnings attributable to equity share holders (₹ in million)	4,089.17	3,817.43
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	29.07	27.14

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, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security Deposits	93.52	85.17	93.52	85.17
(b) Trade receivable	8,488.03	8,010.88	8,488.03	8,010.88
(c) Loans to employees	14.76	11.03	14.76	11.03
(d) Interest accrued on deposits	0.03	0.52	0.03	0.52
(e) Cash in hand	0.08	0.52	0.08	0.52
(f) Balance with banks in current account	427.14	1,030.78	427.14	1,030.78
(g) Balance held as Margin money against borrowings	0.12	0.12	0.12	0.12
(h) Receivable for sale of Property, plant and equipment	6.02	6.55	6.02	6.55
(i) Government incentives receivable	1,044.79	1,612.11	1,044.79	1,612.11
(j) Other financial assets	12.39	19.10	12.39	19.10
(k) 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	2,678.67	2,094.50	2,678.67	2,094.50
(b) Non current investments quoted	0.05	0.04	0.05	0.04
(c) Foreign currency derivative assets	1.99	0.54	1.99	0.54
(d) Other non current investments	20.45	-	20.45	-
Financial assets measured at fair value through Other Comprehensive Income (OCI)				
(a) Non current investments quoted	222.43	-	222.43	-
(b) Other non current investments	11.45	11.45	11.45	11.45

Notes forming part of financial statements

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current lease liabilities	78.72	19.67	78.72	19.67
(b) Current borrowing	200.00	316.99	200.00	316.99
(c) Security deposits received from dealers	94.07	58.96	94.07	58.96
(d) Retention money	23.93	48.41	23.93	48.41
(e) Current lease liabilities	18.78	6.38	18.78	6.38
(f) Interest accrued but not due on borrowings	-	0.90	-	0.90
(g) Payables on purchase of Property plant & equipment	321.51	323.83	321.51	323.83
(h) Trade payable	5,664.47	5,299.27	5,664.47	5,299.27
(i) Unpaid equity dividend	0.36	0.30	0.36	0.30
(j) Deferred payable for technical knowhow	122.67	172.31	122.67	172.31
Financial liabilities measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	28.63	33.99	28.63	33.99

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/share market prices. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds, equity shares 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.

Notes forming part of financial statements

(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, 2023 and 31st March, 2022.

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2023			
Investment in mutual funds	2,678.67	-	-
Investment in equity Instruments	222.48	-	-
Other non current investments	-	-	31.90
Foreign currency derivative assets	1.99	-	-
Foreign currency derivative liabilities	28.63	-	-
31st March, 2022			
Investment in mutual funds	2,094.50	-	-
Investment in equity Instruments	0.04	-	-
Other non current investments	-	-	11.45
Foreign currency derivative assets	0.54	-	-
Foreign currency derivative liabilities	33.99	-	-

During the year ended 31st March, 2023 and 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.

Notes forming part of financial statements

Debt-to-equity ratio is as follows:

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Net Debt (A)[1]	(2,808.03)	(2,782.46)
Equity (B)	33,309.41	30,068.48
Debt Ratio (A / B)	-0.1	-0.1

1 Net debt includes 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.

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.

Ageing of trade receivable is as given below:

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
31st March, 2023				
Estimated total gross carrying amount	5,272.80	3,203.90	12.60	8,489.30
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	5,272.80	3,203.90	11.33	8,488.03

Notes forming part of financial statements

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
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

*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, 2023	As at 31st March, 2022
Balance at the beginning and closing of the year	1.27	1.27
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-
Balance at the end of the year	1.27	1.27

Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 60% of total receivables as of 31st March, 2023 (70% 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, 2023		31st March, 2022	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	8,488.03	-	8,010.88	-
Total	**8,488.03**	**-**	**8,010.88**	**-**

Investments and other financial assets

Investments consist mainly of investments in equity of subsidiaries and other companies, 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

Notes forming part of financial statements

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, 2023		31st March, 2022	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	5,664.47	-	5,299.27	-
Other financial liabilities	350.50	240.67	359.02	279.68
Working capital demand loans	200.00	-	316.99	-
Right to use lease liabilities	18.78	78.72	6.38	19.67
Total	**6,233.75**	**319.39**	**5,981.66**	**299.35**

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, 2023	INR	+100	(2.00)	Debt obligation	200.00
	INR	-100	2.00	Debt obligation	200.00
31st March, 2022	INR	+100	(3.14)	Debt obligation	313.68
	INR	-100	3.14	Debt obligation	313.68

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.

Notes forming part of financial statements

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.

Details of Forward Exchange Contract

Particulars	Currency	As at 31st March, 2023		As at 31st March, 2022	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD - INR	USD	4.11	338.02	4.80	363.43
No. of Contracts		15		28	
Forward contract - JPY - INR	JPY	62.85	38.88	26.80	16.71
No. of Contracts		3		1	
Forward contract - EUR - INR	EURO	4.01	356.80	4.43	372.30
No. of Contracts		21		24	
Fixed currency swap 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, 2023		As at 31st March, 2022	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
I. Term loans /PCFC/ECB	USD	-	-	(1.28)	(96.98)
I. Trade receivables:	USD	1.49	122.75	1.92	145.35
	EURO	1.79	159.57	1.37	115.16
			282.32		**260.51**
II. Trade payable and capital creditors:	USD	(0.21)	(17.13)	(0.43)	(32.29)
	EURO	(0.34)	(30.48)	(0.36)	(30.29)
	GBP	(0.01)	(1.18)	(0.03)	(3.18)
	CNY	(0.06)	(0.71)	-	-
			(49.50)		**(65.76)**
Total	USD	1.28	105.62	0.21	16.08
	EURO	1.45	129.09	1.01	84.87
	GBP	(0.01)	(1.18)	(0.03)	(3.18)
	CNY	(0.06)	(0.71)	-	-

Notes forming part of financial statements

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, EURO, GBP, CHF, JPY and CNY exchange rates, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in million

For the year ended	Currency	Change in rate	Effect on profit before tax
31st March, 2023	USD	+10%	10.56
	USD	-10%	(10.56)
	EUR	+10%	12.91
	EUR	-10%	(12.91)
	GBP	+10%	(0.12)
	GBP	-10%	0.12
	CNY	+10%	(0.07)
	CNY	-10%	0.07
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

vi) 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 realisation of the grant income is reasonably certain.

The Company has recognized an amount of ₹ 589.27 million (previous year ₹ 594.89 million) as grant income under Mega Project scheme PSI 2013 for the year ended 31st March, 2023. In the previous year the Company had also recognized ₹ 39.01 million against balance related to PSI 2007 scheme for which sanction was received in March 2022.

(b) EPCG benefit:

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, 2023 is ₹ Nil million (previous year ₹ 49.27 million).

In accordance with Ind-AS 20, ₹ 8.21 million (previous year ₹ Nil million) is recognized as incentive received.

Notes forming part of financial statements

(c) Export Incentive:

The Company has recognized ₹18.07 million (previous year ₹ 18.34 million) as export incentive under RODTEP scheme for the year ended on 31st March,2023.

During the year, the Company also recognized ₹ 29.06 million (previous year ₹ 30.41 million) as export incentive under duty drawback scheme.

Further the Company also recognized ₹ 44.78 million (previous year ₹ 47.02 million) as incentive under advance authorisation licence scheme.

36 The capital and revenue expenditure incurred by the in-house R&D Units (hereinafter referred as "R&D Centre") are as under:

i) Capital expenditure (Including CWIP)

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Test Track	0.29	1.50
Embedded Electronics	23.51	-
Driveshaft	13.03	32.78
E-93	35.10	2.97
B-1/3	1.39	0.64
K-226/2	7.22	24.54
K-226/1	19.89	4.33
Total	**100.43**	**66.76**

ii) Revenue expenditure

₹ in million

Particulars	Salaries / wages	Materials/ consumables/ spares /tools	Utilities	Any other expenditure directly relating to R & D
For the year ended 31st March, 2023				
Test Track	1.38	0.59	0.83	20.51
Embedded Electronics	-	-	0.02	0.32
Driveshaft	10.15	-	0.40	5.39
E-93	87.32	11.86	8.09	25.19
B-1/3	42.37	1.95	2.12	23.50
K-226/2	55.83	115.62	10.46	45.59
K-226/1	27.98	10.54	2.44	12.34
Total	**225.03**	**140.56**	**24.36**	**132.84**
For the year ended 31st March, 2022				
Test Track	1.63	1.03	1.24	10.30
Embedded Electronics	-	-	-	-
Driveshaft	3.74	0.02	-	1.68
E-93	89.13	11.77	6.64	20.06
B-1/3	34.88	0.55	1.70	20.92
K-226/2	48.77	107.75	7.77	52.89
K-226/1	30.49	11.22	2.68	15.72
Total	**208.64**	**132.34**	**20.03**	**121.57**

All the in-house R&D units except Test Track have been recognized by Department of Scientific and Industrial Research.

Notes forming part of financial statements

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 ₹ 110.26 million (previous year ₹ 111.11 million).

ii) The Company has contributed during the year ended 31st March, 2023 ₹ 110.00 million (Previous year ended 31st March, 2022 ₹ 111.10 million) to Sevak Trust and salary of CSR staff ₹ 2.67 million (Previous year ₹ 1.58 million).

₹ in million

Nature of expenditure	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sevak Trust has implemented following projects:		
i) Construction/acquisition of any asset	36.06	37.57
ii) On the purpose other than (i) above		
Village Development Project (VDP)	49.67	50.44
Vocational Training Centre (VTC)	24.07	11.45
General activities	-	1.64
Balwadi	0.20	0.10
iii) Covid 19 Pandemic	-	9.90
Total paid to Sevak Trust	**110.00**	**111.10**
Salary of CSR staff (included in Employee benefits expense)	2.67	1.58
Total	**112.67**	**112.68**

iii) Below is the summary for the actual CSR spending 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)
2021-22	7.49	111.11	112.68	9.06
2022-23	9.06	110.26	112.67	11.47

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 event

On 17th May, 2023, the Board of Directors of the Company have proposed a dividend of ₹ 7 per equity share of face value ₹ 10 each in respect of the year ended 31st March, 2023. 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, 2022 was declared and paid at ₹ 6.25 per equity share of face value ₹ 10 each.

39 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.

Notes forming part of financial statements

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, 2023	For the year ended 31st March, 2022
As at 1st April	26.05	31.56
Additions	83.96	2.22
Accretion of interest	4.34	2.26
Payments	(16.85)	(9.99)
As at 31st March	97.50	26.05
Current	18.78	6.38
Non current	78.72	19.67

The maturity analysis of lease liability is disclosed in note 11.01

The effective interest rate for lease liabilities is 8.0% p.a. with maturity between 2022-2028

The following are the amounts recognized in the statement of profit or loss:

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation expense of right-of-use assets	15.43	8.49
Interest expense on lease liabilities	4.34	2.26
Total amount recognized in profit or loss	**19.77**	**10.75**

During the year the Company had total cash outflows for leases of ₹ 16.85 million (previous year ₹ 9.99 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 83.96 million (previous year ₹ 2.22 million)

41 Exceptional Items - During the current year, the Company announced a Voluntary Separation scheme (VSS) for its employees at its B-20 Chakan plant, Maharashtra. Fifty Six employees opted for the scheme. The company settled their dues on 30th June, 2022. The Company also paid ₹ 102.85 million as separation Compensation to the said employees on 30th June, 2022 which is disclosed as an exceptional item in the statement of profit and loss.

During the previous year, the Company had announced a Voluntary Separation Scheme (VSS) for its employees at its B-1/3 Chakan plant, Maharashtra. One hundred and seventy seven employees opted for the scheme. The Company settled the dues to employees 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.

42 Ratios to the financial statements are annexed.

43 Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Operating Segment' represents a single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2.

In accordance with Ind AS - 108, 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.

Notes forming part of financial statements

44 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

45 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	Nature of transaction	Balance outstanding as at 31.03.2023	Relationship, if any
Vision Facility Management Private Limited	No Transaction	0.17	None
Multitech System Industrial Automat	Purchase of spare parts	0.01	None

₹ in million

Name of the company	Nature of transaction	Balance outstanding as at 31.03.2022	Relationship, if any
Vision Facility Management Private Limited	Recovery of GST	0.17	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: 17th May, 2023
Place: Kraków, Poland

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: 17th May, 2023
Place: Mumbai

Notes forming part of financial statements

Related Party Disclosure

(For the year ended 31st March, 2023)

(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 Srl, Italy (Direct Subsidiary)
		Endurance SpA, Italy (Indirect Subsidiary)
		Endurance Engineering Srl, Italy (Indirect Subsidiary)
		Endurance Castings SpA, Italy (Indirect Subsidiary)
		Endurance Adler SpA, Italy (Indirect Subsidiary)
		Veicoli Srl, Italy (Indirect Subsidiary)
		Frenotecnica Srl, Italy (Indirect Subsidiary)
		New Fren Srl, Italy (Indirect Subsidiary)
		GDS Sarl, Tunisia (Indirect Subsidiary)
		Maxwell Energy Systems Private Limited, India (Direct Subsidiary)
3	Fellow Subsidiaries	None
4	Associates	None
5	Key Management Personnel	Mr. Soumendra Basu, Chairman
		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
		Mr. Partho Datta, Independent Director (upto 1st May, 2021)
		Mr. Roberto Testore, Independent Director
		Ms. Anjali Seth, Independent Director
		Mr. Indrajit Banerjee, Independent Director
		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) - Mother 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	None

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Notes forming part of financial statements

Related Party Disclosure

(For the year ended 31st March, 2023)

(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	Total
Purchase of raw material and components	1.11	-	-	1.11
	(1.61)	-	-	(1.61)
Purchase of Technical-Know How	115.16	-	-	115.16
	(116.16)	-	-	(116.16)
Sale of products	57.81	-	-	57.81
	(38.72)	-	-	(38.72)
Sale of Property, plant & equipment	8.68	-	-	8.68
	(2.37)	-	-	(2.37)
Sale of services	5.27	-	-	5.27
	(2.44)	-	-	(2.44)
Remuneration* - Short Term Employee Benefits	-	139.42	11.48	150.90
	-	(135.32)	(9.21)	(144.53)
Directors' Sitting Fees	-	2.82	-	2.82
	-	(3.21)	-	(3.21)
Directors' Commission	-	12.75	-	12.75
	-	(12.75)	-	(12.75)
Reimbursement of Travelling & Other Expenses	0.26	1.09	0.05	1.40
	-	(0.10)	(0.02)	(0.12)
Dividend Paid	-	^448.11	#211.25	659.36
	-	(430.18)	(202.80)	(632.98)
Interest Receipts	1.60	-	-	1.60
	(1.37)	-	-	(1.37)
Expenses Recovered	-	-	-	-
	-	**(0.00)	-	(0.00)
Balances Outstanding as at 31st March, 2023				
i) Other Payables	26.21	1.98	0.46	28.65
	(25.52)	(14.34)	(0.34)	(40.20)
ii) Trade Payables	0.26	-	-	0.26
	-	-	-	-
iii) Receivables	6.70	-	-	6.70
	(4.45)	-	-	(4.45)
iv) Investments	4,352.62	-	-	4,352.62
	(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, 2023 (31st March, 2022) 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 ₹ 176.88 million (₹ 169.80 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.

