

BOARD'S REPORT

Dear Shareholders,

Your Directors present herewith the Twenty First Annual Report on the business and operations of the Company together with financial statements for the financial year ended 31st March, 2020.

SUMMARISED STATEMENT OF PROFIT AND LOSS:

₹ in million

Particulars	Standalone		Consolidated	
	Financial Year 2019-20	Financial Year 2018-19	Financial Year 2019-20	Financial Year 2018-19
Revenue from operations	49,385.69	54,174.59	69,177.07	75,104.99
Other income	361.88	162.23	475.97	270.46
Total income	49,747.57	54,336.82	69,653.04	75,375.45
Raw Material Cost	30,473.23	35,237.29	37,352.08	43,494.54
Employee Benefit expenses	2,961.28	2,777.43	6,773.25	6,527.44
Finance cost	108.15	170.73	175.39	257.32
Depreciation	1,992.48	1,756.98	4,142.83	3,762.10
Other expenses	8,528.02	8,839.77	13,744.03	13,795.25
Total expenditure	44,063.16	48,782.20	62,187.58	67,836.65
Profit before exceptional items, tax and minority interest	5,684.41	5,554.62	7,465.46	7,538.80
Exceptional Items	-	208.00	-	208.00
Profit before tax	5,684.41	5,346.62	7,465.46	7,330.80
Net Tax expense	1,407.49	1,768.01	1,810.12	2,380.74
Net profit for the year	4,276.92	3,578.61	5,655.34	4,950.06

DIVIDEND:

The Board of Directors, at its meeting held on 3rd March, 2020, declared an interim dividend of ₹ 5.50 per equity share of ₹ 10 each (55%) for the financial year 2019-20 and the same has been paid to all the eligible shareholders as on record date i.e. 12th March, 2020. Interim dividend paid shall be considered as final dividend for the year ended 31st March, 2020. Dividend paid in the previous year was ₹ 5.50 per equity share of face value of ₹ 10 each (55%).

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

Dividend Distribution Policy

This policy is effective from 26th August, 2016 and has been framed and adopted in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). 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 2019-20. The policy is attached as **Annexure I** and forms part of this Annual Report and is also placed on the Company's website www.endurancegroup.com/investor/investor-relations.

Amount proposed to be transferred to reserves

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

COMPANY'S PERFORMANCE:

During the year under review, the Company posted a total income of ₹ 49,747.57 million on a standalone basis as against ₹ 54,336.82 million in the previous year. The total income on a consolidated basis was ₹ 69,653.04 million compared to ₹ 75,375.45 million in the previous year. The Company's total income on standalone and consolidated basis de-grew by 8.4% and 7.6%, respectively. This primarily was on account of negative growth by automotive industry followed by the nationwide lockdown in March 2020 due to COVID-19 pandemic. Despite a challenging market environment, the Company recorded a 'better than industry' performance.

The profit after tax, however, increased significantly by 19.5% in the financial year 2019-20 at ₹ 4,276.92 million as against ₹ 3,578.61 million in the previous year, on standalone basis; while consolidated profit after tax grew by 14.2% at ₹ 5,655.34 million as against ₹ 4,950.06 million in the previous year. In spite of de-growth in the automobile

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industry, the Company earned better profit margins due to sharper focus on costs, including raw material costs and lower effective income tax rate. Further, greater control was exercised on our capital expenditure and working capital.

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 2019-20 have been prepared in compliance with applicable accounting standards. The audited financial statements of the Company and its subsidiaries (including step-down subsidiaries) have been approved by the Board of Directors of respective entities.

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

SUBSIDIARIES:

During the year under review, no new subsidiary was incorporated/ acquired nor any company ceased to be a subsidiary of the Company. As at 31st March, 2020, the Company had following subsidiaries:

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

Following investments were made by overseas subsidiaries of the Company post 31st March, 2020:

- a. Endurance Overseas Srl, Italy (direct subsidiary of the Company) purchased controlling equity stake of 99% in Adler SpA, Italy and the name of the acquired entity was changed to Endurance Adler SpA ("EA SpA"). The acquisition was for a consideration of Euro 3.5 million with an effective date of 15th April, 2020.

Adler is a leader in systems solutions for clutches, gears and friction plates with niche in R&D, engineering services and product development for OEM customers in Europe.

