

# CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the financial year 2019-20. This report elucidates the systems and processes followed by the Company to ensure compliance of corporate governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Companies Act, 2013 ("Act").

## 1. PHILOSOPHY:

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

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

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

## 2. BOARD OF DIRECTORS:

### a) Composition:

As on 31<sup>st</sup> March, 2020, the Board comprised ten Directors, three of which are Executive Directors, five are Non-Executive & Independent Directors and two are Non-Executive and Non-Independent Directors. The Company has a Non-Executive Chairman who is a member of the promoter group.

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

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

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

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Composition of the Board of Directors, during the year ended on 31<sup>st</sup> March, 2020 was as under:

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

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

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

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

<sup>@</sup> Mr. Ramesh Gehaney was re-appointed as Director and Chief Operating Officer of the Company for a further term of five years with effect from 6<sup>th</sup> June 2019.

<sup>#</sup> Mr. Satrajit Ray was re-appointed as Director and Group Chief Financial Officer of the Company for a further term of five years with effect from 6<sup>th</sup> June 2019.

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

Mr. Roberto Testore had sought leave of absence from attending the Twentieth Annual General Meeting of the Company held on 8<sup>th</sup> August, 2019.

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b) Table indicating details of Directors serving Directorships in other listed entities as on 31<sup>st</sup> March, 2020

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

**Number of Board meetings:**

During the financial year 2019-20, the Board of Directors met six times on following dates, viz. 25<sup>th</sup> April, 2019, 14<sup>th</sup> May, 2019, 8<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019, 6<sup>th</sup> February, 2020 and 3<sup>rd</sup> March, 2020. The statement below tabulates the attendance of each of the director at the aforesaid Board meetings.

Sr. No.	Date of Meeting	Category	25 <sup>th</sup>	14 <sup>th</sup>	8 <sup>th</sup>	14 <sup>th</sup>	6 <sup>th</sup>	3 <sup>rd</sup>
			April, 2019	May, 2019	August, 2019	November, 2019	February, 2020	March, 2020
No. of Meeting / Name of Directors			106 <sup>th</sup>	107 <sup>th</sup>	108 <sup>th</sup>	109 <sup>th</sup>	110 <sup>th</sup>	111 <sup>th</sup>
1.	Mr. Naresh Chandra	Chairman, Non-executive, Non-Independent	✓	✓	✓	✓	✓	Leave of absence
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓	✓	✓	✓	✓
3.	Mr. Partho Datta	Non-executive, Independent	✓	✓	✓	✓	✓	Leave of absence
4.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓	✓	✓	✓	Leave of absence
5.	Mr. Roberto Testore	Non-executive, Independent	✓	✓	Leave of absence	✓	Leave of absence	Leave of absence
6.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	✓	✓	✓	✓	✓	✓
7.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	✓	✓	✓	✓	✓	✓
8.	Ms. Anjali Seth	Non-executive, Independent	✓	✓	✓	✓	✓	✓
9.	Mrs. Falguni Nayar	Non-executive, Independent	✓	✓	✓	✓	✓	Leave of absence
10.	Mr. Massimo Venuti	Non-executive, Non-Independent	✓	✓	✓	✓	✓	Leave of absence

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### c) Certificate of Independence

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

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

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

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

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

### 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 & monitoring of the Company:

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

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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 Resource & Industrial Relations	Technology and Research & Development
Naresh Chandra	✓	✓	✓	✓	✓	✓	x
Anurang Jain	✓	✓	✓	✓	✓	✓	✓
Partho Datta	x	✓	✓	✓	✓	x	x
Soumendra Basu	x	✓	✓	✓	x	✓	x
Roberto Testore	✓	✓	✓	✓	x	x	✓
Ramesh Gehaney	✓	✓	✓	x	✓	x	✓
Satrajit Ray	✓	✓	✓	✓	✓	x	x
Anjali Seth	x	✓	x	x	✓	✓	x
Falguni Nayar	x	✓	✓	✓	✓	x	x
Massimo Venuti	✓	✓	✓	✓	✓	✓	x

### 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 and management.

Various familiarisation initiatives are carried out throughout the year on an on-going basis which include comprehensive update at Board and Committee meetings on Company's performance & industry scenario, and information on specific functions/ departments through presentations by Company executives. An impact analysis on amendments in corporate laws and regulations applicable to the Company are also shared with the Directors for their information and action, if necessary.

Details of familiarisation initiatives undertaken by the Company are available on the website of the Company at [www.endurancegroup.com/investor/investor-relations](http://www.endurancegroup.com/investor/investor-relations).

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

- the industry in which the Company operates;
- business model and strategic plans of the Company;
- roles, rights, responsibilities of independent directors; and
- 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, role and responsibilities as independent director. The director is also provided

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with a handbook, which gives an overview on the Company and the Management comprising, amongst others, following information:

### a. Corporate overview:

- i. Purpose, Philosophy, Vision, Mission and Goal of the Company;
- ii. Company's values;
- iii. Descriptive input on products manufactured by the Company; and
- iv. Organogram of Endurance Group which details the subsidiaries and their shareholding pattern.

### b. Board and Management overview:

- i. Constitution of the Board of Directors and various committees of the Board along with its terms of reference and names of members;
- ii. Profile of Board members;
- iii. Names and contact details of members of core management team.

