NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Endurance Technologies Limited ("Endurance" or "the Company") is in the business of manufacturing and selling of aluminium die casting (including alloy wheel), suspension, transmission and braking products with operations spread across India.The Company sells its products in India as well as exporting to foreign countries.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is E-92, MIDC Industrial area, Waluj, Aurangabad, Maharashtra - 431136, India.

These financial statements are presented in Indian Rupee million unless otherwise mentioned. The financial statements for the year ended 31st March, 2020 were approved by the Board of Directors and authorized for issue on 25th June, 2020.

2. SIGNIFICANT ACCOUTING POLICIES

2.01 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable.

2.02 Basis of preparation and presentation

These financial statements consist of standalone financial statements of the Company and have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained under accounting policy 2.16. The financial statements are presented in INR and all values are rounded off to the nearest million (INR 000,000), except as stated otherwise.

2.03 Use of estimates and assumptions

The preparation of these financial statements requires the management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of useful lives of property, plant and equipment.

Useful lives of Property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.04 Revenue from contract with customer

Revenue is recognized when control of goods and services have been transferred to the customer; at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. The timing of when the Company transfers the goods or provide services may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of goods and service tax (GST).

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of Goods

The Company based on the underlying agreements has determined that the transfer of control to the customer and therefore revenue recognition, in regard to the domestic sales and export sales, generally corresponds to the date when the goods are dispatched from their point of sale, or when the goods are made available to the customer, or when the goods are released to the carrier responsible for transporting them to the customer. Export sales are recorded at the relevant exchange rates prevailing on the transaction date.

Generally, the normal credit period is 30 to 60 days upon delivery for customers in India and 30 to 120 days for overseas customers. The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

Variable consideration

If the consideration in a contract includes a variable amount (like volume rebates/incentives, discounts etc.), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Warranty obligations

The Company provides warranties for general repairs of defects as per terms of the contract with customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

Revenue from job work

The Company provides job work services to its customers. Such services are sold separately and are not bundled together with the sale of Company's goods. Revenue from job work is accounted as and when such services are rendered.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 2.16 Financial instruments – Financial assets at amortized cost.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.05 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to note 2.14.2 Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings (refer note 11 and note 12A).

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.06 Foreign Currency

The functional currency of the Company is Indian Rupee. Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement or translation are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

The Company accounts for foreign exchange gains and losses in respect of derivative instruments based on mark to market valuation as on balance sheet date.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

2.07 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.08 Government grants and export incentives

1. Government grants

   Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to income are deferred and recognized in the profit or loss over the periods necessary to match them with the costs that they are intended to compensate and presented within other operating revenues.

2. Export benefits

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

   Export benefits in nature of Merchandise Exports from India Scheme (MEIS) and Duty Drawback are recognized on accrual basis in the year of export.

3. Government grant in respect of loan

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

2.09 Employee benefits

1. Defined contribution plan:

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

2. Defined benefit plan:

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

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

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. For the employees of specified grades, who have completed 10 years of service, an amount equal to 30 days salary is payable for each completed year of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees.

3. Compensated absences:

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of unutilized compensated absence on the basis of an independent actuarial valuation. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees.

2.10 Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to tax authorities.

The Company's current tax is measured using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred tax

Deferred tax is recognized using liability method. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

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

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

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

2.11 Property, plant and equipment

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

Depreciation on Property, plant and equipment has been provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

i) Plant & equipment - 7.5 years/10 years.

ii) Vehicles – 5 years/7 years

iii) Dies and moulds are depreciated over their estimated economic life determined on the basis of their usage or under straight line method in the manner specified in Schedule II, whichever is higher.

The residual values, useful life and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

2.12 Intangible Assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

i) Technical knowhow is amortized over a period of six years;

ii) Software is amortized over a period of three years.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

2.13 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

Additional disclosures are provided in Note 39. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.14 Impairment

1. Financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost for e.g., deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

The Company estimates the following provision matrix at the reporting date:

	Not due	Within 365 days*	More than 365 days*
Default Rate	0%	0%	100%

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortized cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

2. Non-financial assets

The Company assesses, at each reporting date, whether there is any indication that the carrying amount of non financial asset may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount, (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss. The Company bases its impairment calculation on budgets and forecast calculations.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

2.15 Inventories

Inventories of raw materials and components, work-in-progress, stock-in-trade, stores & spares and tools & instruments are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is ascertained on a weighted average basis. The cost of work-in-progress and finished goods is determined on absorption cost basis. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a. Raw materials, stores & spares and tools & instruments: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

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

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets including derivative financial instruments are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognized in the Statement of Profit and Loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments. Trade, other payables and derivative financial instruments are measured subsequently at FVTPL. Loans and borrowings are subsequently measured at amortized costs using EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR.