Includes ₹ 105.69 million (₹ 101.46 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 105.56 million (₹ 101.34 million) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.

** Transaction amount ₹ 780.

Notes forming part of financial statements

Related Party Disclosure

(For the year ended 31st March, 2023)

(Refer Note 34)

c) Disclosure in respect of material transactions with related parties (Previous year figures are in brackets)

₹ in million

Particulars	Maxwell Energy Systems Private Limited	Endurance GmbH, Germany	Endurance Overseas S.r.L., Italy	Endurance Adler S.p.A, Italy	Total
Purchase of raw material and components	-	-	-	1.11	1.11
	-	-	-	(1.61)	(1.61)
Purchase of Technical-Know How	-	-	115.16	-	115.16
	-	-	(116.16)	-	(116.16)
Sale of products	-	-	-	57.81	57.81
	-	-	-	(38.72)	(38.72)
Sale of Property, plant & equipment	-	-	-	8.68	8.68
	-	-	-	(2.37)	(2.37)
Sale of services	-	-	-	5.27	5.27
				(2.44)	(2.44)
Expenses reimbursed	-	-	-	0.26	0.26
	-	-	-	-	-
Interest Receipts	-	-	-	1.60	1.60
	-	-	-	(1.37)	(1.37)
Balances Outstanding as at 31st March, 2023					
i) Other Payables	-	-	26.21	-	26.21
As at 31st March, 2022	-	-	(25.52)	-	(25.52)
ii) Trade Payables	-	-	-	0.26	0.26
As at 31st March, 2022	-	-	-	-	-
iii) Receivables	-	-	-	6.70	6.70
As at 31st March, 2022	-	-	-	(4.45)	(4.45)
iv) Investments	715.01	1,930.62	1,706.99	-	4,352.62
As at 31st March, 2022	-	(1,930.62)	(1,706.99)	-	(3,637.61)

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes forming part of financial statements

Ratios to the financial statements (refer note 42):

#	Numerator Denominator	FY 2022-23 ₹ in million	Times/%	FY 2021-22 ₹ in million	Times/%	Change	% change	Reasons for change
(a)	Current Ratio							
	Current assets	17,266.36	2.3	16,663.90	2.4	-0.1	-4.2%	
	Current liabilities	7,401.28		6,937.09				
(b)	Debt-Equity Ratio							
	Net debt	(2,808.03)	-0.1	(2,782.46)	-0.1	0.0	0.0%	
	Shareholders' equity	33,309.41		30,068.48				
(c)	Debt Service Coverage Ratio							Movement is due to increase in finance cost in current year.
	Earnings available for debt service	6,532.10	119.6	5,866.95	268.8	-149.2	-55.5%	
	Debt service	54.63		21.83				
(d)	Return on Equity (ROE)							
	Net profit after taxes	4,089.17	12.9%	3,817.43	13.4%	-0.5%	-3.4%	
	Average shareholders' equity	31,688.95		28,575.53				
(e)	Inventory turnover ratio							
	Cost of goods sold	45,326.04	11.4	37,583.26	10.8	0.6	5.6%	
	Average inventory	3,978.01		3,481.06				
(f)	Trade Receivables turnover ratio							
	Net credit sales	66,985.68	8.1	56,241.20	7.0	1.1	15.7%	
	Average trade receivables	8,249.46		8,067.98				
(g)	Trade payables turnover ratio							
	Net credit purchases	46,071.05	8.4	38,043.36	7.2	1.2	16.7%	
	Average trade payables	5,481.87		5,283.84				
(h)	Net capital turnover ratio							
	Total income	67,957.07	6.9	57,214.81	5.9	1.0	16.9%	
	Working capital	9,865.08		9,726.81				
(i)	Net profit ratio							
	Net profit	4,089.17	6.0%	3,817.43	6.7%	-0.7%	-9.8%	
	Total income	67,957.07		57,214.81				
(j)	Return on Capital employed (ROCE)							
	Earnings before interest and taxes	5,557.56	17.4%	5,172.58	17.8%	-0.4%	-2.2%	
	Capital employed	32,009.22		28,994.51				
(k)	Return on investment							
	Total gain (realised and unrealised)		5.4%		6.0%	-0.6%	-9.5%	
	Average Investments							

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 excluding 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).
7 Return on investment includes return on current investments.

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") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2023, 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, 2023, 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 judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. 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.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Accounting for acquisition of Maxwell Energy Systems Private Limited (as described in Note 26c of the consolidated financial statements)	
During the year, Endurance Technologies Limited ('ETL') entered into the Share Subscription and Purchase Agreement dated May 18, 2022 ("SSPA") and the Shareholders' Agreement dated May 18, 2022 ('SHA') to acquire 100% equity stake in Maxwell Energy Systems Private Limited ("Maxwell") in six different tranches. On July 1, 2022 the Company acquired 51% stake in the equity share capital of Maxwell through a combination of primary issuance and secondary purchase and paid a consideration of ₹ 1,350 million. As a result, Maxwell became a subsidiary of the Company with effect from July 1, 2022. Further, the remaining stake will be acquired in five tranches over a period of five years for a consideration which is linked to achievement of certain performance parameters. Accounting for business combinations is complex and requires involvement of the Group's senior management in identification, valuation and recognition of assets acquired and liabilities assumed and also involves determining Goodwill. The accounting for the above business combination including the valuation criteria and judgements and estimates made have a significant impact on the consolidated financial statements for the year ended March 31, 2023 and for future years. Accordingly, the same is determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: • We read the SSPA and the SHA to obtain an understanding of the transaction and the key terms and conditions and assessed the accounting treatment by the management in line with the requirements of Ind AS 103 'Business Combinations'. • Obtained and read the report of Group's external specialist and also assessed the objectivity and independence of the specialist involved in the process. • We involved valuation specialist to assess the appropriateness of the methodology and assumptions applied by the management to determine the fair values of assets and liabilities acquired. • We reviewed the computation for liability towards acquisition of remaining stake and discussed the reasonableness of cash flows considered and the probability of achieving the performance parameters under the SSPA by Maxwell. • We tested the arithmetical accuracy of the models/computations. • We assessed the adequacy of disclosures in the consolidated financial statements.
Impairment testing of Goodwill pertaining to acquisition of Maxwell (as described in Note 25(a) of the consolidated financial statements)	
The Group's balance sheet includes ₹ 1,617.06 million of goodwill pertaining to Maxwell. The Group tested the above goodwill for impairment as at year end using discounted cash flow model wherein the CGU's recoverable amount was compared to the carrying value of the CGU's net assets (including such goodwill). The impairment testing model includes sensitivity testing of key assumptions, including operating margins, discount rate, terminal growth, etc. The impairment testing for goodwill involved significant judgements and estimates because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain in the case of Maxwell. Accordingly, the same is determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: • We obtained understating of the Group's process on assessment of impairment of goodwill and tested the design and operating effectiveness of the relevant controls over impairment assessment. • We evaluated the Group's valuation methodology applied in determining the recoverable amount. We also assessed the objectivity and independence of Group's external specialist involved in the process. • We involved valuation specialist, where necessary, to assist in assessing the appropriateness of the valuation model including the independent assessment of the underlying key assumptions relating to operating margins, discount rate and terminal growth. • We compared the cash flow forecasts used in impairment testing to approved budgets. • We tested the arithmetical accuracy of the models. • We assessed the adequacy of disclosures in the consolidated financial statements.

Independent Auditor's Report (Contd.)

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Governance report (but does not include the consolidated financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and the Board's Report, Business Responsibility and Sustainability Report (BRSR), Management Discussion and Analysis and Corporate Overview, 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Board's Report, Business Responsibility and Sustainability Report (BRSR), Management Discussion and Analysis and Corporate Overview, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated 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 their respective company(ies) 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 their respective companies 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 their respective companies.

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:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due

Independent Auditor's Report (Contd.)

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, 2023 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 ten subsidiaries whose financial statements include total assets of ₹ 30,370.78 million as at March 31, 2023, and total revenues of ₹ 20,468.10 million and net cash outflows of ₹ 593.61 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 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, there are no matters which require reporting as specified in paragraph 3 (xxi) of the Order.

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, 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors who are appointed under Section 139 of the Act of its subsidiary, none of the directors of the Group's companies incorporated in India, is disqualified as on March 31, 2023 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 company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiary incorporated in India where applicable to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

Independent Auditor's Report (Contd.)

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the 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 and its subsidiary, incorporated in India during the year ended March 31, 2023.

iv. a) The respective managements of the Holding Company and its subsidiary 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 or the subsidiary 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 or the subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary 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 or the subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or the subsidiary 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 notice that has caused us 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 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.

Independent Auditor's Report (Contd.)

As stated in note 38 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members of the Holding Company 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.

No dividend has been declared or paid during the year by the subsidiary company incorporated in India.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiary incorporated in India, hence reporting under this clause is not applicable.

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

per **Arvind Sethi**
Partner
Membership Number: 89802
UDIN: 23089802BGYPWC2211

Place of Signature: Kraków, Poland
Date: May 17, 2023

Annexure 1

To the Independent Auditor's Report of even date on the Consolidated 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")

In conjunction with our audit of the consolidated financial statements of Endurance Technologies Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Holding Company's internal financial controls with reference to consolidated 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, 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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

Annexure 1 (Contd.)

To the Independent Auditor's Report of even date on the Consolidated Financial Statements of Endurance Technologies Limted

evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 Group has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Holding 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: 23089802BGYPWC2211

Place of Signature: Kraków, Poland
Date: May 17, 2023

Consolidated Balance Sheet

as at 31st March, 2023

₹ in million

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	26,346.80	24,558.24
(b) Capital work-in-progress	3A	1,683.60	1,190.54
(c) Goodwill	25	3,900.18	1,756.84
(d) Other intangible assets	3	1,181.62	831.76
(e) Intangible assets under development	3A	25.33	2.61
(f) Financial assets			
(i) Investments	4	254.69	11.94
(ii) Other financial assets	5	109.40	93.13
(g) Deferred tax assets (net)	17A	719.79	751.39
(h) Other non-current assets	6	1,884.35	886.11
		36,105.76	**30,082.56**
2 Current assets			
(a) Inventories	7	8,205.83	7,011.40
(b) Financial assets			
(i) Investments	4A	6,463.70	4,855.90
(ii) Trade receivables	8	11,620.29	9,703.70
(iii) Cash and cash equivalents	9	2,876.61	4,025.99
(iv) Bank balances other than (iii) above	9A	0.48	0.42
(v) Loans	5A	16.54	37.16
(vi) Other financial assets	5B	1,135.46	1,852.82
(c) Current tax assets (net)	6A	782.06	449.91
(d) Other current assets	6B	817.80	556.29
		31,918.77	**28,493.59**
Total Assets (1+2)		**68,024.53**	**58,576.15**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	10	1,406.63	1,406.63
(b) Other equity	10A	42,714.66	37,793.30
Total equity		**44,121.29**	**39,199.93**
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	2,781.46	1,939.21
(ii) Lease liabilities	11A	187.28	159.84
(iii) Other financial liabilities	12	976.68	107.46
(b) Provisions	13	645.29	591.48
(c) Deferred tax liabilities (net)	17A	5.22	6.29
		4,595.93	**2,804.28**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	2,051.79	2,055.28
(ii) Lease liabilities	14.1	127.11	141.81
(iii) Trade payables	15		
(a) Total outstanding dues of micro enterprises and small enterprises		993.41	843.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,263.97	11,569.81
(iv) Other financial liabilities	12A	1,148.98	640.29
(b) Other current liabilities	16	1,237.15	854.05
(c) Provisions	13A	327.35	282.51
(d) Current tax liabilities (net)	17	157.55	184.53
		19,307.31	**16,571.94**
Total Equity and Liabilities (1+2+3)		**68,024.53**	**58,576.15**
Significant accounting policies	2		

See accompanying notes forming part of 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: 17th May, 2023
Place: Kraków, Poland

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: 17th May, 2023
Place: Mumbai

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

₹ in million

	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I	Revenue from operations	18	88,040.46	75,491.40
II	Other income	19	454.27	410.38
III	**Total income (I + II)**		**88,494.73**	**75,901.78**
IV	Expenses			
	(a) Cost of materials consumed	20A	53,201.90	44,284.25
	(b) Purchases of stock-in-trade (traded goods)	20B	1,039.72	863.81
	(c) Changes in stock of finished goods, stock-in-trade and work-in-progress	20C	(946.39)	(946.62)
	(d) Employee benefits expense	21	7,636.05	6,943.58
	(e) Finance costs	22	205.77	63.54
	(f) Depreciation and amortisation expense	3	4,215.80	3,817.26
	(g) Other expenses	23	16,746.52	14,700.00
	Total expenses (IV)		**82,099.37**	**69,725.82**
V	**Profit before exceptional items and tax (III - IV)**		**6,395.36**	**6,175.96**
VI	Exceptional items	40	102.85	314.50
VII	**Profit before tax (V - VI)**		**6,292.51**	**5,861.46**
VIII	Tax expense			
	Current tax expense		1,535.52	1,474.03
	Short/(excess) provision for tax relating to prior years		(32.66)	0.48
	Total current tax expense		1,502.86	1,474.51
	Deferred tax (credit)/charge		(6.10)	(220.14)
	Total tax expense	24	**1,496.76**	**1,254.37**
IX	**Profit for the year (VII - VIII)**		**4,795.75**	**4,607.09**
X	Other comprehensive income			
	Items that will not be reclassified to profit and loss in subsequent years			
	Remeasurements of defined benefit plans		5.39	18.69
	Income-tax effect		(1.97)	(4.76)
	Gain/(loss) on change in fair value of equity instruments		60.23	-
	Income-tax effect		(13.78)	-
	Total		**49.87**	**13.93**
	Items that will be reclassified to profit and loss in subsequent years			
	Exchange differences on translation of foreign operations		850.04	(329.00)
	Gains/(losses) on cash flow hedges		145.02	181.05
	Income-tax effect of cash flow hedges		(40.17)	(50.06)
	Total		**954.89**	**(198.01)**
	Total other comprehensive income/(loss) for the year		**1,004.76**	**(184.08)**
XI	**Total comprehensive income for the year (IX + X)**		**5,800.51**	**4,423.01**
XII	**Profit for the year attributable to:**			
	Equity holders of the parent		4,795.75	4,607.09
	Non controlling interest		-	-
	Total		**4,795.75**	**4,607.09**
XIII	**Total comprehensive income for the year attributable to:**			
	Equity holders of the parent		5,800.51	4,423.01
	Non controlling interest		-	-
	Total		**5,800.51**	**4,423.01**
XIV	Basic and diluted earnings per equity share (₹)	33	34.09	32.75
	(Face value per equity share ₹ 10)			
	Significant Accounting Policies	2		

See accompanying notes forming part of 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: 17th May, 2023
Place: Kraków, Poland

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: 17th May, 2023
Place: Mumbai

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

A Equity share capital

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	1,406.63	1,406.63
Changes in Equity Share Capital during the year*	-	-
Balance at the end of the year	1,406.63	1,406.63

* There are no changes in share capital due to prior period errors.