### c. Reference Documents:

- i. Code of Conduct for the Board of Directors and Senior Management;
- ii. Corporate policies of the Company approved by the Board which, inter-alia, include Whistle Blower Policy, Corporate Social Responsibility Policy, Nomination and Remuneration Policy, Risk Management Policy; and
- iii. Powers of the Board, liabilities of Directors', their duties and responsibilities, etc. as enumerated in the Act and the Listing Regulations.

## II. Updates at the Board Meetings

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

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

- i. Company's performance vis-à-vis industry performance, business trends, update on plant operations, new orders/ share of business of customers, initiatives on research & development front and other significant

matters like, setting up of a new facility/ies, acquisition in India and overseas;

- ii. Detailed review on operating and financial performance of the Company's overseas subsidiaries including business trends based on economic and geo-political specific influence;
- iii. Strategic business plans including annual budgets;
- iv. Risks assessment and mitigation plans as per adopted Risk Management framework;
- v. Initiatives relating to health, safety and environment;
- vi. Amendments to the Companies Act and the Listing Regulations;
- vii. Adequacy of internal controls systems including internal financial controls;
- viii. Any significant information relating to subsidiary companies;
- ix. Significant internal audit findings/ observations;
- x. Corporate Social Responsibility initiatives undertaken;
- xi. Changes at senior level management;
- xii. Litigations and compliance;
- xiii. Performance evaluation of the Board, its committees and individual Directors.

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

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

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

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

Details of the Familiarisation programmes undertaken during the financial year 2019-20 are given below:

Sr. No.	Date	Particulars of Familiarisation	No. of hours spent
1.	25 <sup>th</sup> April, 2019	Presentation on Health, Safety and Environment of the Company encompassing following for FY 2019-20: <ul style="list-style-type: none"> <li>• Group Safety Performance;</li> <li>• Corporate Safety initiatives;</li> <li>• Update on action taken on safety, risk management, zero effluent discharge and development of framework for sustainability reporting.</li> </ul>	2
2		Presentation by the Managing Director, the Director & Chief Operating Officer, the Director & Group Chief Financial Officer and the Director & Chief Executive Officer of Endurance Overseas Srl, Italy on Annual Business Plan of the Company and its subsidiaries. This presentation included operating and sales plan and budget of the Company and that at Group level for FY 2019-20	
3	14 <sup>th</sup> May, 2019	Presentation by the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated, for the FY 2018-19	1
4		Update on projects and programmes undertaken by the Company in terms of Corporate Social Responsibility Policy during the FY 2018-19	
5	8 <sup>th</sup> August, 2019	Presentation by the Managing Director and the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated, for the quarter ended on 30 <sup>th</sup> June, 2019 Presentation by the Vice – President, Strategy and the Head - Treasurer & Investor Relations on business strategy for new product vertical(s)	1.5
6	14 <sup>th</sup> November, 2019	Presentation by the Managing Director and the Director and Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated for the quarter ended 30 <sup>th</sup> September, 2019	
7		Presentation by Head – Marketing & Business Development on Sales & Marketing function of the Company covering following points – <ul style="list-style-type: none"> <li>• Overview of the industry scenario and the Company’s market share;</li> <li>• Engagement with key OEM customers;</li> <li>• New business acquired;</li> <li>• Marketing initiatives; and</li> <li>• Drivers for future growth</li> </ul>	2
8		Presentation on Health, Safety and Environment of the Company covering following points – <ul style="list-style-type: none"> <li>• Analysis of overall safety performance;</li> <li>• Corporate Safety initiatives; and</li> <li>• Environmental initiatives</li> </ul>	
9.	6 <sup>th</sup> February, 2020	Presentation by the Managing Director and the Director & Group Chief Financial Officer on the financial performance of the Company, both standalone and consolidated for the quarter ended 31 <sup>st</sup> December, 2019	2.5
10.		Presentation by the Chief Sourcing Officer giving an overview on Corporate Sourcing function of the Company, sourcing strategies and cost saving measures implemented by the function.	
<b>Total number of hours</b>			<b>9</b>

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Attendance of Directors for the above programmes

Sr. No.	Name of Director	Whether attended	No. of hours spent up to previous year 2019	No. of hours spent during current year for 2019-20	Cumulative No. of hours spent as on 31 <sup>st</sup> March, 2020
1.	Mr. Roberto Testore	Yes	21	5	26
2.	Mr. Partho Datta	Yes	24	9	33
3.	Mr. Soumendra Basu	Yes	24	9	33
4.	Ms. Anjali Seth	Yes	24	9	33
5.	Mrs. Falguni Nayar	Yes	15	9	24

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

### 3. AUDIT COMMITTEE:

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

As on 31<sup>st</sup> 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 Committee members are independent directors and are financially literate as required under Regulation 18(1)(c) of the Listing Regulations.