Equity instruments

All equity instruments in scope of Ind AS 109, other than investments in subsidiaries, are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is need on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI then all fair value changes on the instrument excluding dividends are recognized in OCI. There is no recycling from OCI to profit or loss even on sale of instrument. However, the Company may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Reclassification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

2.17 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss after tax for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.18 Research and development expenses

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

2.19 Cash flow statement

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

2.20 Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is

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

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

All other assets are classified as non-current.

A liability is current when it is

- expected to be settled in its normal operating cycle
- held primarily for the purpose of trading
- due to be settled within 12 months after the reporting period, or
- does not have any unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

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

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

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

2.21 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

- Level 1 – Quoted (Unadjusted) Market prices in active markets for identical assets or liabilities

- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Other disclosures

1) There are no transfers between Level 1 and Level 2 of the fair value hierarchy during the period.
2) The valuation techniques used above are consistent with all periods presented.
3) There are no recurring or non-recurring fair value measurements categorized within Level 3 of the fair value hierarchy.

Valuation Techniques used to determine fair value.

1) Investments in Mutual Funds - are valued at net asset value declared by AMFI at the reporting date.
2) Derivatives (recurring fair value measurement) - at values are determined by counter parties / banks using market observable data.

2.22 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

2.23 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

2.24 Segment reporting

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represent the revenue, total expenses and the net profit of the sole reportable segment.

2.25 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements.

Product warranty expenses:

The estimated liability for product warranties is accounted when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures.

2.26 Other income

Dividends

Dividend income from investments is recognized when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Others

The Company recognizes income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

2.27 Changes in accounting policies and disclosures

A New and amended standards

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the standalone financial statements of the Company. The Company has not adopted for early adoption of any standards or amendments that have been issued but are not yet effective.

New Standard

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Transition to Ind AS 116

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1st April, 2019. The Company, in accordance with Ind AS 116, has opted not to reassess as to whether a contract is, or contains, a lease as at 1st April, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less (short term leases) and lease contracts for which the underlying asset is of low value (low value assets).

In summary, the effect of adoption of Ind AS 116 adoption is as follows :

The cumulative effect of initially applying Ind AS 116 as at 1st April 2019 amounts to ₹ 0.68 million. Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31st March 2019 as a result of the adoption of Ind AS 116.

Impact on the balance sheet (increase/(decrease)) as at 31st March, 2019

₹ in million

Particulars	Lease hold land	Other leases	Total
Assets:			
(i) Property, plant and equipment (right-to-use assets)	1,978.82	33.29	2,012.11
(ii) Other non-current assets	(1,953.71)	-	(1,953.71)
(iii) Other current assets	(25.11)	-	(25.11)
	-	33.29	33.29
Liabilities:			
(i) Borrowings and other financial liabilities	-	33.97	33.97
	-	33.97	33.97
Net impact on equity	-	(33.97)	(33.97)
	-	(0.68)	(0.68)

Impact on the statement of profit or loss ((increase)/decrease) for year ended 31st March 2019:

₹ in million

Particulars	Lease hold land	Other leases	Total
Depreciation and amortisation expense	25.11	2.37	27.48
Rent (operating lease expense)	(25.11)	(2.84)	(27.95)
Finance costs	-	1.15	1.15
Income tax credit			
(Increase)/Decrease in profit	-	0.68	0.68

Due to the adoption of Ind AS 116, the Company's profit will decrease by ₹ 0.68 million due to the change in accounting for certain operating lease contracts.