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	Equity instrument through other comprehensive income	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**

₹ in million

Particulars	Reserves and Surplus				Other Comprehensive Income			Equity attributable to shareholders of the Company	Total Equity
	Securities premium	General reserve	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve	Equity instrument through other comprehensive income	Cash Flow Hedge Reserve		
Balance as at 1st April, 2022	160.40	1,195.40	209.32	34,745.25	1,351.94	-	130.99	37,793.30	37,793.30
Profit for the year	-	-	-	4,795.75	-	-	-	4,795.75	4,795.75
Other comprehensive income/(loss) for the year, net of tax	-	-	-	3.42	839.41	46.45	115.47	1,004.75	1,004.75
Payment of dividend (Refer note 37)	-	-	-	(879.14)	-	-	-	(879.14)	(879.14)
Subtotal	**-**	**-**	**-**	**3,920.03**	**839.41**	**46.45**	**115.47**	**4,921.36**	**4,921.36**
Balance as at 31st March, 2023	**160.40**	**1,195.40**	**209.32**	**38,665.28**	**2,191.35**	**46.45**	**246.46**	**42,714.66**	**42,714.66**

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: 17th May, 2023
Place: Kraków, Poland

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: 17th May, 2023
Place: Mumbai

Consolidated Cash flow statement

for the year ended 31st March, 2023

₹ in million

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A	**Cash flow from operating activities**		
	Profit before tax	6,292.51	5,861.46
	Adjustments for:		
	Depreciation and amortisation expense	4,215.80	3,817.26
	Income recognised as per EPCG scheme	(8.21)	-
	Allowance for doubtful debts	19.51	1.04
	Bad debts written off	6.09	0.75
	Finance costs	196.36	56.89
	Excess provision/creditors written back	(12.63)	(21.67)
	Profit on sale of property, plant and equipment (net)	(68.94)	(47.23)
	Interest income	(20.36)	(4.04)
	Income from investments in mutual funds and other instruments	(143.55)	(162.51)
	Unrealised exchange (gain)/loss (net)	(7.39)	19.01
	Exchange difference arising on consolidation	414.84	(107.04)
	Operating profit before working capital changes	**10,884.03**	**9,413.92**
	Movement in working capital		
	Adjustments for (increase) / decrease in operating assets		
	Inventories	(946.08)	(892.91)
	Trade receivables	(1,740.59)	713.21
	Other financial assets	567.97	155.69
	Other assets	(177.52)	76.40
	Adjustments for increase / (decrease) in operating liabilities		
	Trade payables	1,684.57	(343.46)
	Provisions	14.01	(146.89)
	Other current liabilities	188.92	24.78
	Other financial liabilities	(6.53)	14.79
	Cash generated from operating activities	**10,468.78**	**9,015.53**
	Direct taxes paid (net of refunds)	(1,848.88)	(1,599.99)
	Net cash generated from operating activities	**8,619.90**	**7,415.54**
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)	(6,362.58)	(5,290.28)
	Proceeds on sale of property, plant and equipment	146.77	94.96
	(Increase)/Decrease in other bank balances	(0.06)	(0.04)
	Investment in equity shares	(178.74)	-
	Investment in mutual funds and other instruments, net	(1,567.25)	(262.03)
	Acquisition of subsidiaries (Refer note 26)	(1,205.82)	(58.79)
	Acquisition of non-controlling interest in subsidiary	-	(0.50)
	Interest received	20.80	3.53
	Net cash used in investing activities	**(9,146.88)**	**(5,513.15)**

Cash flow statement (Contd.)

for the year ended 31st March, 2023

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C Cash flow from financing activities		
Proceeds from long term borrowings	3,147.99	259.63
Repayments of long term borrowings	(2,720.10)	(1,710.51)
Repayments of short term borrowings (net)	(146.27)	(386.78)
Finance costs paid	(40.33)	(67.03)
Dividend paid	(879.08)	(843.94)
Payment of principal portion of lease liabilities	(80.97)	(271.32)
Net cash used in financing activities	**(718.76)**	**(3,019.95)**
Net decrease in cash and cash equivalents	**(1,245.74)**	**(1,117.56)**
Cash and cash equivalents taken over on acquisition (Refer note 26)	96.36	10.68
Adjusted net decrease in cash and cash equivalents	**(1,149.38)**	**(1,106.88)**
Cash and cash equivalents at the beginning of the year	4,025.99	5,132.87
Cash and cash equivalents at the end of the year	2,876.61	4,025.99
	(1,149.38)	**(1,106.88)**

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.

3 Refer note 11.03 for change in liabilities arising from financing activities.

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: 17th May, 2023
Place: Kraków, Poland

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: 17th May, 2023
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, braking products and battery management systems with operations spread across India, Italy, Germany and Tunisia.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is E-92, M.I.D.C. Industrial Area, Waluj, Aurangabad – 431136 (Maharashtra), India."

The financial statements for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 17th May, 2023.

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 to the consolidated financial statements.

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 2.26. 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.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

2.03 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes,

Notes forming part of consolidated financial statements

additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

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, 2023	As at 31st March, 2022
Endurance GmbH	Germany	100%	100%
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	Italy	100%	100%
Veicoli Srl (Refer note 26 a)	Italy	100%	100%
Frenotecnica Srl (Refer note 26 b)	Italy	100%	-
New Fren Srl (Refer note 26 d)	Italy	100%	-
GDS Sarl (Refer note 26 d)	Tunisia	100%	-
Maxwell Energy Systems Private Limited (Refer note 26 c)	India	51%	-

Notes forming part of consolidated financial statements

2.04 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises

Notes forming part of consolidated financial statements

Notes forming part of consolidated financial statements

the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.05 Use of estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Business combination:

In accounting for business combinations, judgement is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities assumed, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations. Refer para 26(c).

b. Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of Goodwill:

The Group tests whether goodwill has suffered any impairment at least on an annual basis irrespective of whether there is any indication of impairment. The recoverable amount of a cash generating unit (CGU) to which goodwill balance is allocated is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a period from 5 to 7 years and considering current economic conditions. Cash flows beyond that period are extrapolated using the estimated growth, consistent with industry forecasts. The growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. The key assumptions used to determine the recoverable amounts for the CGUs which have Goodwill amounts which are significant in comparison to the total carrying amount of goodwill, including a sensitivity analysis, are disclosed and further explained in note 25.

Defined benefit plan:

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 30.

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.

2.06 Revenue from contract with customer

Revenue is recognised when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Group expects to be entitled in exchange for those goods or services. The timing of when the Group transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Group based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their 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

Notes forming part of consolidated financial statements

Notes forming part of consolidated financial statements

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.

Revenue from sale of services

The Group provides product development and engineering sevices to its customers. Revenue from such services is accounted as and when such services are rendered.

Revenue from sale of licences

Revenue from sale of licences is recognised based on the terms of the contract with customer. Revenue from one time licence fees is recognised over the period of licence.

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. 2.18 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 received. 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.

2.07 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 estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy 2.16 (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.

2.08 Foreign Currency and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk, commodity price risk, and interest rate risk.

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 and Indian subsidiary 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.

2.09 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 capitalised as part of the cost of assets, until such

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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 costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.10 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 the nature of Remission of Duties and Taxes on Export Product (RODTEP) scheme and Duty Drawback 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.

2.11 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 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 Unit Credit 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.

2.12 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 tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

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.

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.

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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.

2.13 Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost of acquisition or construction where cost includes amount added/ deducted on revaluation less accumulated depreciation / amortization and impairment 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 Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

Depreciation on property, plant and equipment is provided at the rates determined on 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.

2.14 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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon 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 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,
- 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 3.

2.16 Impairment of financial and non financial assets

(i) Financial assets

The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Group estimates the following provision matrix at the reporting date:

	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where 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

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objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(ii) Non-financial assets

The Group assesses, at each reporting date, whether there is any indication that the carrying amount of non financial asset may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount, (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss. The Group bases its impairment calculation on budgets and forecast calculations.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

(iii) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the 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.

2.17 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.

c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Financial Instruments

(i) Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (2.06) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

(i) Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets. For more information on receivables, refer to Note 8.

(ii) Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

(iii) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held

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for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

(iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised in the statement of profit and loss when the right of payment has been established.

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 and fees or costs that are an integral part of the EIR.

Equity instruments

All equity instruments in scope of Ind AS 109, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is done 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.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets and financial liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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.

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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.

2.19 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.

2.20 Research and development expenses

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

2.21 Segment reporting

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

2.22 Cash flow statement

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

2.23 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.

2.24 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.

2.25 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.26 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other disclosures

1) There are no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.

2) The valuation techniques used above are consistent with all periods presented.

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.

Notes forming part of consolidated financial statements

2) Derivatives (recurring fair value measurement) - at values determined by counter parties / banks using market observable data.

3) Investments in bonds and other 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. The initial estimate of warranty related cost is revised at each balance sheet date.

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 Company recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, income recognition is postponed to the extent income is reasonably certain and can be reliably measured.

2.30 Changes in accounting policies and disclosures

New and amended standards

Several amendments and interpretations apply for the first time in March 2023, but do not have a material impact on the consolidated financial statements of the Group. Ministry of Corporate Affairs ("MCA") have notified certain amendements to the existing standards and certain interpretations are applicable for the first time from 1st April, 2023. These amendements/ interpretations will not have any material impact on the consolidated financial statements of the Group.

Notes forming part of consolidated financial statements

3 Property, plant and equipment and intangible assets

₹ in million

Particulars	Gross Block							Depreciation/Amortisation						Net Block
	As at 1st April, 2022	Adjustment (Refer note (ii) below)	Additions on Acquisition (Refer note 26)	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st March, 2023	As at 1st April, 2022	Adjustment (Refer note (ii) below)	For the year	Deductions during the year	Translation Adjustment	As at 31st March, 2023	As at 31st March, 2023
	(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)
(I) TANGIBLE ASSETS														
Freehold Land	874.90	-	-	68.45	-	48.19	991.54	-	-	-	-	-	-	991.54
	(889.45)	(3.71)	-	-	-	(-18.26)	(874.90)	-	-	-	-	-	-	(874.90)
Buildings	7,653.26	-	7.08	312.90	7.62	216.72	8,182.34	1,684.62	-	343.83	2.80	71.74	2,097.39	6,084.95
	(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)
Plant and equipments	33,333.81	-	68.89	4,239.43	1,127.24	990.41	37,505.30	18,636.04	-	3,250.93	1,065.26	642.34	21,464.05	16,041.25
	(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)
Renewable energy generators	105.99	-	-	80.67	12.99	-	173.67	64.63	-	5.37	12.99	-	57.01	116.66
	(67.79)	-	-	(38.20)	-	-	(105.99)	(63.65)	-	(0.98)	-	-	(64.63)	(41.36)
Computer	343.72	-	5.17	68.22	6.56	7.35	417.90	248.17	-	51.23	6.53	5.28	298.15	119.75
	(282.09)	-	(0.18)	(68.62)	(4.50)	(-2.67)	(343.72)	(213.88)	-	(40.66)	(4.43)	(-1.94)	(248.17)	(95.55)
Electrical fittings	119.39	-	-	13.21	0.58	0.00	132.02	54.25	-	11.72	0.58	-	65.39	66.63
	(107.12)	-	-	(12.64)	(0.37)	-	(119.39)	(43.49)	-	(11.06)	(0.30)	-	(54.25)	(65.14)
Vehicles	268.98	-	3.76	68.01	37.05	3.91	307.61	163.49	-	36.65	28.00	2.70	174.84	132.77
	(277.78)	-	(0.61)	(24.19)	(32.08)	(-1.52)	(268.98)	(154.07)	-	(34.07)	(23.54)	(-1.11)	(163.49)	(105.49)
Furniture and fixtures	437.76	-	3.00	67.16	7.51	17.84	518.25	235.39	-	48.75	7.44	10.00	286.70	231.55
	(410.81)	-	-	(44.35)	(10.81)	(-6.59)	(437.76)	(191.86)	-	(57.78)	(10.62)	(-3.63)	(235.39)	(202.37)
Office equipments	195.07	-	0.48	30.58	3.03	0.07	223.17	142.31	-	25.71	2.92	0.04	165.14	58.03
	(183.53)	-	-	(15.76)	(4.19)	(-0.03)	(195.07)	(122.63)	-	(23.78)	(4.09)	(-0.01)	(142.31)	(52.76)
Total - I	**43,332.88**	**-**	**88.38**	**4,948.63**	**1,202.58**	**1,284.49**	**48,451.80**	**21,228.90**	**-**	**3,774.19**	**1,126.52**	**732.10**	**24,608.67**	**23,843.13**
Previous year as at 31st March, 2022	**(39,577.61)**	**(293.26)**	**(0.95)**	**(4,871.33)**	**(905.62)**	**(-504.65)**	**(43,332.88)**	**(18,762.59)**	**(182.91)**	**(3,411.39)**	**(852.97)**	**(-275.02)**	**(21,228.90)**	**(22,103.98)**
(II) Right of Use Assets:														
Leasehold Land	2,139.99	-	-	-	0.32	-	2,139.67	75.71	-	26.10	0.31	-	101.50	2,038.17
	(2,157.19)	-	-	-	(17.20)	-	(2,139.99)	(49.44)	-	(26.27)	-	-	(75.71)	(2,064.28)
Buildings	325.71	-	17.61	95.62	-	17.65	456.59	137.97	-	35.48	-	8.00	181.45	275.14
	(407.43)	-	-	(27.37)	(102.44)	(-6.65)	(325.71)	(107.25)	-	(33.73)	-	(-3.01)	(137.97)	(187.74)
Plant and Machinery	435.23	-	27.36	-	-	28.05	490.64	339.63	-	27.19	-	22.27	389.08	101.55
	(447.69)	-	-	-	(1.51)	(-10.95)	(435.23)	(259.74)	(-0.55)	(89.45)	-	(-9.01)	(339.63)	(95.60)
Vehicles	229.05	-	0.84	31.33	-	15.92	277.14	122.40	-	54.96	-	10.97	188.33	88.81
	(175.36)	-	-	(59.76)	-	(-6.07)	(229.05)	(77.01)	-	(48.73)	-	(-3.33)	(122.40)	(106.64)
Total - II	**3,129.98**	**-**	**45.81**	**126.95**	**0.32**	**61.61**	**3,364.03**	**675.71**	**-**	**143.73**	**0.31**	**41.23**	**860.36**	**2,503.67**