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

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

The terms of reference of the Audit Committee are as under:

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

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



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13. Reviewing and examining with the management annual financial statements before submission of the same to the Board. This will include:
  - i. Matters required to be included in the director's responsibility statement to be mentioned in the Board's report;
  - ii. Any changes in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries based on exercise of judgment by the management;
  - iv. Compliance with listing and other legal requirements relating to financial statements;
  - v. Non-recurring, abnormal and one-time entries;
  - vi. Qualification, if any, in the draft audit report;
  - vii. Significant adjustments made in financial statements arising out of audit findings;
  - viii. Disclosure of related party transactions;
  - ix. Modified opinion(s) in the draft audit report.
14. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
15. Review the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions submitted by management;
  - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses;
  - v. The appointment, removal and terms of remuneration of the chief internal auditor;
  - vi. Statement of deviations:
    - a. quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations;
    - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations.
16. Reviewing findings of internal investigations involving matters of suspected fraud, financial integrity or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Reviewing and investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the security and control aspects of the information technology and connectivity systems;
19. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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.

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During the financial year 2019-20, the Committee met four times viz.: 14<sup>th</sup> May, 2019, 8<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 6<sup>th</sup> February, 2020.

Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting Name of Directors / No. of Meeting	Category	14 <sup>th</sup> May, 2019	8 <sup>th</sup> August, 2019	14 <sup>th</sup> November, 2019	6 <sup>th</sup> February, 2020
			31 <sup>st</sup>	32 <sup>nd</sup>	33 <sup>rd</sup>	34 <sup>th</sup>
1.	Mr. Partho Datta	Non-executive, Independent	✓	✓	✓	✓
2.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓	✓	✓
3.	Ms. Anjali Seth	Non-executive, Independent	✓	✓	✓	✓

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

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

As on 31<sup>st</sup> March, 2020, the Committee comprised following directors as its members:

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

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

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

The terms of reference of the NRC are:

- i. Formulation of criteria for determining qualifications, positive attributes and independence of a director

and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

- ii. Formulation of criteria for evaluation of performance of independent directors and the Board;
- iii. Devising a policy on diversity of the Board;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- v. Reviewing succession plans of Board members, key managerial personnel and senior management employees;
- vi. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors; and
- vii. Carry out any other functions as provided under the Act and the Listing Regulations and other applicable law.

During the financial year 2019-20, the Committee met twice on 25<sup>th</sup> April, 2019 and 14<sup>th</sup> May, 2019. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting No. of Meeting / Name of Directors	Category	25 <sup>th</sup> April, 2019	14 <sup>th</sup> May, 2019
			8 <sup>th</sup>	9 <sup>th</sup>
1.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓
2.	Mr. Partho Datta	Non-executive, Independent	✓	✓
3.	Ms. Anjali Seth	Non-executive, Independent	✓	✓

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### 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 2019-20 was conducted through online platform. Based thereon, the Board at its meeting held on 25<sup>th</sup> June, 2020, 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 of the Company, which is placed on the Company's website at [www.endurancegroup.com/investor/investor-relations](http://www.endurancegroup.com/investor/investor-relations).

### Remuneration of Directors:

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

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

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

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

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

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

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

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

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

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

The Members, in the Extra-Ordinary General Meeting of the Company held on 29<sup>th</sup> June, 2016, have approved 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, all Non-executive directors, except Mr. Massimo Venuti, were paid sitting fee as per below table, for the Board and Committee meetings attended by them.

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

\* Sitting fee of Corporate Social Responsibility Committee was increased to ₹ 30,000 per meeting, in the Board meeting held on 25<sup>th</sup> June, 2020.

## CORPORATE GOVERNANCE REPORT (CONTD.)

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.

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

(Amount in ₹ million)

Sr. no.	Name of Director	Category	Salary*	Commission (for the FY 2018-19)	Sitting Fees	Others	Total
1.	Mr. Naresh Chandra	Chairman, Non-executive, Non-Independent	-	-	0.25	2.70	2.95
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	59.39	-	-	-	59.39
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	24.72	-	-	-	24.72*
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	25.11	-	-	-	25.11*
5.	Mr. Massimo Venuti	Non-executive, Non-Independent	-	-	-	-	-
6.	Mr. Roberto Testore	Non-executive, Independent	-	2.25	0.17	-	2.42
7.	Mr. Partho Datta	Non-executive, Independent	-	2.25	0.58	-	2.83
8.	Mr. Soumendra Basu	Non-executive, Independent	-	2.25	0.57	-	2.82
9.	Ms. Anjali Seth	Non-executive, Independent	-	2.00	0.62	-	2.62
10.	Mrs. Falguni Nayar	Non-executive, Independent	-	2.00	0.27	-	2.27

\*The variable salary of Mr. Ramesh Gehaney and Mr. Satrajit Ray for the financial year 2019-20 was ₹ 3,617,387 and ₹ 3,457,972, respectively.

### 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

As on 31<sup>st</sup> March, 2020, the Committee comprised following directors as its members:

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

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

The terms of reference of the Committee include the following:

- i. Recommend activities and the amount of expenditure to be incurred to fulfil CSR; and
- ii. Monitor the CSR Policy from time to time.