The adoption of Ind AS 116 did not have a material impact on OCI or the Company's operating, investing and financing cash flows.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The Company applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions and has determined, based on evaluation of its tax compliances and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix do not have an impact on the financial statements of the Company.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments have no impact on the financial statements of the Company.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments had no impact on the financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

3 PROPERTY, PLANT AND EQUIPMENT

₹ in million

Particulars	Gross Block					Depreciation/Amortisation				Net Block
	As at 1st Apr, 2019	Ind AS 116 Adjustment	Additions during the year	Deductions during the year	As at 31st Mar, 2020	Up to 1st Apr, 2019	For the year	Deductions during the year	Up to 31st Mar, 2020	As at 31st Mar, 2020
	(a)	(b)	(c)	(d)	(e=a+b+c-d)	(f)	(g)	(h)	(i=f+g-h)	(j=e-i)
A) TANGIBLE ASSETS										
Freehold land (Refer note 39(a))	456.75	-	-	-	456.75	-	-	-	-	456.75
	(477.78)	-	(12.34)	(33.37)	(456.75)	-	-	-	-	(456.75)
Buildings	3,091.38	-	315.48	1.59	3,405.27	351.85	115.96	1.59	466.22	2,939.05
	(2,595.17)	-	(496.21)	-	(3,091.38)	(249.79)	(102.06)	-	(351.85)	(2,739.53)
Plant & equipment	13,167.09	-	2,362.60	306.46	15,223.23	5,164.43	1,709.38	220.84	6,652.97	8,570.26
	(10,135.06)	-	(3,178.45)	(146.42)	(13,167.09)	(3,738.83)	(1,511.54)	(85.94)	(5,164.43)	(8,002.66)
Wind energy generators	75.57	-	-	-	75.57	67.45	8.11	-	75.56	0.01
	(88.56)	-	-	(12.99)	(75.57)	(64.83)	(13.37)	(10.75)	(67.45)	(8.12)
Computers	161.02	-	17.94	0.50	178.46	104.85	27.57	0.50	131.92	46.54
	(130.34)	-	(30.91)	(0.23)	(161.02)	(78.56)	(26.51)	(0.22)	(104.85)	(56.17)
Electrical fittings	83.67	-	17.43	-	101.10	25.13	9.17	-	34.30	66.80
	(73.72)	-	(10.16)	(0.21)	(83.67)	(17.81)	(7.53)	(0.21)	(25.13)	(58.54)
Vehicles	160.81	-	86.12	21.69	225.24	68.69	30.70	15.17	84.22	141.02
	(138.45)	-	(29.50)	(7.14)	(160.81)	(49.30)	(23.85)	(4.46)	(68.69)	(92.12)
Furniture and fixtures	149.06	-	23.58	0.76	171.88	58.30	15.66	0.73	73.23	98.65
	(127.59)	-	(22.27)	(0.80)	(149.06)	(45.14)	(13.92)	(0.76)	(58.30)	(90.76)
Office equipments	145.31	-	24.73	0.78	169.26	75.07	25.07	0.67	99.47	69.79
	(104.23)	-	(41.66)	(0.58)	(145.31)	(55.37)	(20.19)	(0.49)	(75.07)	(70.24)
Right of use (Refer note 2.27)										
Land	-	1,978.82	180.77	-	2,159.59	-	25.28	-	25.28	2,134.31
Buildings	-	33.89	6.02	-	39.91	-	6.63	-	6.63	33.28
	-	-	-	-	-	-	-	-	-	-
Total - A	**17,490.66**	**2,012.71**	**3,034.67**	**331.78**	**22,206.26**	**5,915.77**	**1,973.53**	**239.50**	**7,649.80**	**14,556.46**
Previous year as at 31st March, 2019	(13,870.90)	-	(3,821.50)	(201.74)	(17,490.66)	(4,299.63)	(1,718.97)	(102.83)	(5,915.77)	(11,574.89)
B) INTANGIBLE ASSETS (Other than internally generated)										
Technical know-how	74.65	-	-	-	74.65	62.56	4.46	-	67.02	7.63
	(74.65)	-	-	-	(74.65)	(50.00)	(12.56)	-	(62.56)	(12.09)
Software	142.34	-	9.79	-	152.13	112.82	14.49	-	127.31	24.82
	(119.72)	-	(22.62)	-	(142.34)	(87.37)	(25.45)	-	(112.82)	(29.52)
Total - B	**216.99**	**-**	**9.79**	**-**	**226.78**	**175.38**	**18.95**	**-**	**194.33**	**32.45**
Previous year as at 31st March, 2019	(194.37)	-	(22.62)	-	(216.99)	(137.37)	(38.01)	-	(175.38)	(41.61)
Total - A+B	**17,707.65**	**2,012.71**	**3,044.46**	**331.78**	**22,433.04**	**6,091.15**	**1,992.48**	**239.50**	**7,844.13**	**14,588.91**
Previous year as at 31st March, 2019	(14,065.27)	-	(3,844.12)	(201.74)	(17,707.65)	(4,437.00)	(1,756.98)	(102.83)	(6,091.15)	(11,616.50)