Their new product technologies / technical strength would be important for the Endurance Group. Adler has been a long term technology provider to the Company.

EA SpA has two wholly-owned subsidiaries, viz. Adler RE Srl, Italy and VS San Marino Srl, San Marino.

- b. EA SpA acquired 100% stake in Grimeca Srl ("Grimeca"), Italy on 21st May, 2020. The acquisition was completed for a consideration of Euro 2.25 million, which included Euro 0.9 million for the 100% stake in Grimeca and Euro 1.35 million for technical know-how and intellectual property rights and the "G Grimeca" brand.

Grimeca is an advanced service company involved in designing and developing new braking products for motorcycle and light-vehicles, including 'co-design' with OEM customers. Grimeca has been a technology provider for braking solutions to the Company since 2015. This strategic acquisition aims to strengthen technological prowess of the Company in the area of braking systems.

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 www.endurancegroup.com/investor/investor-relations.

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

SHARE CAPITAL:

The paid-up equity share capital as on 31st March, 2020, was ₹ 1,406,628,480. There was no public issue, rights issue, bonus issue or preferential issue, etc., during the year. The Company has not issued shares with differential voting rights, sweat equity shares, neither has it granted any employee stock options nor issued any convertible securities.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

There was no change in the Board of Directors and Key Managerial Personnel during the year under review.

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DIRECTORS:

The composition of the Board of the Company, as on 31st March, 2020, is as follows:

Sr. No.	Name of Director	Position
1.	Mr. Naresh Chandra (DIN 00027696)	Chairman (Non-Executive)
2.	Mr. Anurang Jain (DIN 00291662)	Managing Director (Executive)
3.	Mr. Roberto Testore (DIN 01935704)	Independent Director (Non-Executive)
4.	Mr. Partho Datta (DIN 00040345)	Independent Director (Non-Executive)
5.	Mr. Soumendra Basu (DIN 01125409)	Independent Director (Non-Executive)
6.	Mr. Ramesh Gehaney (DIN 02697676)	Director and Chief Operating Officer (Executive)
7.	Mr. Satrajit Ray (DIN 00191467)	Director and Group Chief Financial Officer (Executive)
8.	Ms. Anjali Seth (DIN 05234352)	Independent Director (Non-Executive)
9.	Mrs. Falguni Nayar (DIN 00003633)	Independent Director (Non-Executive)
10.	Mr. Massimo Venuti (DIN 06889772)	Director (Non-Executive)

Retirement of directors by rotation

In terms of Section 152(6) of the Act, Mr. Naresh Chandra, Chairman (DIN: 00027696), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment. Information as required under Regulation 36(3) of the Listing Regulations is provided in the Notice convening the Twenty First Annual General Meeting ("AGM").

KEY MANAGERIAL PERSONNEL:

The following officials are 'Key Managerial Personnel' of the Company in terms of the provisions of Section 203 of the Act:

- Mr. Anurang Jain, Managing Director;
- Mr. Ramesh Gehaney, Director and Chief Operating Officer (Whole Time Director);
- Mr. Satrajit Ray, Director and Group Chief Financial Officer (Chief Financial Officer); and
- Mr. Sunil Lalai, Company Secretary and Executive Vice President – Legal (Company Secretary).

Number of Meetings of the Board, its Committees and Meetings of the Board Committees

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

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

A detailed charter including terms of reference of various Board constituted Committees, number of Committee meetings held during the financial year 2019-20 and attendance of members at each meeting, forms part of the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they 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 2019-20 and of the profit and loss of the Company for that period;

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- (iii) they 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) they have prepared the annual accounts on a going concern basis;
- (v) they 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) they 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 Employees for the FY 2019-20.

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.

The Ministry of Corporate Affairs vide its circular dated 22nd October, 2019 further amended the Companies (Appointment and Qualification of Directors) Rules, 2014 by requiring an independent director to apply online, within 1st May 2020, to the Indian Institute of Corporate Affairs 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. The independent directors were also required to submit a declaration of compliance in this regard. All Independent Directors of the Company have submitted such declaration.

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

The Board is of the opinion that Independent Directors of the Company are professionally qualified and well experienced in their respective domains. Their qualification and vast experience in varied fields helps in strengthening 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:

The Nomination and Remuneration Policy approved by the Board at its meeting held on 10th June, 2016, was last revised by the Board at its meeting held on 25th June, 2020. This is also placed on the Company's website: www.endurancegroup.com/investor/investor-relations.