## CORPORATE GOVERNANCE REPORT (CONTD.)

During the financial year 2019-20, the CSR Committee met twice on 14<sup>th</sup> May, 2019 and 13<sup>th</sup> November, 2019. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	14 <sup>th</sup> May, 2019	13 <sup>th</sup> November, 2019
			12 <sup>th</sup>	13 <sup>th</sup>
	<b>No. of Meeting / Name of Directors</b>			
1.	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓
2.	Mr. Soumendra Basu	Non-executive, Independent	✓	✓
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	✓	✓

### 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee ("SR Committee") is constituted in compliance with Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

As on 31<sup>st</sup> March, 2020, the Committee 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 as below:

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 2019-20, the SR Committee met twice on 25<sup>th</sup> April, 2019 and 7<sup>th</sup> August, 2019. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	25 <sup>th</sup> April, 2019	7 <sup>th</sup> August, 2019
			5 <sup>th</sup>	6 <sup>th</sup>
	<b>No. of Meeting / Name of Directors</b>			
1.	Ms. Anjali Seth	Non-executive, Independent	✓	✓
2.	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓
3.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	✓	✓

Mr. Sunil Lalai, Company Secretary and 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 2019-20, were pertaining to:

- a. Non-receipt of Annual Report; and
- b. Non-receipt of dividend.

During this period, the Company received and disposed of seven investor queries/ complaints. All the grievances were resolved to the satisfaction of shareholders and

## CORPORATE GOVERNANCE REPORT (CONTD.)

other investors, and as on 31<sup>st</sup> March, 2020, there were no pending issues to be addressed or resolved.

### Demat suspense account:

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

## 7. RISK MANAGEMENT COMMITTEE

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

As on 31<sup>st</sup> March, 2020, the Committee comprised following directors as its members:

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

The Committee's terms of reference are –

- i. To review risk management policy;
- ii. To oversee implementation of the risk management framework including monitoring of material risks to which the organisation is exposed to and ensuring implementation of appropriate mitigation plan;
- iii. Reviewing the adequacy of the risk management framework and ensuring its effectiveness;
- iv. Such other activities as the Board of Directors may entrust from time to time.

During the financial year 2019-20, the committee met twice on 7<sup>th</sup> August, 2019 and 6<sup>th</sup> February, 2020. Details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of Meeting	Category	7 <sup>th</sup> August, 2019	6 <sup>th</sup> February, 2020
			2 <sup>nd</sup>	3 <sup>rd</sup>
	<b>No. of Meeting / Name of Directors</b>			
1.	Mr. Anurang Jain	Managing Director, Executive & Promoter	✓	✓
2.	Mr. Partho Datta	Non-executive, Independent	✓	✓
3.	Mr. Ramesh Gehaney	Director and Chief Operating Officer, Executive	✓	✓
4.	Mr. Satrajit Ray	Director and Group Chief Financial Officer, Executive	✓	✓

## 8. OTHER COMMITTEES

### Finance Committee

As on 31<sup>st</sup> March, 2020, the Finance Committee comprised following directors as its members:

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

The terms of reference of the Finance Committee were modified by the Board, at its meeting held on 6<sup>th</sup> February, 2020, to read as follows:

- i) To meet the fund requirements of the Company in the following manner:
  - a) through borrowings from banks and/ or financial institutions; and

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

up to an aggregate amount not exceeding ₹ 12,500 million.

- ii) To undertake following activities relating to admission, listing and withdrawal of CPs on BSE Limited ("BSE") and/ or National Stock Exchange of India Limited ("NSE") (BSE and NSE are collectively referred to as "Stock Exchanges") and National Securities Depository Limited (NSDL) and/ or Central Depository Services (India) Limited ("CDSL") (NSDL and CDSL are collectively referred to as "Depositories"):

1. to finalise, settle, approve, adopt and withdraw the Information Memorandum for listing of CPs issued by the Company, together with any addenda, corrigenda or supplements thereto

## CORPORATE GOVERNANCE REPORT (CONTD.)

("Information Memorandum") and authorise official(s) to sign the Information Memorandum and take all such actions as may be necessary for filing of these documents including incorporating such alterations/ corrections/ modifications as may be required;

2. to decide the persons to whom the CPs, as issued from time to time, have to be allotted;
3. to decide terms and conditions for buy-back of CPs issued from time to time;
4. to nominate/ appoint/ authorise official(s) or such other person(s) or intermediaries for admission, listing and withdrawal of CPs on the Stock Exchanges and Depositories;
5. to do all such deeds and acts as may be required and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with Depositories, Registrar and Transfer Agent appointed for purposes of listing of CPs and such other agencies as may be required in this connection, and the power to authorise one or more officers of the Company to execute all or any of the afore stated documents;
6. to give such confirmations, declarations, certifications on behalf of the Board, as may be required under applicable laws, or as

may be otherwise necessary or expedient in relation to the listing of CPs;

7. to authorise and approve the incurring of expenditure, including the payment of fees, commissions, remuneration and expenses in connection with the listing of CPs;
8. to do all such acts, deeds, matters and things and execute all such documents, etc. as it may, in its absolute discretion, deem necessary or desirable in connection with the listing of CPs;
9. to execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as it may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the listing of CPs and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Committee shall be conclusive evidence of the authority of the Committee in so doing; and
10. to delegate any of the above powers of the Committee to any of the Directors or officers of the Company

During the financial year 2019-20, the Committee met once on 18<sup>th</sup> March, 2020. Except Mr. Naresh Chandra and Mr. Satrajit Ray, other members were present at the said meeting.