ASSET HELD FOR SALE	As at 1st April, 2019	Addition during the year	Sale during the year	As at 31st March, 2020
Freehold land (Refer note 39(a))	33.37		33.37	-

Other Notes:

i) Freehold land includes land procured from Karnataka Industrial Areas Development Board (KIADB) on lease-cum-sale agreement. As per the terms of the agreement, land will be transferred in the name of the Company after expiry of ten years i.e. September 2020. Accordingly, the same is grouped under freehold land.

ii) Figures in brackets represent figures of previous year.

iii) Refer note no 14.01 for details of security provided in respect of current borrowings.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

4 INVESTMENTS IN SUBSIDIARIES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investments in equity shares (all fully paid, measured at cost, unquoted) :		
Investment in equity instruments of subsidiaries		
Endurance Amann GmbH (Refer note 25 a)	1,930.62	1,930.62
Endurance Overseas Srl (Refer note 25 b)	1,706.99	1,706.99
Total	**3,637.61**	**3,637.61**

4A NON-CURRENT INVESTMENTS

₹ in million

	Particulars	As at 31st March, 2020	As at 31st March, 2019
I	**Other investments (unquoted investments, all fully paid)***		
	Watsun Infrabuild Pvt Ltd (Refer Note 26) [145,201 (Previous year 230,561) equity shares of face value ₹ 10 each]	1.45	2.31
	Marathwada Auto Cluster [10,000 (Previous year 10,000) shares of face value ₹ 100 each]	10.00	10.00
	National Savings Certificates (Lodged with Government authorities)	0.04	0.04
	Total	**11.49**	**12.35**
II	**Quoted investments ***		
	Indian Overseas Bank [2,300 (Previous year 2,300) equity shares of face value ₹ 10 each]	0.03	0.03
	Total quoted investments	**0.03**	**0.03**
	Total Investments (I+II)	**11.52**	**12.38**
	Aggregate book value of quoted investments	0.03	0.03
	Aggregate market value of quoted investments	0.03	0.03
	Aggregate amount of unquoted investments	11.49	12.35

* Refer note 32 for determination of their fair value

4B CURRENT INVESTMENTS

₹ in million

	Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment in mutual funds (unquoted) *			
i)	ICICI Prudential - Savings Fund Direct Plan - Growth 446,974.67 units (Previous year 446,974.67 units)	174.49	161.37
ii)	Aditya Birla Sunlife Liquid Fund - Growth Direct Plan 621,753.13 units (Previous year 621,753.13 units)	198.69	186.80
Total		**373.18**	**348.17**

* Refer note 32 for determination of their fair value

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

5 OTHER NON-CURRENT FINANCIAL ASSETS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security deposits	63.01	67.17
Government incentives receivables	902.17	-
Sales tax receivable	1.38	21.42
Total	**966.56**	**88.59**

5A LOANS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loans to employees	20.10	20.95
Total	**20.10**	**20.95**

5B OTHER CURRENT FINANCIAL ASSETS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Interest accrued on deposits	0.45	0.08
(b) Receivable for sale of property, plant and equipment	7.37	25.90
(c) Foreign currency derivative assets	8.14	0.01
(d) Government incentives receivables	295.77	324.00
(e) Export incentive (MEIS, Duty drawback)	43.80	50.44
(f) Others	3.69	2.46
Total	**359.22**	**402.89**

6 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Capital advances	86.02	118.74
(b) Prepayments	5.63	4.96
(c) Lease prepayments (Refer note 2.27)	-	1,953.71
(d) Income tax paid in advance less provision	24.80	2.77
(e) Deposit under protest [Refer note 28 (a)]	20.85	20.85
(f) Income tax deposited under protest	73.74	60.39
Total	**211.04**	**2,161.42**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