Notes forming part of consolidated financial statements

₹ in million

Particulars	Gross Block							Depreciation/Amortisation						Net Block
	As at 1st April, 2022	Adjustment (Refer note (ii) below)	Additions on Acquisition (Refer note 26)	Additions during the year	Deductions during the year	Translation Adjustment	As at 31st March, 2023	As at 1st April, 2022	Adjustment (Refer note (ii) below)	For the year	Deductions during the year	Translation Adjustment	As at 31st March, 2023	As at 31st March, 2023
	(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)
Previous year as at 31st March, 2022	(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)
Total - (I+II)	**46,462.86**	**-**	**134.19**	**5,075.58**	**1,202.90**	**1,346.10**	**51,815.83**	**21,904.62**	**-**	**3,917.92**	**1,126.83**	**773.33**	**25,469.03**	**26,346.80**
Previous year as at 31st March, 2022	**(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)**
(III) INTANGIBLE ASSETS														
Technical know-how	999.38	-	440.72	126.28	-	48.71	1,615.09	403.45	-	225.38	-	30.73	659.56	955.53
	(768.35)	-	(6.48)	(242.70)	-	(-18.15)	(999.38)	(286.70)	-	(126.37)	-	(-9.62)	(403.45)	(595.93)
Patents, Trade Marks and License	267.92	-	1.25	0.51	-	16.28	285.96	84.19	-	42.89	-	7.87	134.95	151.01
	(270.90)	-	-	(3.78)	-	(-6.76)	(267.92)	(39.66)	-	(46.89)	-	(-2.36)	(84.19)	(183.73)
Software	269.87	-	8.80	43.52	1.62	5.24	325.81	217.77	-	29.61	0.38	3.73	250.73	75.08
	(249.12)	-	-	(23.14)	(0.66)	(-1.73)	(269.87)	(185.42)	-	(34.42)	(0.66)	(-1.41)	(217.77)	(52.10)
Total - III	**1,537.17**	**-**	**450.77**	**170.31**	**1.62**	**70.23**	**2,226.86**	**705.41**	**-**	**297.88**	**0.38**	**42.33**	**1,045.24**	**1,181.62**
Previous year as at 31st March, 2022	**(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)**
Total - (I+II+III)	**48,000.03**	**-**	**584.96**	**5,245.89**	**1,204.52**	**1,416.33**	**54,042.69**	**22,610.03**	**-**	**4,215.80**	**1,127.21**	**815.66**	**26,514.27**	**27,528.42**
Previous year as at 31st March, 2022	**(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)**

ASSET HELD FOR SALE	As at 1st April, 2022	Addition during the year	Sale during the year	Translation Adjustment	As at 31st March, 2023
Freehold land and Buildings (Refer note (ii) below)	-	-	-	-	-
	(109.78)	**(-110.34)**	**-**	**(0.56)**	**-**

Notes:

i) Freehold land includes land procured from Karnataka Industrial Areas Development Board (KIADB) on lease-cum-sale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years i.e. October 2023. Accordingly, the same is grouped under freehold land.

ii) During the previous 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.

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

3A Capital work-in-progress

₹ in million

Aging as on 31st March, 2023	Amount in CWIP for a period of				
	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	1,452.26	197.65	26.70	6.99	1,683.60
Projects temporarily suspended	-	-	-	-	-

₹ in million

Aging as on 31st March, 2022	Amounts in CWIP for a period of				
	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	-	-	-	-	-

3A Intangible assets under development

₹ in million

Aging as on 31st March, 2023	Amounts in Intangible assets under development for a period of				
	Less than 1 year	Between 1-2 years	Between 2-3 years	More than 3 years	Total
Projects in progress	24.97	0.36	-	-	25.33
Projects temporarily suspended	-	-	-	-	-

₹ in million

Aging as on 31st March, 2022	Amounts in Intangible assets under development for a period of				
	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	-	-	-	-	-

v) For CWIP and Intangible assets under development, there are no projects whose completion date is overdue or its cost exceeded as compared to its original plan for the year ended at 31st March, 2023.

4 Non-current investments

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
I. Investments in equity shares (all fully paid, unquoted):		
a. Measured at fair value through Other Comprehensive Income (OCI)		
Marathwada Auto Cluster	10.00	10.00
[10,000 (Previous year 10,000) equity 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]		
b. Measured at fair value through Statement of Profit and Loss		
TP Green Nature Ltd	20.45	-
[6,584,488 (Previous year Nil) equity shares of face value ₹ 10 each]		

Notes forming part of consolidated financial statements

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
II. Other investments (all fully paid, unquoted):		
Measured at amortised cost		
National Savings Certificates	0.04	0.04
Investments in government or trust securities	0.27	0.41
Total unquoted investments	**32.21**	**11.90**
III. Investments in equity shares (all fully paid, quoted):		
a. Measured at fair value through Statement of Profit and Loss		
Indian Overseas Bank	0.05	0.04
[2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]		
b. Measured at fair value through Other Comprehensive Income (OCI)		
Pierer Mobility AG	222.43	-
[31,654 (Previous year Nil) equity shares]		
Total quoted investments	**222.48**	**0.04**
Total	**254.69**	**11.94**

4A Current investments

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
I. Investments in mutual funds, measured at fair value through profit or loss (Quoted, fully paid)		
ICICI Prudential Corporate Bond Fund - Growth - Direct Plan	378.54	239.38
14,543,498.154 units (previous year 9,736,027.729 units)		
ICICI Prudential Overnight Fund - Growth - Direct Plan	-	60.00
Nil units (previous year 523,552.307 units)		
HDFC Corporate Bond Fund - Growth - Direct Plan	274.66	263.34
9,944,428.346 units (previous year 9,944,428.346 units)		
SBI Magnum Gilt Fund - Growth - Direct Plan	66.37	62.50
1,148,912.216 units (previous year 1,148,912.216 units)		
SBI Magnum Ultra Short Duration Fund - Growth - Direct Plan	-	253.65
Nil units (Previous year 51,795.666 units)		
SBI Banking and PSU Fund - Growth - Direct Plan	94.61	90.96
34,093.171 units (Previous year 34,093.171 units)		
SBI Corporate Bond Fund - Growth - Direct Plan	94.89	90.96
7,120,685.853 units (Previous year 7,120,685.853 units)		
IDFC Low Duration Fund - Growth - Direct Plan	217.52	206.99
6,496,810.517 units (previous year 6,496,810.517 units)		
Bandhan Corporate Bond Fund - Growth - Direct Plan	125.12	-
7,536,554.134 units (Previous year NIL units)		
Aditya Birla Sunlife Corporate Bond Fund - Growth - Direct Plan	125.14	-
1,308,896.758 units (Previous year Nil units)		
Aditya Birla Sunlife Banking and PSU Debt Fund - Growth - Direct Plan	176.23	168.34
553,166.818 units (previous year 553,166.818 units)		

Notes forming part of consolidated financial statements

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
IDFC Cash fund - Growth - Direct Plan	-	60.01
Nil units (Previous year 23,341.53 units)		
UTI Overnight Fund - Growth - Direct Plan	200.03	-
65,185.039 units (previous year Nil units)		
UTI Corporate Bond Fund - Growth - Direct Plan	168.80	161.59
12,056,305.793 units (Previous year 12,056,305.793 units)		
Kotak Floating Rate fund - Growth - Direct Plan	222.12	212.41
173,067.799 units (previous year 173,067.799 units)		
Kotak Overnight Fund - Growth - Direct Plan	-	62.50
Nil units (Previous year 55,127.206 units)		
Kotak Corporate Bond - Growth - Direct Plan	125.13	-
38,194.464 units (previous year Nil units)		
Axis Banking and PSU Debt Fund - Growth - Direct Plan	169.39	161.87
74,010.823 units (previous year 74,010.823 units)		
DSP Liquidity Fund - Direct Plan	240.12	-
74,635.618 units (Previous year NIL units)		
II. Investments in bonds and other funds measured at fair value through profit or loss (unquoted, fully paid)		
Government Bonds	1,840.38	287.23
Insurance Premium Investments - Capitale Reale Platinum	374.66	348.84
Insurance Premium Investments - Aviva	748.17	690.68
Insurance Premium Investments - SOGELIFE	447.07	416.47
Lombarda Vita Twin Top Selection - UBI Banca	-	427.38
Corporate Cash Plus / AZ RAIF - Azimut Libera Impresa S.G.R. S.p.A.	374.75	347.13
Unicredit Bank Bond	-	243.67
Total	**6,463.70**	**4,855.90**

5 Other non-current financial assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Security deposits	106.32	90.05
b) Sales tax receivable	3.08	3.08
Total	**109.40**	**93.13**

5A Loans

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Loans to employees	14.76	11.03
b) Loans to others	1.78	26.13
Total	**16.54**	**37.16**

Notes forming part of consolidated financial statements

5B Other current financial assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Interest accrued on deposits	0.08	0.52
b) Receivables on sale of property, plant and equipment	6.02	6.55
c) Foreign currency derivative assets	1.99	0.54
d) Other derivatives	19.91	175.70
e) Government incentive receivables	1,044.79	1,612.11
f) Export incentive (RoDTEP, Duty drawback)	7.39	6.53
g) Others*	55.28	50.87
Total	**1,135.46**	**1,852.82**

*Mainly includes foreign subsidiary's energy refund of ₹ 53.36 million (previous year ₹ 41.37 million)

6 Other non-current assets

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Capital advances	1,697.42	718.25
b) Prepayments	60.57	17.60
c) Income taxes paid in advance less provision	42.21	45.26
d) Income tax deposited under protest	84.15	84.15
e) Deposit under protest (Refer note 28)	-	20.85
Total	**1,884.35**	**886.11**

6A Current tax assets (net)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Income taxes paid in advance less provision	782.06	449.91
Total	**782.06**	**449.91**

6B Other current assets

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Advances for supplies	447.08	275.30
b) Prepayments	196.54	158.75
c) Balance with government authorities	168.92	112.36
d) Others*	5.26	9.88
Total	**817.80**	**556.29**

*Includes amount of ₹ 0.89 million (previous year ₹ 0.81 million) paid to various regulatory authorities under protest.

Notes forming part of consolidated financial statements

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

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Raw materials and components	1,683.53	1,449.07
b) Work-in-progress	2,778.03	2,275.37
c) Finished goods (other than those acquired for trading)	1,856.74	1,677.41
d) Stock-in-trade (acquired for trading)	702.51	438.11
e) Stores, spares and packing material	1,123.18	1,134.97
f) Loose tools and instruments	61.84	36.47
Total	**8,205.83**	**7,011.40**
Included above, Goods-in-transit in respect to		
i) Raw materials and components	110.94	277.28
ii) Finished goods (other than those acquired for trading)	316.04	323.75
Total	**426.98**	**601.03**

8 Trade receivables

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured:		
i) Considered good	11,620.29	9,703.70
ii) Credit impaired	91.77	66.54
Less: Allowance for credit impaired	(91.77)	(66.54)
Total	**11,620.29**	**9,703.70**

Notes:

1. Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.
2. The normal credit period allowed by the Group ranges from 30 to 60 days for customers in India and 30 to 120 days for overseas customers.

8A Trade receivables Ageing

₹ in million

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	Between 6 months - 1 year	Between 1 - 2 years	Between 2 - 3 years	More than 3 years	
31st March, 2023						
i) Undisputed Trade receivables considered good	11,591.91	18.33	9.50	0.29	0.26	11,620.29
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	11.89	29.10	14.21	4.67	30.63	90.50
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	**11,603.80**	**47.43**	**23.71**	**4.96**	**32.16**	**11,712.06**

Notes forming part of consolidated financial statements

Ageing schedule:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	Between 6 months - 1 year	Between 1 - 2 years	Between 2 - 3 years	More than 3 years	
31st March, 2022						
i) Undisputed Trade receivables considered good	9,657.22	45.82	0.58	0.04	0.04	9,703.70
ii) Undisputed 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**

9 Cash and cash equivalents

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Cash on hand	1.11	1.07
b) Balance with banks:		
i) In current account	2,845.50	3,274.92
ii) In deposit accounts - with original maturity of less than three months	30.00	750.00
Total	**2,876.61**	**4,025.99**

9A Other bank balances

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other bank balances (in earmarked accounts)		
i) In current account for equity dividend	0.36	0.30
ii) Balance held as margin money against letters of credit*	0.12	0.12
Total	**0.48**	**0.42**

*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

₹ in million

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	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**

Notes forming part of consolidated financial statements

₹ in million

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
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, 2023		As at 31st March, 2022	
	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, 2023	%	No. of shares as at 31st March, 2022	%
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, 2023	%	No. of shares as at 31st March, 2022	%
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.