### 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
18 <sup>th</sup> AGM	28 <sup>th</sup> July, 2017 at 10.30 a.m.	Tango Hall at Vivanta by Taj, 8-N-12, CIDCO,	No special resolution was passed
19 <sup>th</sup> AGM	6 <sup>th</sup> September, 2018 at 10.30 a.m.	Dr. Rafiq Zakaria Marg, Rauza Bagh, Aurangabad – 431003, Maharashtra	<ul style="list-style-type: none"> <li>• Alteration of Articles of Association;</li> <li>• Approval for continuation of Mr. Naresh Chandra who has attained the age of 83 (Eighty-three) years, to hold office as Non-executive Chairman of the Company with effect from 1<sup>st</sup> April, 2019.</li> </ul>
20 <sup>th</sup> AGM	8 <sup>th</sup> August, 2019 at 2.30 p.m.		No special resolution was passed

During the year under review, no special resolution passed through postal ballot.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 10. MEANS OF COMMUNICATION:

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

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

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

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

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

### 11. GENERAL SHAREHOLDER INFORMATION:

#### a) Twenty First Annual General Meeting:

In terms of general circular no. 20/2020 dated 5<sup>th</sup> May, 2020, the Twenty First Annual General Meeting ("AGM") will be held by Video Conferencing ("VC") or other audio visual means ("OAVM"). The date, time

and venue of the AGM of the Company is provided hereunder:

Date:	Wednesday, 23 <sup>rd</sup> September, 2020
Time:	2.00 p.m.
Venue:	Meeting is through VC/OAVM and as such there is no requirement to have a venue for the AGM. For details, kindly refer to the Notice of AGM.

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

Particulars	Date
Financial reporting for the:	
1 <sup>st</sup> quarter ending on 30 <sup>th</sup> June, 2020	13 <sup>th</sup> August, 2020
2 <sup>nd</sup> quarter ending on 30 <sup>th</sup> September, 2020	On or before 14 <sup>th</sup> November, 2020
3 <sup>rd</sup> quarter ending on 31 <sup>st</sup> December, 2020	On or before 14 <sup>th</sup> February, 2021
Financial year ending on 31 <sup>st</sup> March, 2021	On or before 30 <sup>th</sup> May, 2021

#### c) 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 NSE and BSE, for the year 2020-21, has been paid in full on 29<sup>th</sup> April, 2020 and 11<sup>th</sup> May, 2020, respectively.



## CORPORATE GOVERNANCE REPORT (CONTD.)

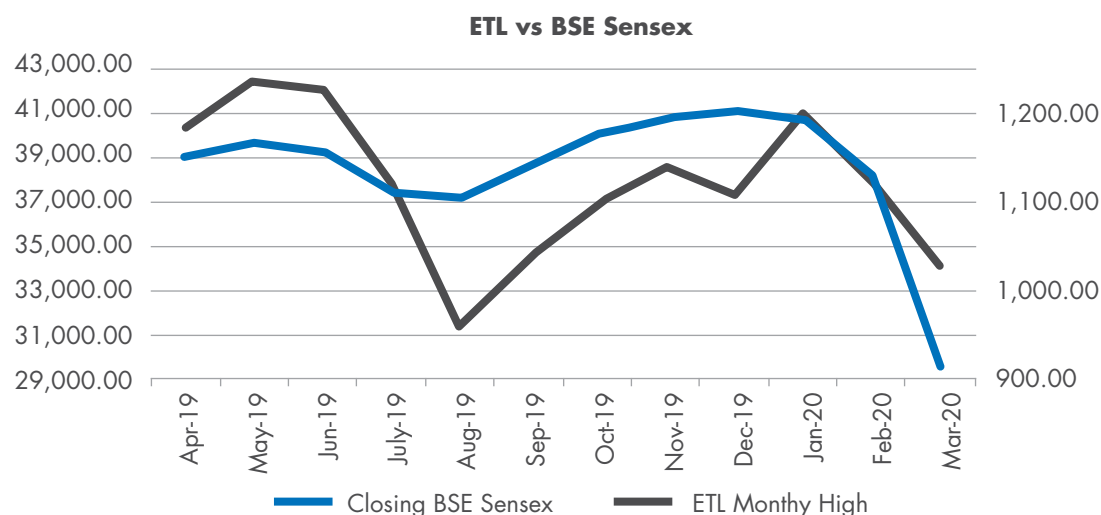
### d) Market Price Data:

Monthly highs and lows of Company's shares during 2019-20 (₹ vis-à-vis CNX Nifty & BSE Sensex):