In terms of the said Section, the scope of the policy covers directors, key managerial personnel and senior management employees of the Company. The policy, *inter alia*, lays down the principles relating to appointment, cessation, remuneration and evaluation of directors, key managerial personnel and senior management employees of the Company.

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS:

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

Performance of the Board is evaluated after seeking inputs from all the directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning, its contribution in effective management of the Company, etc. Based on the assessment, observations on the performance of Board are discussed and key action areas for the Board, Committees and directors are noted.

During the period under review, the annual performance evaluation of the Board, its Committees and individual directors for the financial year ended 31st March, 2020 was conducted by the Board, at its meeting held on 25th June, 2020.

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

SECRETARIAL STANDARDS:

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

INFORMATION ON BOARD MEETING PROCEDURE AND ATTENDANCE DURING THE FINANCIAL YEAR 2019-20:

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

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

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

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, 2020, the Committee comprised following directors as its members:

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

All of the Committee members are 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, 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.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

As on 31st March, 2020, the CSR Committee comprised following directors as its members:

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

RISK MANAGEMENT COMMITTEE:

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

As on 31st March, 2020, the RMC comprised following directors as its members:

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

The Company has a Risk Management Policy which was framed in June, 2015 and was last revised in August, 2019.

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, continuously changing business environment and legislative requirements. As per the terms of reference of RMC, it is entrusted with responsibility to review risk management framework.

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

CREDIT RATING:

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

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reaffirmed the Company's long-term rating of CRISIL AA/Positive and short-term rating of CRISIL A1+.

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 company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

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

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

The Company has an in-house Internal Audit (IA) team lead by Chief Internal Auditor who reports to the Audit Committee. The scope of work, accountability, responsibility, reporting and authority of the IA department is defined in the Internal Audit Charter which is reviewed by the Audit Committee, annually.

The IA team draws up an internal audit plan in advance for a financial year, which is approved by the Audit Committee and progress thereof is reviewed by the Committee at its quarterly meetings. In order to ensure objectivity and independence of the audit mechanism, internal audit activities for certain plants are outsourced. The IA team conducts audits of plants and corporate functions, specifically emphasising on statutory compliance, covering adherence to SOPs, controls 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 of the Act and the Listing Regulations.

CORPORATE GOVERNANCE:

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

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

BUSINESS RESPONSIBILITY REPORT:

In terms of Regulation 34(2) of the Listing Regulations, a Business Responsibility Report for the financial year 2019-20 forms part of this Annual Report.

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

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

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

The PIT Code lays down guidelines for '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-compliance or leak of confidential price sensitive information. The PIT Code was last revised by the Board of Directors at its meeting held on 6th February, 2020 pursuant to notification of the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019. In terms thereof, the PIT Code was amended to include provisions

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for suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who files a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws.

The UPSI Code documents the manner of disseminating UPSI for making it accessible to the public on non-discriminatory basis.

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

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

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

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

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

Expenditure towards CSR activities

During the year under review, the Company had earmarked an amount of ₹ 86.38 million and thus, approved a budget of ₹ 87 million for expenditure towards CSR activities. The Board

of Directors have approved following projects / programmes, which are as per Schedule VII to the Act and CSR Policy of the Company:

1. Village Development Project;
2. Vocational Training Centre;
3. Sevak Trust Balwadi; and
4. Other micro projects for cleanliness of drains and providing drinking water by installation of RO plants.

Further, the Company also contributed ₹ 50 million in March, 2020, to the PM CARES Fund which has been constituted with the primary objective of dealing with any emergency or distress situation, such as the one posed by COVID-19 pandemic, and to provide relief to the affected.

Accordingly, the total CSR expenditure during the financial year 2019-20 was ₹ 138.52 million which includes ₹ 88.52 million towards above-mentioned projects and programmes and contribution of ₹ 50 million to the PM CARES Fund.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

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

AUDITORS:

Statutory Auditor

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

Cost Auditor

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

Based on the recommendation of the Audit Committee, the Board has appointed Mr. Jayant B. Galande, Cost Accountant (Membership No. M-5255) as Cost Auditor of the Company for the financial year 2020-21. The remuneration proposed is ₹ 400,000 and is subject to ratification by the shareholders at the ensuing AGM. The said remuneration is excluding applicable taxes and out-of-pocket expenses, if any, payable at actuals.