Notes forming part of consolidated financial statements

[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 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, 2023	As at 31st March, 2022
Reserves and surplus		
(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) General reserve (Refer note (iii) below)		
Balance at the beginning and at the end of the year	**1,195.40**	**1,195.40**
(d) Retained earnings (Refer note (iv) below)		
Balance at the beginning of the year	34,745.25	30,968.48
Profit for the year	4,795.75	4,607.09
Remeasurements of defined benefit plans, net of tax	3.42	13.93
Acquistion of non controlling interest in subsidiary	-	(0.27)
Dividend paid (Refer note 37)	(879.14)	(843.98)
Balance at the end of the year	**38,665.28**	**34,745.25**
Other reserves		
(e) Foreign currency translation reserve (Refer note (v) below)		
Balance at the beginning of the year	1,351.94	1,680.94
Add: Exchange differences arising on translating the foreign operation	839.41	(329.00)
Balance at the end of the year	**2,191.35**	**1,351.94**
(f) Cash flow hedging reserve (Refer note (vi) below)		
Balance at the beginning of the year	130.99	-
Change in fair value of hedging instruments	104.84	155.84
Reclassification to profit/loss	-	(24.85)
Translation difference	10.63	-
Balance at the end of the year	**246.46**	**130.99**
(g) Reserve for equity instruments through other comprehensive income (Refer note (vii) below)		
Balance at the beginning of the year	-	-
Fair valuation gain for the year (net of tax)	46.45	-
Balance at the end of the year	**46.45**	**-**
Total	**42,714.66**	**37,793.30**

(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) 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.

(iv) Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

(v) 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.

(vi) 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, interest rate swaps and interest rate caps. 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.

(vii) Reserve for equity instruments through other comprehensive income: The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income Reserve within equity. The Group may transfer amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

11 Non current borrowings (Refer Note 11.01 and 11.02)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at amortised cost		
A. Secured borrowings		
Term loans:		
From banks	225.17	303.55
Total A	**225.17**	**303.55**
B. Unsecured borrowings		
Term loans:		
From banks	2,556.29	1,635.66
Total B	**2,556.29**	**1,635.66**
Total A+B	**2,781.46**	**1,939.21**

Notes forming part of consolidated financial statements

11A Non current lease liabilities

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Right of use lease liability (Refer note 11.02 and 34)	187.28	159.84
Total	**187.28**	**159.84**

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 1 month to Euribor 6 months with spread ranging from 0.002% to 2.550% p.a. (previous year 0.002% to 2.550% p.a.).

11.02 Maturity profile

As at 31st March, 2023

₹ in million

Particulars	Term loan from banks	Right of use lease liability	Total
Current maturities			
2023-24	1,835.69	127.11	1,962.80
Non current maturities			
2024-25	1,277.10	70.21	1,347.31
2025-26	962.88	48.75	1,011.63
2026-27	329.00	56.87	385.87
2027-28	122.79	11.45	134.24
2028-29 to 2029-30	89.69	-	89.69
Total	**2,781.46**	**187.28**	**2,968.74**

As at 31st March, 2022

₹ 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
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**

11.03 Changes in liabilities arising from financing activities

₹ in million

Particulars	As at 1st April, 2022	Cash flow	Others *	Foreign Exhchange (gain)/loss	Addition on Acquisition	As at 31st March, 2023	Current	Non-current
Borrowings	3,994.49	281.62	-	344.66	212.48	4,833.25	2,051.79	2,781.46
Leases	301.65	(80.97)	63.50	11.07	19.14	314.39	127.11	187.28
Total	**4,296.14**	**200.65**	**63.50**	**355.73**	**231.62**	**5,147.64**	**2,178.90**	**2,968.74**

Notes forming part of consolidated financial statements

₹ in million

Particulars	As at 1st April, 2021	Cash flow	Others*	Foreign Exhchange (gain)/loss	Addition on Acquisition	As at 31st March, 2022	Current	Non-current
Borrowings	5,926.43	(1,837.66)	-	(94.28)	-	3,994.49	2,055.28	1,939.21
Leases	484.55	(271.32)	94.48	(6.06)	-	301.65	141.81	159.84
Total	**6,410.98**	**(2,108.98)**	**94.48**	**(100.34)**	**-**	**4,296.14**	**2,197.09**	**2,099.05**

* Other mainly includes lease liabilities on new leases entered during the year and interest expense on lease liabilities.

12 Other non current financial liabilities

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Security deposits received from dealers	94.07	58.95
b) Retention money payable	23.93	48.41
c) Deferred payment liability (Refer note 26 c)	858.68	-
d) Deferred government grants	-	0.10
Total	**976.68**	**107.46**

12A Other current financial liabilities

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Interest accrued but not due on borrowings	13.81	2.22
b) Foreign currency derivative liabilities	28.62	34.46
c) Other derivative liabilities	84.03	-
d) Payables on purchase of property, plant and equipment	854.60	603.25
e) Deferred payment liability (Refer note 26 c)	167.53	-
f) Deferred government grants	0.03	0.06
g) Unpaid equity dividend	0.36	0.30
Total	**1,148.98**	**640.29**

13 Non current provisions

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Provision for employee benefits		
i) Provision for gratuity (Refer note 30)	38.93	63.25
ii) Provision for employee severance indemnity (Refer note 30)	325.19	265.77
iii) Provision for employee separation cost	0.70	0.66
b) Provision for others		
i) Provision for warranty (Refer note 13A.01)	132.87	125.22
ii) Provision for litigations #	147.60	136.58
Total	**645.29**	**591.48**

Represents provision created for litigations in overseas subsidiaries.

Notes forming part of consolidated financial statements

13A Current provisions

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Provision for employee benefits		
i) Provision for compensated absences	119.14	111.36
ii) Provision for gratuity (Refer note 30)	149.96	115.96
b) Provision for others		
Provision for warranty (Refer note 13A.01)	58.25	55.19
Total	**327.35**	**282.51**

13A.01 Details of warranty provision (Refer note 13 (b) and 13A (b))

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Carrying amount as at 1st April	180.41	175.64
Provision made during the year	88.84	55.86
Discounting/unwinding effect	(0.79)	(0.78)
Amount paid/utilised during the year	(83.38)	(47.79)
Exchange variation	6.04	(2.52)
Carrying amount as at 31st March	191.12	180.41

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, 2023	As at 31st March, 2022
Measured at amortised cost		
A. Secured Borrowings (Refer note 14.01 and 14.02)		
a) Loans:		
- Packing credit loans	-	313.68
b) Current maturities of long-term borrowings (Refer note 11.02)	96.68	91.19
Total Secured borrowings	**96.68**	**404.87**
B. Unsecured Borrowings (Refer note 14.02)		
a) From bank		
- Cash credit / working capital demand loans	16.10	-
- Packing credit loans	200.00	
b) Current maturities of long-term borrowings (Refer note 11.02)	1,739.01	1,650.41
Total unsecured borrowings	**1,955.11**	**1,650.41**
Total	**2,051.79**	**2,055.28**

Notes forming part of consolidated financial statements

14.01 Details of security provided in respect of current borrowings in holding company

Fund based unsecured working capital facilities outstanding from a bank as on 31st March, 2023 is ₹ 200.00 million

In previous year, the Company availed working capital facilities of ₹ 313.68 million from consortium member bank on secured basis. Subsequently, in January 2023, the charge created on the Company's assets (Immovable and movable) in favour of a consortium of lenders was released, and the consortium banking arrangement was disbanded. Prior to that, the working capital facilities sanctioned by the consortium member banks were 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 in holding company

Short term foreign currency loans availed during FY2022-23 carries interest rate linked to SOFR rates with mutually agreed spread [effective interest rate is in the range of 1.24% p.a. to 4.38% p.a.(previous year around 1% p.a.)].

Short term rupee denominated borrowings carry interest cost linked to MCLR with mutually agreed spread [effective interest rate ranges from 2.65 % p.a. to 8.60 % p.a. (previous year 1.7 % p.a. to 7 % 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 of the Company.

In quarterly returns and statements submitted to the banks, the Company has considered:

a) Trade payables excluding provision for expenses, payables to the Government authorities, other payables and netted off advances received from vendors and current account balances.

b) Trade receivables excluding related party receivables and net off advance received from customers and security deposits.

14.1 Lease liabilities

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Right of use lease liability (Refer note 11.02 and note 34)	127.11	141.81
Total	**127.11**	**141.81**

15 Trade payables

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payables for goods and services		
i) Total outstanding dues of micro enterprises and small enterprises	993.41	843.66
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13,263.97	11,569.81
Total	**14,257.38**	**12,413.47**

Notes forming part of consolidated financial statements

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, 2023					
i) Total outstanding dues of micro enterprises and small enterprises ('MSME')	993.40	-	-	-	993.40
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12,987.30	221.03	16.09	19.77	13,244.19
iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	19.79	-	-	19.79
Total	**13,980.70**	**240.82**	**16.09**	**19.77**	**14,257.38**

₹ 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) Total outstanding dues of micro enterprises and small enterprises ('MSME')	842.74	-	-	-	842.74
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11,196.20	349.64	5.00	18.97	11,569.81
iii) Disputed dues of micro enterprises and small enterprises	-	0.92	-	-	0.92
iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**12,038.94**	**350.56**	**5.00**	**18.97**	**12,413.47**

16 Other current liabilities

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Advances received from customers	330.68	138.57
b) Income received in advance	5.78	6.23
c) Deferred revenue	6.00	-
d) EPCG deferred payables	-	8.21
e) Statutory remittances (contribution to PF, ESIC, Withholding taxes, Goods and Service Tax etc.)	894.69	701.04
Total	**1,237.15**	**854.05**

17 Current tax liabilities (net)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for tax (net of advance taxes and taxes deducted at source)	157.55	184.53
Total	**157.55**	**184.53**

Notes forming part of consolidated financial statements

17A Deferred tax assets/(liabilities)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(284.42)	(181.41)
Derivatives designated as cash flow hedge	(94.29)	(48.58)
Fair valuation of current investments	(35.38)	(15.17)
Fair valuation of equity instruments	(13.78)	-
Reversal of Provision for doubtful debts	-	(0.21)
Others	(4.97)	(7.62)
Total	**(432.84)**	**(252.99)**
Deferred tax assets		
On account of temporary differences in		
Property, plant and equipment and intangible assets	51.74	29.41
Provision for employee benefits and others	385.78	316.34
Provision for doubtful debts	0.32	0.32
Expenses disallowed	186.55	270.09
Unadjusted tax benefit in subsidiaries	499.42	359.65
Others	23.60	22.28
Total	**1,147.41**	**998.09**
Net deferred tax assets/(liabilities)	**714.57**	**745.10**
Disclosed as		
Deferred tax liabilities	5.22	6.29
Deferred tax assets	719.79	751.39

18 Revenue from Operations (Refer note 18.01 below)

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from contracts with customers	86,760.61	74,243.95
Other operating revenue	1,279.85	1,247.45
Total	**88,040.46**	**75,491.40**

Note 18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from contracts with customers		
Goods transferred at a point in time		
Sale of manufactured goods		
Shock absorbers	23,019.59	21,303.37
Disc brake assembly (including rotary disc)	7,716.89	5,711.92
Aluminium die casting parts	38,151.17	33,164.17

Notes forming part of consolidated financial statements

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Alloy wheels	6,131.27	3,836.42
Clutch and clutch parts	4,097.94	3,989.53
Others	5,737.86	4,662.96
Total - (A)	**84,854.72**	**72,668.37**
Sale of traded goods		
Components and spares	1,661.29	1,381.31
Total - (B)	**1,661.29**	**1,381.31**
Total - (A+B)	**86,516.01**	**74,049.68**
Services transferred over time		
Job work charges and other services	229.69	194.27
Sale of licenses	14.91	-
Revenue from Contracts with customers	**86,760.61**	**74,243.95**
Other operating revenue comprises;		
Scrap sales	545.08	435.09
Wind power generation	4.94	4.55
Export incentives (Refer note 36(b) and 36(c))	100.17	95.77
Government incentives (Refer note 36(a) and 37)	629.66	712.04
Total	**1,279.85**	**1,247.45**

18.02 Revenue from Contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
India	64,731.58	53,779.46
Outside India	22,029.03	20,464.49
	86,760.61	**74,243.95**

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, 2023	For the year ended 31st March, 2022
Revenue as per contracted price	**87,156.52**	**74,604.96**
Adjustments:		
Discounts	395.91	361.01
Revenue from contract with customers	**86,760.61**	**74,243.95**

Notes forming part of consolidated financial statements

19 Other Income

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a) Interest Income		
i) Bank deposits	8.05	0.93
ii) Others	12.31	3.11
b) Other non operating income		
i) Excess provision/creditors' balances written back	12.63	21.67
ii) Income from current investments *	143.55	162.51
iii) Profit on sale of property, plant and equipment (net)	68.94	47.23
iv) Miscellaneous income	159.25	164.40
c) Net gain on foreign currency transactions (other than considered as finance cost)	49.54	10.53
Total	**454.27**	**410.38**

* Includes gain on sale of investments ₹ 56.42 million (previous year ₹ 60.60 million) and gain on fair value changes ₹ 87.13 million (previous year ₹ 101.91 million)

20A Cost of materials consumed

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening stock (including goods in transit)	1,449.07	1,561.78
Add: Purchases	53,621.27	44,295.48
	55,070.34	**45,857.26**
Less: Closing stock (including goods in transit)	1,683.53	1,449.07
Cost of materials consumed	53,386.81	44,408.19
Cost of materials capitalised	(184.91)	(123.94)
Total	**53,201.90**	**44,284.25**

20B Purchases of stock-in-trade (traded goods)

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Components and spares	1,039.72	863.81
Total	**1,039.72**	**863.81**