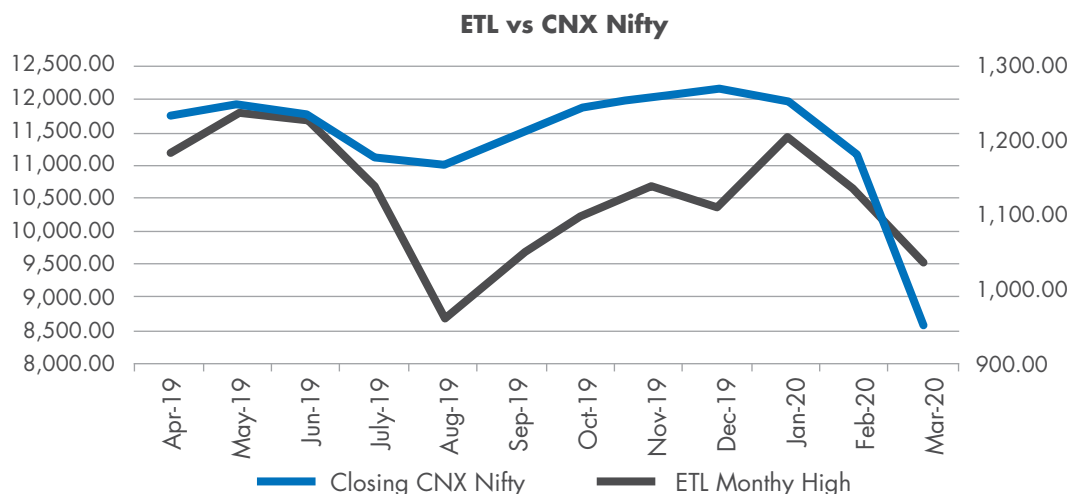
Month	BSE		NSE		Closing CNX Nifty	Closing BSE Sensex
	High	Low	High	Low		
Apr-19	1,184.25	1,137.00	1,184.00	1,144.05	11,748.15	39,031.55
May-19	1,237.00	1,125.00	1,237.00	1,123.10	11,922.80	39,714.20
Jun-19	1,227.60	1,103.60	1,228.50	1,101.00	11,788.85	39,394.64
Jul-19	1,121.10	836.00	1,142.00	848.90	11,118.00	37,481.12
Aug-19	959.90	743.05	961.00	742.15	11,023.25	37,332.79
Sep-19	1,036.55	850.05	1,039.25	850.50	11,474.45	38,667.33
Oct-19	1,098.00	931.50	1,099.00	931.00	11,877.45	40,129.05
Nov-19	1,140.00	1,033.60	1,139.00	1,031.85	12,056.05	40,793.81
Dec-19	1,109.90	1,020.00	1,111.60	1,021.00	12,168.45	41,253.74
Jan-20	1,201.90	1,012.75	1,204.95	1,013.00	11,962.10	40,723.49
Feb-20	1,125.90	902.20	1,134.00	902.00	11,201.75	38,297.29
Mar-20	1,029.00	570.00	1,035.00	569.50	8597.75	29,468.49

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 2019-20 (based on month end closing).

#### Endurance Technologies Limited Vs BSE Sensex, indexed to 100 on 31<sup>st</sup> March, 2020



#### Endurance Technologies Limited Vs CNX Nifty, indexed to 100 on 31<sup>st</sup> March, 2020



## CORPORATE GOVERNANCE REPORT (CONTD.)

### e) Share Transfer Agent:

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

#### Link Intime India Private Limited

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

### f) Share Transfer System:

As per the mechanism defined, any requests for transfer of equity shares held in physical form, received by the

RTA/Company have to be registered within fifteen days from the date of receipt, provided the documents are complete in all respects.

As on 31<sup>st</sup> March, 2020, the Company has only three shareholders who hold shares in physical form. During the year 2019-20, there were no requests received by the RTA/Company for transfer of physical shares.

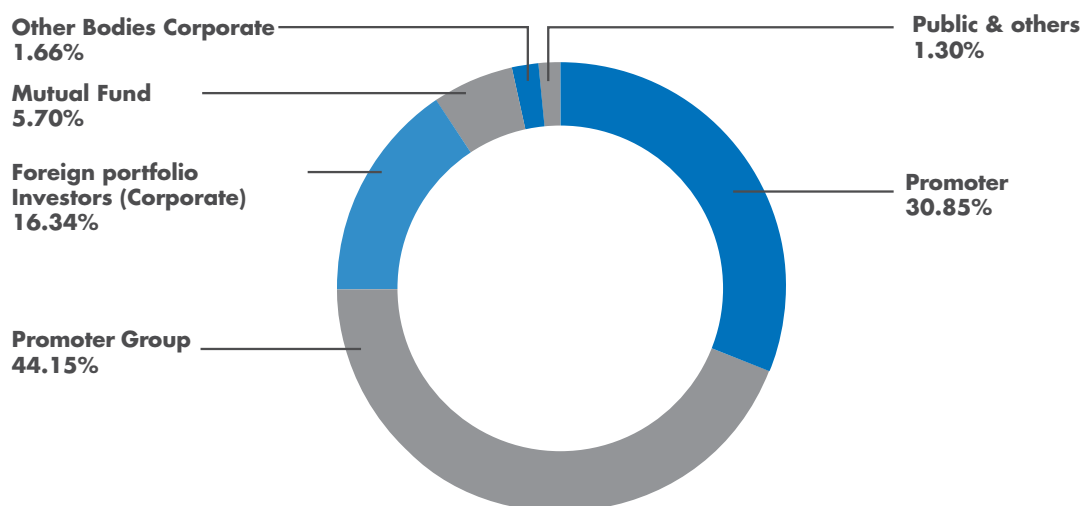
SEBI has standardised norms for transfer of securities in physical mode and decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository and shall effective from 1<sup>st</sup> April, 2020.