Secretarial Auditor

In terms of the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial

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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 2019-20.

The Secretarial Audit Report for the financial year 2019- 20 is set out as **Annexure IV** to this report. The said report does not contain any qualification, reservation or adverse remark.

DISCLOSURES:

Policies of the Company

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

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

Sr. No.	Name of Policy
1.	Nomination and Remuneration Policy
2.	Corporate Social Responsibility Policy
3.	Dividend Distribution Policy
4.	Whistle Blower Policy
5.	Risk Management Policy
6.	Code of Conduct for Prevention of Insider Trading
7.	Code of Conduct for Directors and Employees
8.	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/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, 2019 till the date of report, the following policies were revised:

Sr. No.	Name of Policy	Revised effective
1.	Risk Management Policy	
2.	Policy on Determining Materiality of and Dealing with Related Party Transactions	8 th August, 2019
3.	Policy on determining Materiality of and dealing with Related Party transactions	6 th February, 2020
4.	Code of conduct for Prevention of Insider Trading	
5.	Policy for Determination of Materiality of Event / Information	
6.	Archival Policy for Disclosures to Stock Exchanges	25 th June, 2020
7.	Policy for preservation of documents	
8.	Nomination and Remuneration Policy	

Based on the recommendation of Nomination and Remuneration Committee, the Nomination and Remuneration ("NR") Policy was revised by the Board, at its meeting held on 25th June, 2020. The changes primarily related to payment of remuneration to Independent Directors and the process of performance evaluation being conducted by the Board. Further, the policy document was modified to include identification of attributes and domain experience to be assessed while appointing a new Director on the Board.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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FIXED DEPOSITS:

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

In terms of the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a vigil mechanism (which forms part of the Whistle Blower policy in terms of Regulation 22 of the Listing Regulations) for Directors and employees to report their genuine concerns. The objective of this policy is to create a window for any person who observes an unethical behaviour, actual or suspected fraud, or violation to the Company's Code of Conduct for Directors and Employees and to report the same to the Ombudsman appointed under the same policy. The said policy also encompasses reporting of instances of leak of UPSI.

Protected disclosures can be made by a whistle blower to the dedicated e-mail ID and/ or postal address of Ombudsman, appointed under the Policy. The policy has been hosted on the Company's website at www.endurancegroup.com.

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 Company's Code of Conduct for Directors and Employees.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH, 2020 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.

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

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS:

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

ANNUAL RETURN:

In terms of Section 92(3) of the Act, the annual return of the Company for the financial year ended 31st March, 2020 shall be available on the Company's website: www.endurancegroup.com/investor/investor-relations.

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

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

During the year under review, two complaints were received by the ICC under the POSH Policy. One complaint was satisfactorily resolved and one complaint was pending as the same was received during end March, 2020. As on the date of the report, the second complaint was under investigation by the ICC and received due attention after the lockdown due to COVID-19 was relaxed.

INDUSTRIAL RELATIONS:

During the year under review, the industrial relations remained cordial. We have eleven agreements entered into with labour unions for the Company's plants located at Waluj (Aurangabad, Maharashtra), Chakan (Dist. Pune, Maharashtra) and Pantnagar (Uttarakhand).

BOARD'S REPORT (CONTD.)

INVESTOR EDUCATION AND PROTECTION FUND:

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

In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the year ended 31st March, 2020.

The Company has uploaded details of unpaid and unclaimed dividend amounts lying with the Company as on 30th November, 2019, on the Company's website www.endurancegroup.com/investor/investor-relations and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

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

Financial Year	Date of declaration of dividend/ interim dividend	Amount of unpaid dividend as on 31 st March, 2020 (in ₹)	Due date for transfer to IEPF
2016-17	28 th July, 2017	47,782.50	31 st August, 2024
2017-18	6 th September, 2018	42,072.00	11 th October, 2025
2018-19	8 th August, 2019	46,079.00	12 th September, 2026
2019-20	3 rd March, 2020	1,36,460.50	7 th April, 2027

ACKNOWLEDGMENTS:

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

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

For and on behalf of the Board

Naresh Chandra
Chairman
DIN: 00027696

Date: 25th June, 2020