20C Changes in stock of finished goods, stock-in-trade and work-in-progress

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventories at the end of the year:		
Finished goods	(1,856.74)	(1,677.41)
Work-in-progress	(2,778.03)	(2,275.37)
Stock-in-trade	(702.51)	(438.11)
	(5,337.28)	**(4,390.89)**

Notes forming part of consolidated financial statements

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Inventories at the beginning 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**
Net increase	**(946.39)**	**(946.62)**

21 Employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salary, wages and bonus	6,288.52	5,690.67
Contribution to provident and other funds (Refer note 30)	344.82	344.36
Staff welfare expenses	1,002.71	908.55
Total	**7,636.05**	**6,943.58**

22 Finance costs

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a) Interest expenses on		
i) Borrowings	95.14	32.78
ii) Lease Liability	9.86	7.35
iii) Deferred payment liability	61.50	-
iv) Others	29.86	16.76
b) Other borrowing costs		
i) Bank charges	7.88	6.65
c) Exchange difference regarded as an adjustment to borrowing cost	1.53	-
Total	**205.77**	**63.54**

23 Other expenses

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Stores and spares consumed	1,725.46	1,510.49
Packing material consumed	682.69	629.49
Tools and instruments consumed	257.52	187.12
Processing charges	3,072.64	2,871.29
Labour charges	2,008.51	1,655.38
Power, water and fuel	4,008.44	3,511.86
Rent	186.71	183.90
Repairs and maintenance:		
Plant and machinery	1,445.71	1,308.38
Building	65.44	50.20
General	298.25	279.54
Insurance	161.16	158.92
Rates and taxes	50.98	23.76
Travelling and conveyance	318.32	240.16
Freight	1,113.51	961.69
Advertisement	44.89	14.11
Payment to auditors	10.00	8.10
Payment to auditors of subsidiaries	19.93	17.32
Directors fees and travelling expenses	27.11	19.02
Allowance for doubtful debts, net	19.51	1.04
Bad debts written off	6.09	0.75
Warranty claims, net of provision reversed	178.95	154.57
Expenditure on corporate social responsibility	110.00	111.10
Miscellaneous expenses	994.74	880.51
Total	**16,806.56**	**14,778.70**
Expenses capitalised	(60.04)	(78.70)
Total	**16,746.52**	**14,700.00**

24 Taxes

Income tax expenses

(i) Statement of Profit and Loss Section

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Current Tax expenses	1,535.52	1,474.03
(b) Short/(excess) provision for tax relating to prior years	(32.66)	0.48
(c) Deferred tax credit	(6.10)	(220.14)
Total	**1,496.76**	**1,254.37**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Items that will not be reclassified to profit and loss in subsequent years		
(a) Net gain / (loss) on remeasurement of defined benefit plans	5.39	18.69
(b) Income tax charged to OCI on remeasurement of defined benefit plan	(1.97)	(4.76)
(c) Gain/(loss) on change in fair value of equity instruments	60.23	-
(d) Income tax charged to OCI on fair valuation of investment in equity shares	(13.78)	-
Items that will be reclassified to profit and loss in subsequent years		
(a) Gains/(losses) on cash flow hedges	145.02	181.05
(b) Income-tax effect of cash flow hedges	(40.17)	(50.06)

Notes forming part of consolidated financial statements

(iii) Reconciliation of effective tax rate

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Accounting profit before income tax	6,292.51	5,861.46
(b) Enacted tax rate in India	25.17%	25.17%
(c) Computed tax expense	1,583.70	1,475.21
(d) Reconciliation items		
Investment allowance reversal	-	0.25
CSR expenditure and donation	110.00	111.10
Adjustment to Property, plant and equipment balances on account of EPCG	23.28	22.32
Extra allowance on depreciation and other items	(940.96)	(1,008.13)
Expenses disallowances	5.14	0.29
Deferred tax asset not created on losses by subsidiary	467.92	-
Others	(11.48)	(1.68)
Depreciation on leasehold land	26.10	26.27
(e) Net Adjustment	**(320.00)**	**(849.58)**
(f) Tax expenses/ (saving) on net adjustment (e*b)	(80.54)	(213.82)
(g) Difference in overseas tax rates	26.26	(7.50)
(h) **Tax expenses recognised in Statement of Profit and Loss (c+f+g)**	**1,529.42**	**1,253.89**
(i) Short/(excess) provision for tax relating to prior years	(32.66)	0.48
(j) Net tax expenses recognised in Statement of Profit and Loss (h+i)	**1,496.76**	**1,254.37**

25 Disclosure of Goodwill

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance	1,756.84	1,739.83
Add: Related to acquisition of subsidiaries (refer note 26(a), 26(b) and 26(c))	2,037.32	59.73
Add: Impact of foreign currency translation	106.02	(42.72)
Closing balance	**3,900.18**	**1,756.84**

25(a) Impairment testing of goodwill

For impairment testing, goodwill acquired through business combinations has been allocated to the respective CGUs as mentioned in table below:

Carrying amount of goodwill allocated to each of the CGUs

₹ in million

Particulars	Goodwill	
	As at 31st March, 2023	As at 31st March, 2022
Maxwell Energy Systems Private Limited, India	1617.06	-
European business	2283.12	1756.84
Total	**3,900.18**	**1,756.84**

The Group performed its annual impairment test for years ended 31st March, 2023 and 31st March 2022 on 31st March, 2023 and 31st March, 2022 respectively. The Group considers the relationship between the fair value (based on DCF) of the CGUs and its book value, among other factors, when reviewing for indicators of impairment.

Notes forming part of consolidated financial statements

Maxwell Energy Systems Private Limited ("Maxwell")

The recoverable amount of Maxwell, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering the period of seven years. The terminal growth rate used to extrapolate the cash flows of the unit beyond the seven year period is 5%.

Key assumptions used for value in use calculations and the sensitivity to changes in these assumptions are as follows:

₹ in million

Particulars	As at 31st March, 2023
Discount rate	18%
Terminal growth rate	5%
EBITDA %	6.70% to 14.00%

Management considered the forecast period of seven years in line with the expected Electric Vehicle penetration in India and globally.

Management determined budgeted EBITDA based on past performance and its expectations of market development. The calculations performed indicate that there is no impairment of CGU. Management has performed a sensitivity analysis with respect to reasonable changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that reasonable change in any of above assumption would not cause the carrying value of unit's CGU to exceed its recoverable amount.

European business

The recoverable amount of European business, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering the period of five years. The terminal growth rate used to extrapolate the cash flows of the unit beyond the five year period is 1%.

Key assumptions used for value in use calculations and the sensitivity to changes in these assumptions are as follows:

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Discount rate	10.23%	10.23%
Terminal growth rate	1%	1%
EBITDA %	14% to 17%	14% to 17%

Management determined budgeted EBITDA based on past performance and its expectations of market development. The calculations performed indicate that there is no impairment of CGU. Management has performed a sensitivity analysis with respect to reasonable changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that reasonable change in any of above assumption would not cause the carrying value of unit's CGU to exceed its recoverable amount.

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.

Notes forming part of consolidated financial statements

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	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

Particulars	Veicoli Srl
Cash and cash equivalents	58.79
Total consideration	**58.79**

Analysis of cash flows on acquisition

₹ in million

Particulars	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 Frenotecnica Srl

Endurance Overseas Srl ("EOSrl") acquired 100% stake in Frenotecnica Srl, Italy effective 10th June, 2022 for ₹ 468.42 million (Euro 5.26 million). Frenotecnica is engaged in the business of designing and manufacturing of friction materials and components for braking systems for two-wheeler vehicles.

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	Frenotecnica Srl
Assets	
Property, plant and equipment	60.07
Intangible assets	0.06
Investments	0.05
Cash and cash equivalents	43.86
Inventories	92.74
Trade receivables	75.53
Current tax assets (net)	18.81
Other current assets	6.97
Total - (A)	**298.09**
Liabilities	
Borrowings	91.18
Other financial liabilities	16.34
Provisions	44.66
Deferred tax liabilities	2.00
Trade payables	71.90
Current tax liabilities	8.15
Other current liabilities	15.70
Total - (B)	**249.93**
Total identifiable net assets at fair value (A-B)	**48.16**
Goodwill arising on acquisition	420.26
Purchase consideration transferred	468.42

Purchase consideration

₹ in million

Particulars	Frenotecnica Srl
Cash and cash equivalents	468.42
Total consideration	**468.42**

Analysis of cash flows on acquisition

₹ in million

Particulars	Frenotecnica Srl
Total consideration	(468.42)
Cash and cash equivalents acquired with the subsidiary	43.86
Net cash flow on acquisition	(424.56)

c. Acquisition of Maxwell Energy Systems Private Limited

The Group executed a Share Subscription and Purchase Agreement dated 18th May, 2022 ('the Agreement') with Maxwell Energy Systems Private Limited ("Maxwell") and its shareholders for acquiring 100% of the equity share capital of Maxwell in a phased manner. On 1st July, 2022 the Company acquired 51% stake in the equity share capital of Maxwell through a combination of primary issuance and secondary purchase and paid consideration of ₹ 1,350 million. As a result, Maxwell became a subsidiary of the Company with effect from 1st July, 2022 ("acquisition date"). Further, as per the Agreement, the balance 49% of the equity share capital of Maxwell will be purchased by the Company in five tranches spread over next five financial years. The consideration for each tranche will depend on Maxwell achieving certain financial targets as specified in the Agreement with a floor and cap on the total consideration payable for each tranche.

Therefore, as at the acquisition date, the Group has recognised liability towards acquisition of balance 49% of the equity share capital of Maxwell based on the present value of estimated purchase consideration payable on the dates of acquisition of respective tranches.

Notes forming part of consolidated financial statements

The acquisition related cost recognised in consolidated statement of profit and loss is ₹ 6.18 million.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Maxwell as at the date of acquisition were:

₹ in million

Particulars	Maxwell
Assets	
Property, plant and equipment	37.49
Intangible assets	446.31
Financial assets	1.57
Other non-current asset	20.49
Cash and cash equivalents	748.84
Inventories	16.99
Trade receivables	27.02
Other current assets	24.56
Total - (A)	**1,323.27**
Liabilities	
Lease liabilities	18.34
Deferred tax liability	13.57
Other financial liabilities	395.04
Provisions	5.66
Trade payables	40.11
Other current liabilities	152.90
Total - (B)	**625.62**
Total identifiable net assets at fair value (A-B)	**697.65**
Goodwill arising on acquisition	1,617.06
Purchase consideration	2,314.71

Purchase consideration

₹ in million

Particulars	Maxwell
Cash and cash equivalents	1,350.00
Liability to acquire Non-controlling interests measured at fair value	964.71
Total consideration	**2,314.71**

Analysis of cash flows on acquisition

₹ in million

Particulars	Maxwell
Total consideration	(1,350.00)
Subscription to Maxwell's shares	715.01
Cash and cash equivalents acquired with the subsidiary	33.83
Net cash flow on acquisition	(601.16)

Notes forming part of consolidated financial statements

d. Acquisition of Newfren Srl

EOSrl acquired 100% stake in New Fren Srl, Italy effective 16th November, 2022 for Euro 1.15 million (₹ 102.41 million). New Fren is engaged in the business of designing, manufacturing and sale of brake discs, centrifugal clutches, pads and brake shoes for two-wheeler vehicles. The operations are carried out from its plant at Ciriè (TO), Italy and its subsidiary namely, GDS Sarl, situated at Hammas Sousse, Tunisia.

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	Newfren Srl
Assets	
Property, plant and equipment	33.19
Intangible assets	3.30
Investments	3.73
Deferred tax assets (net)	5.58
Cash and cash equivalents	18.67
Inventories	138.62
Trade receivables	101.79
Current tax assets (net)	0.99
Other current assets	54.09
Total - (A)	**359.96**
Liabilities	
Borrowings	135.14
Provisions	40.32
Trade payables	46.72
Current tax liabilities	1.58
Other current liabilities	33.79
Total - (B)	**257.55**
Total identifiable net assets at fair value (A-B)	**102.41**
Purchase consideration transferred	102.41

Purchase consideration

₹ in million

Particulars	Newfren Srl
Cash and cash equivalents	102.41
Total consideration	**102.41**

Analysis of cash flows on acquisition

₹ in million

Particulars	Newfren Srl
Total consideration	(102.41)
Cash and cash equivalents acquired with the subsidiary	18.67
Net cash flow on acquisition	(83.74)

Notes forming part of consolidated financial statements

e. Investment in equity shares of Pierer Mobility AG, Austria

The Company executed a Share Purchase agreement with Pierer Konzerngesellschaft mbH, a shareholder of PIERER Mobility AG, Austria ('PMAG'), to purchase the equity shares of PMAG, worth of EUR 4 million in two equal tranches in financial year 2022-23 and 2023-24. PMAG is a European manufacturer of powered two wheelers and is listed on the Swiss stock exchange, Zurich.

In current financial year, the Company has invested in 31,654 equity shares (0.09% stake) in Pierer Mobility AG, Austria at a cost of ₹ 162.20 million (Euro 2.0 million) and has opted for irrevocable option of recognising fair value change through Other Comprehensive Income (OCI) as this is a startegic investment. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. The restated investment value as on 31st March, 2023 at Rs 222.43 million and fair value gain for the year is ₹ 60.23 million.

f. Investment in equity shares of TP Green Nature Limited

During the year, the Company has acquired 26% stake in TP Green Nature Limited by purchasing 65,84,488 equity shares for ₹ 65.84 million. TP Green Nature Limited is a special purpose vehicle incorporated by TATA Power Renewable Energy Limited and is engaged in the business of solar power generation. The purpose of investment is to purchase the electricity units for plants at Chakan and Waluj for captive consumption.

Based on the terms of the Power Delivery Agreement with TP Green Nature Limited and the Share Holders' Agreement with Tata Power Renewable Energy Limited, the Company has classified this investment as financial instrument measured at fair value through statement of profit and loss.

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, 2023	For the year ended 31st March, 2022
India	65,658.66	54,706.06
Outside India	22,381.80	20,785.34
Total	**88,040.46**	**75,491.40**

Non current Assets*

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
India	23,853.13	20,591.53
Outside India	11,168.75	8,634.57
Total	**35,021.88**	**29,226.10**

* Financial assets and deferred tax assets are excluded.