### g) Distribution of Shareholding:

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on 31<sup>st</sup> March, 2020.

#### Category Distribution:

Categories	31 <sup>st</sup> March, 2020	
	No. of shares	Percentage
Promoter	43,396,976	30.85%
Promoter Group	62,100,160	44.15%
Foreign Portfolio Investors (Corporate)	22,979,778	16.34%
Mutual Funds	8,019,962	5.70%
Other Bodies Corporate	2,335,628	1.66%
Public	1,830,344	1.30%
<b>Total</b>	<b>140,662,848</b>	<b>100.00%</b>



Shareholding as on 31<sup>st</sup> March, 2020

## CORPORATE GOVERNANCE REPORT (CONTD.)

**Distribution of Shareholding as on 31<sup>st</sup> March, 2020:**

No. of shares held	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	33,849	98.70%	1,125,574	0.80%
501 to 1000	162	0.47%	121,881	0.09%
1001 to 2000	66	0.19%	94,693	0.07%
2001 to 3000	27	0.08%	67,483	0.05%
3001 to 4000	20	0.06%	69,241	0.05%
4001 to 5000	18	0.05%	82,995	0.06%
5001 to 10000	29	0.09%	217,765	0.15%
10001 and above	124	0.36%	138,883,216	98.73%
<b>Total</b>	<b>34,295</b>	<b>100%</b>	<b>140,662,848</b>	<b>100%</b>

**h) Dematerialisation/Rematerialisation of Shares and liquidity:**

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

Shares held in physical and electronic mode as on 31<sup>st</sup> March, 2020 are given in the table below:

Particulars	Position as on 31 <sup>st</sup> March, 2020	
	No. of shares	% to total shareholding
Physical	23	0.00%
<b>Dematerialised</b>		
NSDL	140,114,156	99.61%
CDSL	548,669	0.39%
Sub-total	140,662,825	100%
<b>Total</b>	<b>140,662,848</b>	<b>100%</b>

**i) Outstanding Convertible Instruments/ADRs/GDRs/Warrants:**

The Company has not issued any convertible instruments/ ADRs/ GDRs/ Warrants.

**j) Commodity price risk or foreign exchange risk and hedging activities:**

Please refer to Management Discussion and Analysis Report for the same. The Company has a Board approved Forex Policy which lays down the principles for hedging of forex risk.

**k) Address for correspondence:**

Investors and shareholders can correspond with the RTA or at registered office of the Company at the following addresses:

Link Intime India Private Limited (RTA)	Company
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060	E-92, MIDC Industrial Area, Waluj, Aurangabad – 431 136, Maharashtra
For requests pertaining to dematerialisation/ rematerialisation: Contact person: Mr. Subhash Jadhav E-mail: <a href="mailto:dematremat@linkintime.co.in">dematremat@linkintime.co.in</a>	Contact person: Mr. Sunil Lalai, Company Secretary and Executive Vice President – Legal and Compliance Officer
For grievance redressal & other requests: Contact person: Mr. Ajay Jadhav E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	Telephone: +91 (240) 2569600 Facsimile: +91 (240) 2551700 E-mail: <a href="mailto:investors@endurance.co.in">investors@endurance.co.in</a>

## CORPORATE GOVERNANCE REPORT (CONTD.)

### I) Plant Locations:

The Company has plants located at the following places:

Sr. No.	Plant Address	Sr. No.	Plant Address
1	Plot No. B-2, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	2	Plot No. E-92 & 93, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
3	Plot No. K-120, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	4	Plot No. K-226/1 & K-227, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
5	Plot No. K-226/2, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	6	Plot No. K-228 & K-229, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.
7	Plot No. L-6/3, MIDC Industrial Area, Waluj, Aurangabad - 431 136 Maharashtra.	8	Plot No. L-20, MIDC Industrial Area, Vitawa Village, Gangapur, Tal. Aurangabad - 431 109 Maharashtra
9	Plot No. B-1/2 & 1/3, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra	10	Plot No. B-20, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra
11	Plot No. B-22, MIDC Industrial Area, Chakan, Village Nighoje, Taluka Khed, Dist. Pune - 410 501 Maharashtra	12	Plot No. 3, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand
13	Plot No. 7, Sector 10, I.I.E. Pantnagar, Dist. U.S. Nagar - 263 153 Uttarakhand	14	Plot No. F-82, SIPCOT Industrial Park, Irungattukottai, Pennaur Post, Shriperumburam Taluk, Kanchipuram Dist. Chennai - 602 105 Tamil Nadu
15	Plot No. E4 & E21, GIDC, Phase 2, Industrial Estate, Sanand, Ahmedabad - 382 110 Gujarat	16	Plot 103/6, GIDC, Halol -2 & Halol Maswad Industrial Estate, Ta – Halol, Dist. Panchmahal, 389 350 Gujarat
17	Survey Nos. 28/4A, 28/4B, 28/5, 28/6, 28/7, 28/8 & 34/5, within village limit of Karinayakanahalli, Kasaba Hobli, Malur Taluka, Kolar District, 563 130 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 [www.endurancegroup.com/investor/investor-relations](http://www.endurancegroup.com/investor/investor-relations).

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

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

## CORPORATE GOVERNANCE REPORT (CONTD.)

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

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

The updated Policy is placed on the Company's website at [www.endurancegroup.com/investor/investor-relations](http://www.endurancegroup.com/investor/investor-relations).

### d) **Disclosure of material transactions:**

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

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

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

\* One complaint was pending as the same was received during end of March, 2020

### f) **Fees paid to Statutory Auditor:**

During the year the Company has paid ₹ 275,000 to M/s. Ernst & Young LLP being associate entity of M/s S R B C & Co. LLP, Statutory Auditors. This amount was paid towards availing advisory services relating to Goods & Services Tax.

### g) **Compliance of Mandatory and Discretionary Requirements:**

#### **Mandatory:**

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

#### **Discretionary:**

#### **I. The Board:**

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

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

#### **II. Shareholders' rights:**

To ensure dissemination of Company's financial results to its shareholders, the Company publishes quarterly and half-yearly results in newspapers having wide circulation in India and particularly in Aurangabad, where the registered office of the Company is located. These results are also filed with Stock Exchanges and uploaded on Company's website immediately after the Board meeting. The Company also conducts conference call to respond to any investor queries with regard to the financial results or operations of the Company.

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

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

#### **IV. Reporting of Internal Auditor:**

The Internal Auditor reports directly to the Audit Committee.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### h) **Subsidiary companies:**

The Company had five overseas subsidiaries, as at 31<sup>st</sup> March, 2020 viz.

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

\* EOSRL and Amann are the direct subsidiaries of the Company. EOSRL is the holding company of Endurance SpA, Endurance Engineering Srl and Endurance Castings SpA Based on consolidated financial statements of FY 2019-20, in terms of Regulation 16(1)(C) of Listing Regulations EOSRL, Endurance SpA and Amann are the material subsidiaries of the Company.

Note: Post 31<sup>st</sup> March, 2020, below acquisitions were made in Italy:

- i. Effective 15<sup>th</sup> April, 2020, EOSRL acquired 99% stake in Adler SpA, Italy and name of the acquired entity was changed to Endurance Adler SpA ("EA SpA"). EA SpA has two wholly-owned subsidiaries, viz. Adler RE Srl, Italy and VS San Marino Srl, San Marino.
- ii. Effective 21<sup>st</sup> May, 2020, EA SpA acquired 100% stake in Grimeca Srl, Italy.

### **Materiality threshold:**

The Company's Policy for Determining Material Subsidiaries is placed on the Company's website at [www.endurancegroup.com/investor/investor-relations](http://www.endurancegroup.com/investor/investor-relations).

### **Independent Director on the Board of Material Subsidiary(ies):**

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

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

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

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

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

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

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

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 13. A. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE UNDER REGULATIONS 17 TO 27 OF THE LISTING REGULATIONS EXCEPT THOSE WHICH ARE ALREADY DISCLOSED ELSEWHERE IN THIS REPORT:

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

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

The Company adopts a competency-based approach by identifying critical roles and coaching employees to shoulder such critical positions. This ensures succession planning with an aim to align with Company's growth strategy, employee engagement and skill-development. The progress of such employees is monitored through structured individual development plans and the same is periodically reviewed by senior management team comprising the Managing Director, respective Management Committee member and the Chief Human Resource Officer.

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

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 is necessary for the directors to enable them fulfil their 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 2019-20, the Board has carried out annual performance evaluation of independent directors, at its meeting held on 25<sup>th</sup> June, 2020. 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 24<sup>th</sup> April, 2019 without the attendance of non-independent directors and management. Agenda of the said meeting was to:

- a. review the performance of Non-Independent Directors and the Board as a whole;
- b. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
- c. assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### 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.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 13. B. DISCLOSURES UNDER CLAUSES (B) TO (I) OF REGULATION 46(2) OF THE LISTING REGULATIONS:

i. **Terms and Conditions of appointment of Independent Directors:**

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

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

ii. **Composition of various committees:**

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

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

The details of the compositions of the aforesaid committees are given earlier in this report and also placed on the Company's website at [www.endurancegroup.com/investor/investor-relations](http://www.endurancegroup.com/investor/investor-relations).

iii. **Code of Conduct for Board of Directors and Employees**

The Board, at its meeting held on 13<sup>th</sup> November, 2013, had adopted a Code of Conduct for Directors and Employees of the Company.

Regulation 17(5) of the Listing Regulations requires listed companies to lay down a Code of Conduct for

its directors and senior management, incorporating duties of directors as laid down in the Act.

As required under aforesaid regulation, the Board, at its meeting held on 26<sup>th</sup> August, 2016 adopted a revised Code of Conduct for Board Members and Employees of the Company and the same has been placed on the website of the Company at [www.endurancegroup.com/investor/investor-relations](http://www.endurancegroup.com/investor/investor-relations).

All the Board Members and Employees of the Company have affirmed compliance with the Code of Conduct for 2019-20. A declaration to this effect, signed by the Managing Director, is given in this Annual Report.

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

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

v. **Criteria of making payments to Non-Executive Directors:**

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

vi. **Policy for determining 'material' subsidiaries:**

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

vii. **Policy on dealing with related party transactions:**

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

viii. **Details of familiarisation programmes imparted to independent directors:**

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

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

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