Notes forming part of consolidated financial statements

28 Contingent liabilities (to the extent not provided for)

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Excise matters[1]	50.15	55.93
b) Service tax matters[1]	1.37	1.36
c) Goods and Service Tax matters[3]	183.21	-
d) Value Added Tax matters[1]	2.23	2.10
e) Income tax matters[1]	465.76	610.12
f) Employee related matters[1]	0.80	0.50
g) Environment pollution control matters[2]	-	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 the Maharashtra Pollution Control Board, based on order passed by the Hon'ble National Green Tribunal (NGT). National Green Tribunal (NGT) disposed of the appeal in the current financial year, with the net demand of ₹ 18.96 million. The compensation has been recognised in the profit and loss account as the Company is not pursuing for further appeal.

[3] The GST Department issued a demand notice (dated November 10, 2022) relating to the alleged availing of GST credit without receiving the goods processed from jobwork location during the period Jul 2017 to Mar 2018.

The company has submitted clarification to the Deputy Commissioner SGST Uttarakhand on 22nd November, 2022 against which order is awaited.

29 Commitments

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	3,921.71	1,965.76
b) Other commitments		
- Aluminium alloy	3,746.70	5,650.47
- Investment in shares of Pierer Mobility AG, Austria. Refer para 26(e)		
Total	**7,668.41**	**7,616.23**

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, 2023	For the year ended 31st March, 2022
Employers contribution to provident fund/pension fund	148.41	134.79
Employers contribution to superannuation fund	17.47	17.24
Employers contribution to ESIC	1.33	1.65
Employers contribution to Labour welfare fund	0.18	0.17
Total	**167.39**	**153.85**

Note: Above contributions are included in the contribution to provident and other funds reported in note 21 of Employee benefits expense.

Notes forming part of consolidated financial statements

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, 2023		As at 31st March, 2022	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the beginning of the year	265.77	678.82	277.51	656.86
Acquisition Adjustment	51.39	5.07	-	-
Interest cost	4.14	46.32	1.49	39.47
Current service cost	28.22	61.12	24.04	59.51
Benefit paid*	(20.47)	*(43.96)	(28.89)	*(60.52)
Remeasurement (gain) / loss on obligations	(22.54)	16.44	(2.04)	(16.50)
Exchange variation	18.68	-	(6.34)	-
Liability at the end of the year	325.19	763.81	265.77	678.82

*Include amounts directly paid by the Company.

e) Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
	Domestic	Domestic
Fair value of plan assets at the beginning of the year	499.61	369.75
Interest income	36.43	26.57
Contributions	56.24	140.99
Benefits paid	(14.46)	(37.04)
Mortality Charges and Taxes	(2.20)	(0.49)
Return on plan assets - gain / (loss)	(0.71)	(0.16)
Fair value of plan assets at the end of the year	574.92	499.61
Actual return on plan assets	35.72	26.41

Notes forming part of consolidated financial statements

f) Amount to be recognised in Balance Sheet:

₹ in million

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Liability at the end of the year	325.19	763.81	265.77	678.82
Fair value of plan assets at the end of the year	-	574.92	-	499.61
Amount to be recognised in the balance sheet - Net liability	325.19	188.89	265.77	179.21

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, 2023		For the year ended 31st March, 2022	
	Foreign	Domestic	Foreign	Domestic
Current service cost	28.22	61.12	24.04	59.51
Interest cost	4.14	9.88	1.49	12.91
Mortality charges and taxes	-	2.20	-	0.49
Expenses recognised in Statement of Profit and Loss	32.36	73.20	25.53	72.91

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, 2023		For the year ended 31st March, 2022	
	Foreign	Domestic	Foreign	Domestic
Experience (gain)/ loss on plan liabilities	(22.54)	42.84	(2.04)	14.28
Financial (gain)/ loss on plan liabilities	-	(22.78)	-	(30.78)
Experience (gain)/ loss on plan assets	-	4.36	-	0.58
Financial (gain)/ loss on plan assets	-	(3.64)	-	(0.42)

j) Amount recognised in statement of other comprehensive income (OCI)

₹ in million

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Foreign	Domestic	Foreign	Domestic
Opening amount recognised in OCI	10.91	111.68	12.95	128.33
Remeasurement for the year - obligation (gain)/ loss	(22.54)	16.44	(2.04)	(16.80)
Remeasurement for the year - plan assets (gain)/ loss	-	0.71	-	0.15
Total remeasurements cost / (credit) for the year recognised in OCI	(22.54)	17.15	(2.04)	(16.65)
Closing amount recognised in OCI	(11.63)	128.83	10.91	111.68

Notes forming part of consolidated financial statements

k) Principal actuarial assumptions:

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Foreign	Domestic	Foreign	Domestic
	Employees Severance Indemnity	Gratuity	Employees Severance Indemnity	Gratuity
Discount rate (i)	1.65%	7.50%	1.65%	7.00%
Rate of return on plan assets	-	7.00%	-	6.20%
Salary escalation for the next year (ii)	1.00%	7.00%	1.00%	7.00%
Withdrawal rate (iii)	4.00%	8.00%	4.00%	8.00%

i) The discount rate is based on the prevailing market yields of Government securities / corporate bond rate as at the balance sheet date for the estimated terms of the obligations.

ii) Salary escalation rate is the estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

iii) Withdrawal rate is employee's turnover rate based on the Group'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, 2023

₹ in million

Particulars	As at 31st March, 2023
31st March, 2024	149.74
31st March, 2025	91.83
31st March, 2026	83.73
31st March, 2027	159.19
31st March, 2028	78.27
31st March, 2029 to 31st March, 2033	481.77

(v) Weighted Average duration of defined benefit obligation in form of gratuity: 9.67 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, 2023 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	As at 31st March, 2023	As at 31st March, 2022	As at31st March, 2023	As at 31st March, 2022
Defined Benefit Obligation (Domestic)	716.27	638.94	805.08	723.59

Notes forming part of consolidated financial statements

₹ in million

B. Effect of 1 % change in the assumed salary escalation rate	1% Increase		1% Decrease	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Defined Benefit Obligation (Domestic)	798.02	716.92	721.83	644.13

₹ in million

C. Effect of 1 % change in the assumed withdrawal rate	1% Increase		1% Decrease	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
1. Defined Benefit Obligation (Domestic)	759.06	678.43	757.23	679.23
2. Defined Benefit Obligation (Foreign)	273.54	257.83	284.91	268.75

₹ in million

D. Effect of 0.25 % change in the assumed discount rate	0.25% Increase		0.25% Decrease	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Defined Benefit Obligation (Foreign)	278.10	262.03	280.28	264.55

₹ in million

E. Effect of 0.25 % change in the assumed salary escalation rate	0.25% Increase		0.25% Decrease	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Defined Benefit Obligation (Foreign)	283.20	267.07	275.14	259.51

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, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security deposits	106.32	90.05	106.32	90.05
(b) Other non current investments	20.76	0.45	20.76	0.45
(c) Trade receivables	11,620.29	9,703.70	11,620.29	9,703.70
(d) Loans to employees	14.76	11.03	14.76	11.03
(e) Loans to others	1.78	26.13	1.78	26.13
(f) Interest accrued on deposits	0.08	0.52	0.08	0.52
(g) Receivables for sale of property, plant and equipment	6.02	6.55	6.02	6.55
(h) Cash in hand	1.11	1.07	1.11	1.07
(i) Balance with banks in current account	2,875.86	4,025.22	2,875.86	4,025.22
(j) Balance held as margin money against borrowings	0.12	0.12	0.12	0.12
(k) Government incentives receivable	1,044.79	1,612.11	1,044.79	1,612.11
(l) Other financial assets	65.75	60.48	65.75	60.48

Notes forming part of consolidated financial statements

₹ in million

Particulars	Carrying amount		Fair Value	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	6,463.70	4,855.90	6,463.70	4,855.90
(b) Non current investments quoted	0.05	0.04	0.05	0.04
(c) Foreign currency derivative assets	1.99	0.54	1.99	0.54
Financial assets measured at fair value through Other Comprehensive Income				
(a) Other derivatives	19.91	175.70	19.91	175.70
(b) Other non current investments	233.88	11.45	233.88	11.45
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowings	2,781.46	1,939.21	2,781.46	1,939.21
(b) Non current lease liabilities	187.28	159.84	187.28	159.84
(c) Current borrowings	2,051.79	2,055.28	2,051.79	2,055.28
(d) Current lease liabilities	127.11	141.81	127.11	141.81
(e) Security deposits received from dealers	94.07	58.95	94.07	58.95
(f) Retention money	23.93	48.41	23.93	48.41
(g) Interest accrued but not due on borrowings	13.81	2.22	13.81	2.22
(h) Deferred government grants	0.03	0.16	0.03	0.16
(i) Payables on purchase of property, plant and equipment	854.60	603.25	854.60	603.25
(j) Liability to acquire Non-controlling interests	1,026.21	-	1,026.21	-
(k) Trade payables	14,257.38	12,413.47	14,257.38	12,413.47
(l) Unpaid equity dividend	0.36	0.30	0.36	0.30
Financial liabilities measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	28.62	34.46	28.62	34.46
Financial liabilities measured at fair value through Other Comprehensive Income				
(a) Other derivative liabilities	84.03	-	84.03	-

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/share market prices. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds, equity shares and foreign currency derivatives) is at amortised cost, using the effective interest method.

Notes forming part of consolidated financial statements

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.

(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, 2023 and 31st March, 2022:

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2023			
Investments in mutual funds	4,519.05	-	-
Investments in short term funds*	-	-	1,944.65
Equity	222.48	-	31.90
Other non current investments	20.76	-	-
Foreign currency derivative asset	1.99	-	-
Other derivative asset	19.91	-	-
Foreign currency derivative liability	28.62	-	-
Other derivative liability	84.03	-	-
31st March, 2022			
Investments in mutual funds	2,381.73	-	-
Investments in short term funds	-	-	2,230.50

Notes forming part of consolidated financial statements

₹ in million

Particulars	Level 1	Level 2	Level 3
Investments in bonds	243.67	-	-
Equity	0.04	-	-
Other non current investments	0.45	-	11.45
Foreign currency derivative asset	0.54	-	-
Other derivative asset	175.70	-	-
Foreign currency derivative liability	34.46	-	-

During the year ended 31st March, 2023, there were no transfers between Level 1 and Level 2 fair value measurement.

32 Financial Instruments and Risk Review

I) Capital Management

The Group's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed on a quarterly basis.

The Group manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a quarterly basis and implements capital structure improvement plan when necessary.

The Group uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the consolidated financial statements.

Debt-to-equity ratio is as follows:

₹ in million

Particulars	As at 31st March, 2023	As at 31st March, 2022
Net Debt* (A)	(4,192.67)	(4,585.75)
Equity (B)	44,121.29	39,199.93
Debt Ratio (A / B)	(0.10)	(0.12)

* 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.

Notes forming part of consolidated financial statements

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.

Ageing of trade receivable is as given below:

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
31st March, 2023				
Estimated total gross carrying amount	7,487.56	4,177.73	60.82	11,726.11
ECL - Simplified approach	-	(42.28)	(49.49)	(91.77)
Net carrying amount	7,487.56	4,135.45	11.33	11,634.34

₹ in million

Particulars	Not due	Within 365 days*	More than 365 days*	Total
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

* 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, 2023	As at 31st March, 2022
Balance at the beginning of the year	66.54	67.15
Addition due to acquisition	0.48	-
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	19.51	1.04
Exchange variation	5.24	(1.65)
Balance at the end of the year	91.77	66.54

Notes forming part of consolidated financial statements

The Group's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 44% of total receivables as of 31st March, 2023 (59% 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	As at 31st March, 2023		As at 31st March, 2022	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	11,620.29	-	9,703.70	-
Total	**11,620.29**	**-**	**9,703.70**	**-**

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	As at 31st March, 2023		As at 31st March, 2022	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	14,257.38	-	12,413.47	-
Other financial liabilities	1,148.98	976.68	640.29	107.46
Working capital demand loans / term loans	2,051.79	2,781.46	2,055.28	1,939.21
Right to use lease liabilities	127.11	187.28	141.81	159.84
Total	**17,585.26**	**3,945.42**	**15,250.85**	**2,206.51**

Notes forming part of consolidated financial statements

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, 2023	INR	+100	(35.40)	Debt obligation	3,768.70
	INR	-100	35.33	Debt obligation	3,768.70
31st March, 2022	INR	+100	(22.37)	Debt obligation	2,180.28
	INR	-100	18.17	Debt obligation	2,180.28

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, 2023		As at 31st March, 2022	
		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	1.49	122.75	1.92	145.35
	EUR	1.89	168.21	1.37	115.16
			290.96		**260.51**

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Particulars	Currency	As at 31st March, 2023		As at 31st March, 2022	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
IV. Trade payables	USD	(0.21)	(17.17)	(0.43)	(32.29)
	EUR	(0.34)	(30.48)	(0.36)	(30.29)
	GBP	(0.01)	(1.18)	(0.03)	(3.18)
	CNY	(0.06)	(0.71)	-	-
			(49.54)		**(65.76)**
Total	USD	1.28	105.58	3.63	303.30
	EUR	1.55	137.73	1.01	84.87
	GBP	(0.01)	(1.18)	(0.03)	(3.18)
	CNY	(0.06)	(0.71)	-	-

Foreign Currency Sensitivity

The following tables demonstrates the sensitivity to a reasonable possible change in USD, EUR, GBP and CNY exchange rates, with all other variables held constant, the impact on the Group's profit before tax due to changes in the fair value of monetary assets and liabilities is given below. The Group's exposure to foreign currency changes for all other currencies is not material.

₹ in million

For the year ended	Currency	Change in rate	Effect on pre-tax equity
31st March, 2023	USD	+10%	10.56
	USD	-10%	(10.56)
	EUR	+10%	13.77
	EUR	-10%	(13.77)
	GBP	+10%	(0.12)
	GBP	-10%	0.12
	CNY	+10%	(0.07)
	CNY	-10%	0.07
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

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:

Notes forming part of consolidated financial statements

Particulars	Currency	As at 31st March, 2023		As at 31st March, 2022	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD - INR	USD	4.11	338.02	4.80	363.43
No. of Contracts		15		28	
Forward contract - JPY - INR	JPY	62.85	38.88	26.80	16.71
No. of Contracts		3		1	
Forward contract - EUR - INR	EUR	4.01	356.80	4.43	372.30
No. of Contracts		21		24	
Forward contract - CNY - INR	CNY	-	-	0.09	1.13
No. of Contracts		-		1	
Interest rate swaps	EUR	13.89	1,237.34	16.71	1,403.31
No. of Contracts		5		8	
Interest rate cap	EUR	3.00	267.16	-	-
No. of Contracts		1		-	
Commodities Swap	EUR	3.20	285.33	4.77	400.60
No. of Contracts		1		2	

Maturity of outstanding commodity swaps:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	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	0.70	(18.42)	0.30	37.16
Later than 3 months and not later than 6 months	0.56	(14.59)	0.30	38.02
Later than 6 months and not later than 1 year	0.95	(24.84)	0.60	75.45
Later than 1 year and not later than 2 year	1.00	(26.17)	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, 2023		As at 31st March, 2022	
	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	1.57	2.15	2.43	1.70
Later than 3 months and not later than 6 months	1.54	2.11	2.43	1.70
Later than 6 months and not later than 1 year	3.08	4.22	3.36	2.36
Later than 1 year and not later than 2 year	2.65	3.64	5.13	3.60
Later than 2 year and not later than 3 year	2.65	3.64	1.60	1.12
Later than 3 year and not later than 4 year	1.71	2.35	1.60	1.12
Later than 4 year and not later than 5 year	0.70	0.96	0.15	0.11

Notes forming part of consolidated financial statements

Maturity of outstanding interest rate caps:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	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	0.31	0.09	-	-
Later than 3 months and not later than 6 months	0.31	0.09	-	-
Later than 6 months and not later than 1 year	0.63	0.18	-	-
Later than 1 year and not later than 2 year	1.25	0.35	-	-
Later than 2 year and not later than 3 year	0.50	0.14	-	-

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, 2023					
Interest rate swaps	13.89	19.07	1:2.75	7.02	7.02
Interest rate caps	3.00	0.84		0.84	0.84
Commodity swaps	3.20	(84.03)	1:2.5	(84.03)	(84.03)
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)

a) 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
For the year ended 31st March, 2023				
Interest rate swaps	14.67	-	(8.08)	Finance costs
Interest rate caps	0.79	-	-	Finance costs
Commodity swaps	410.02	-	(272.38)	Other expenses
For the year ended 31st March, 2022				
Interest rate swaps	11.71	-	5.10	Finance costs
Commodity swaps	169.34	-	(29.95)	Other expenses

Notes forming part of consolidated financial statements

Movements in cash flow hedging reserve

₹ in million

Derivative Instruments	Commodity Swap	Interest rate swap	Interest rate cap	Total
Cash Flow Hedge reserve				
Balance - 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)
As at 31st March, 2022	**122.09**	**8.90**	**-**	**130.99**
Add: change in intrinsic value of instrument	410.02	14.67	0.79	425.48
Less: Amount reclassified to P&L	(272.38)	(8.08)	-	(280.46)
Deferred tax relating to the above (net)	(38.40)	(1.58)	(0.19)	(40.17)
Translation difference	10.01	0.57	0.04	10.62
Balance - As at 31st March, 2023	**231.33**	**14.48**	**0.64**	**246.46**

33 Earnings per share (EPS)

Particulars	Shares in Nos	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a) Earnings for the purpose of basic / diluted earnings per share -		
Net profit after tax (₹ in million)	4,795.75	4,607.09
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	34.09	32.75

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, 2023	For the year ended 31st March, 2022
As at 1st April	301.65	484.55
Addition due to acquisition	19.14	-
Others*	53.64	87.13
Accretion of interest	9.86	7.35
Payments	(80.97)	(271.32)
Translation differences	11.07	(6.06)
As at end of the year	314.39	301.65
Current	127.11	141.81
Non current	187.28	159.84

*Others mainly includes lease liabilities on new leases entered during the year.

Notes forming part of consolidated financial statements

The maturity analysis of lease liability is disclosed in note 11.02.

The effective interest rate for lease liabilities is 8 ~ 9% for leases in India and 0.90% for leases in Italy and 0.99% for leases in Germany, with maturity between 2024-2030.

The following are the amounts recognized in the statement of profit or loss:

₹ in million

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation expense of right-of-use assets	143.73	198.19
Interest expense on lease liabilities	9.86	7.35
Total amount recognized in profit or loss	**153.59**	**205.54**

During the year the Group had total cash outflows for leases of ₹ 169.62 million (previous year ₹ 271.32 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ 142.29 million (previous year ₹ 87.13 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 realisation of the grant income is reasonably certain.

The Company has recognized an amount of ₹ 589.27 million (previous year ₹ 594.89 million) as grant income under Mega Project scheme PSI 2013 for the year ended 31st March, 2023. In the previous year the Company also recognized ₹ 39.01 million against balance related to PSI 2007 scheme for which sanction was received in March 2022.

b) EPCG benefit:

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, 2023 is ₹ Nil million (previous year ₹ 49.27 million).

In accordance with Ind-AS 20, ₹ 8.21 million (previous year ₹ Nil million) is recognized as incentive received.

c) Export incentive:

The Group has recognized ₹18.07 million (previous year ₹ 18.34 million) as export incentive under RODTEP scheme for the year ended on 31st March, 2023.

During the year, the Group also recognized ₹ 29.09 million (previous year ₹ 30.41 million) as export incentive under duty drawback scheme.

Further the Group also recognized ₹ 44.80 million (previous year ₹ 47.02 million) as incentive under advance authorisation licence scheme.

Notes forming part of consolidated financial statements

37 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.

During the current period, amount recognised in the Statement of Profit and Loss of ₹ 15.64 million (previous year ₹ 14.78 million) against above referred grant. Further, grant of ₹ 6.69 million (previous year ₹ 13.20 million) is recognised in the form of tax credits on incremental R&D expenditure; ₹ Nil (previous year ₹ 39.33 million) in the form of tax credits for reinvestment of profits generated and capital infusions made in previous year; ₹ 12.03 million (previous year ₹ 9.80 million) is recognised for solar power utilization and surplus energy produced and ₹ 6.03 million (previous year ₹ 1.04 million) received as energy consumption grant.

38 Subsequent event

On 17th May, 2023, the Board of Directors of the Company have proposed a dividend of ₹ 7 per equity share of face value ₹ 10 each in respect of the year ended 31st March, 2023. 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, 2022 was declared and paid at ₹ 6.25 per equity share of face value ₹ 10 each.

39 Disclosure of additional information as required by the Schedule III:

a) As at and for the year ended 31st March, 2023:

₹ 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	75.50%	33,309.41	85.27%	4,089.17	3.08%	30.90	71.03%	4,120.07
Foreign subsidiaries								
Endurance GmbH	8.67%	3,826.50	2.35%	112.60	1.03%	10.37	2.12%	122.97
Endurance Overseas Srl*	25.30%	11,156.69	18.75%	899.62	21.72%	218.25	19.27%	1,117.87
Domestic subsidiary								
Maxwell Energy Systems Private Limited	1.08%	477.06	-3.69%	(176.91)	0.27%	2.72	-3.00%	(174.19)
Eliminations	-10.55%	(4,648.37)	-2.68%	(128.73)	73.90%	742.52	10.58%	613.79
Total	**100.00%**	**44,121.29**	**100.00%**	**4,795.75**	**100.00%**	**1,004.76**	**100.00%**	**5,800.51**

* Includes its subsidiaries viz. Endurance SpA, Endurance Castings SpA, Endurance Engineering Srl, Endurance Adler Srl, Veicoli Srl, Frenotecnica Srl, New Fren Srl and GDS Sarl.

Notes forming part of consolidated financial statements

b) 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**

*Includes its subsidiaries viz. Endurance SpA, Endurance Castings SpA, Endurance Engineering Srl, Endurance Adler Srl and Veicoli Srl.

40 During the current year, the Company announced a Voluntary Separation Scheme (VSS) for its employees at its B-20 Chakan plant, Maharashtra. Fifty six employees opted for the scheme. The company settled their dues on 30th June, 2022. The Company also paid ₹ 102.85 million as separation compensation to the said employees on 30th June, 2022 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 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 was disclosed as an exceptional item in the statement of profit and loss.

40A The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

41 Other statutory information:

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group 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	Nature of transaction	Balance outstanding as at 31.03.2023	Relationship, if any
Vision Facility Management Private Limited	No Transaction	0.17	None
Multitech System Industrial Automat	Purchase of spare parts	0.01	None

₹ in million

Name of the company	Nature of transaction	Balance outstanding as at 31.03.2022	Relationship, if any
Vision Facility Management Private Limited	Recovery of GST	0.17	None

Notes forming part of consolidated financial statements

(iii) The Group does not have any charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group 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 Group 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 Group 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 Group 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: 17th May, 2023
Place: Kraków, Poland

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: 17th May, 2023
Place: Mumbai

Notes forming part of consolidated financial statements

Related Party Disclosure

(For the year ended 31st March, 2023)

(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. Soumendra Basu, Chairman
		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
		Mr. Partho Datta, Independent Director (upto 1st May, 2021)
		Mr. Roberto Testore, Independent Director
		Ms. Anjali Seth, Independent Director
		Mr. Indrajit Banerjee, Independent Director
		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) - Mother of Mr. Anurang Jain
		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	None

Notes forming part of consolidated financial statements

Related Party Disclosure

(For the year ended 31st March, 2023)

(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	Total
Remuneration - Short Term Employee Benefits	345.37	11.48	356.85
	(356.51)	(9.21)	(365.72)
Post employment and other long term benefits*	14.95	-	14.95
	(16.10)	-	(16.10)
Directors' sitting fees	2.82	-	2.82
	(3.21)	-	(3.21)
Directors' commission	12.75	-	12.75
	(12.75)	-	(12.75)
Lease rent expense	10.36	-	10.36
	(10.32)	-	(10.32)
Reimbursement of travelling and other expenses	1.11	0.05	1.16
	(0.11)	(0.02)	(0.13)
Dividend paid	^448.11	#211.25	659.36
	(430.18)	(202.80)	(632.98)
Expenses recovered	-	-	-
	**(0.00)	-	(0.00)
Balances Outstanding as at the end of the year			
i) Payables	54.10	0.46	54.55
	(64.36)	(0.34)	(64.70)
iii) Security deposit receivable	2.54	-	2.54
	(2.39)	-	(2.39)

* 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, 2023 (31st March, 2022) 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 ₹ 176.88 million (₹ 169.80 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.

Includes ₹ 105.69 million (₹ 101.46 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 105.56 million (₹ 101.34 million) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.

**Transaction amount ₹ 780.

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, 2023	1 EURO: INR 89.0530 (for balance sheet items); 1 EURO: INR 83.6078 (for P&L items);	1,434.22	3,112.78	8,253.91	3,706.90	5,548.56	2,123.52	1,348.40	4.89	1,343.51	-	100 (#)
2.	Endurance SpA, Italy*	31st March, 2023	1 EURO: INR 89.0530 (for balance sheet items); 1 EURO: INR 83.6078 (for P&L items);	445.27	7,327.99	18,053.36	10,280.10	0.03	12,998.20	363.30	24.75	338.56	-	100.00
3.	Endurance Engineering SrL, Italy*	31st March, 2023	1 EURO: INR 89.0530 (for balance sheet items); 1 EURO: INR 83.6078 (for P&L items);	8.91	496.93	939.06	433.23	0.00	1,174.34	67.95	9.98	57.98	-	100.00
4.	Endurance Castings SpA, Italy*	31st March, 2023	1 EURO: INR 89.0530 (for balance sheet items); 1 EURO: INR 83.6078 (for P&L items);	80.15	1,064.86	2,946.50	1,801.49	0.19	3,467.63	231.38	5.01	226.38	-	100.00
5.	Endurance Adler SpA, Italy*	31st March, 2023	1 EURO: INR 89.0530 (for balance sheet items); 1 EURO: INR 83.6078 (for P&L items);	74.80	431.29	1,117.07	610.98	0.00	899.95	21.21	6.01	15.19	-	100.00
6.	Veicoli SrL, Italy*	31st March, 2023	1 EURO: INR 89.0530 (for balance sheet items); 1 EURO: INR 83.6078 (for P&L items);	44.53	121.77	209.55	43.25	0.00	77.89	6.55	0.96	5.58	-	100.00
7.	Frenotecnica Srl, Italy*	31st March, 2023	1 EURO: INR 89.0530 (for balance sheet items); 1 EURO: INR 83.6078 (for P&L items);	10.69	83.85	291.49	196.96	0.06	258.74	13.03	6.41	6.62	-	100.00
8.	New Fren Srl, Italy*	31st March, 2023	1 EURO: INR 89.0530 (for balance sheet items); 1 EURO: INR 83.6078 (for P&L items);	10.69	75.34	364.83	278.81	3.73	182.23	(19.71)	(4.42)	(15.29)	-	100.00
9.	GDS Sarl, Tunisia**	31st March, 2023	1 EURO: INR 89.0530 (for balance sheet items); 1 EURO: INR 83.6078 (for P&L items);	0.27	6.61	52.74	45.86	0.00	16.30	3.35	0.45	2.89	-	100.00

(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
10.	Endurance GmbH, Germany	31st March, 2023	1 EURO: INR 89.0530 (for balance sheet items); 1 EURO: INR 83.6078 (for P&L items);	1,046.97	2,769.18	5,360.78	1,544.64	411.07	4,209.96	122.43	6.30	116.13	-	100.00
11.	Maxwell Energy Systems Private Limited, India	31st March, 2023	INR	0.14	476.92	623.89	146.83	0.00	180.29	(175.79)	1.12	(176.92)	-	51.00

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

**Wholly Owned Subsidiary of New Fren Srl

Notes:

1) The figures stated above for foreign subsidiaries 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) The figures for the Indian subsidiary are as per Indian Accounting Standards.
3) 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) Extend of Holding %
3. Description of how there is significant influence
4. Reason why the Associate/Joint Venture is not consolidated
5. Net worth attributable to Shareholding as per latest audited Balance Sheet
6. Profit/Loss for the year
a) Considered in Consolidation
b) Not Considered in Consolidation

For and on behalf of the Board of Directors

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: 17th May, 2023
Place: Mumbai

ENDURANCE
Complete Solutions

REGISTERED OFFICE

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