6A OTHER CURRENT ASSETS

(unsecured, considered good unless otherwise stated)

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(a)	Advances for supplies	110.34	67.19
(b)	Prepayments	76.90	57.85
(c)	Current portion of lease prepayments (Refer note 2.27)	-	25.11
(d)	Others[1]	17.02	18.89
Total		**204.26**	**169.04**

1 Includes amount of ₹ 1.30 million (Previous year ₹ 2.50 million) paid to various regulatory authorities under protest. Also includes wind power receivable and other receivables.

7 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(a)	Raw materials and components	912.13	903.98
(b)	Work-in-progress	657.65	683.61
(c)	Finished goods (other than those acquired for trading)	719.52	882.53
(d)	Stock-in-trade (acquired for trading)	32.70	31.87
(e)	Stores, spares and packing material	301.16	288.89
(f)	Loose tools and instruments	35.13	38.93
Total		**2,658.29**	**2,829.81**
Included above, Goods-in-transit in respect to			
(i)	Raw materials and components	153.35	195.84
(ii)	Finished goods (Other than those acquired for trading)	316.90	430.88
Total		**470.25**	**626.72**

8 TRADE RECEIVABLES

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
Unsecured :			
i)	Considered good	4,737.58	6,947.57
ii)	Credit impaired	1.27	1.27
Less: Allowance for credit impaired		(1.27)	(1.27)
Total		**4,737.58**	**6,947.57**

Notes:

1 Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.

2 The normal credit period allowed by the Company ranges from 30 to 60 days for customers in India and 30 to 120 days for overseas customers.

3 No trade receivables are due from Directors or other officers of the Company, either severally or jointly. Trade receivables include ₹ 3.98 million due from the Company's subsidiaries; Endurance Overseas Srl ₹ 1.51 million and Endurance S.p.A ₹ 2.47 million, Refer note 34.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

9 CASH AND CASH EQUIVALENTS

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Cash on hand	0.33	0.41
(b) Balances with banks:		
i) In current accounts	262.21	162.13
ii) In deposit accounts - with original maturity of less than three months	990.00	140.00
Total	**1,252.54**	**302.54**

9A OTHER BANK BALANCES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other bank balances (in earmarked accounts)		
(i) In current account for equity dividend	0.27	0.09
(ii) Balance held as margin money against letters of credit*	0.44	1.69
Total	**0.71**	**1.78**

* Represents margin money amounting to ₹ 0.44 million (Previous year ₹ 1.69 million) against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.

10 SHARE CAPITAL

A Authorised, issued, subscribed and paid-up share capital

₹ in million

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each	165,000,000	1,650.00	165,000,000	1,650.00
(Previous year ₹ 10 each)				
Total	**165,000,000**	**1,650.00**	**165,000,000**	**1,650.00**
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	140,662,848	1,406.63	140,662,848	1,406.63
(Previous year ₹ 10 each)				
Total	**140,662,848**	**1,406.63**	**140,662,848**	**1,406.63**

B Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

₹ in million

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
No of shares outstanding at the beginning of the year				
- Equity shares	140,662,848	1,406.63	140,662,848	1,406.63
No of shares outstanding at the end of the year	140,662,848	1,406.63	140,662,848	1,406.63

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

C Notes

i) Details of shares held by each shareholder holding more than 5% shares in the Company are as follows:

Particulars	No. of shares as at 31st March, 2020	%	No. of shares as at 31st March, 2019	%
Equity shares:				
1 Mr. Anurang Jain	43,396,976	30.85	43,396,976	30.85
2 Mr. Anurang Jain[1]	28,300,000	20.12	28,300,000	20.12
3 Mrs. Suman Jain[2]	16,890,000	12.01	16,890,000	12.01
4 Mr. Naresh Chandra[3]	16,910,000	12.02	16,910,000	12.02

1 Held by Mr. Anurang Jain in his capacity as the family trustee of the Anurang Rohan Trust ("Anurang Rohan Trust"). The Anurang Rohan Trust is a private family trust, settled by Mr. Anurang Jain, pursuant to a deed of settlement dated 11th June, 2016 as amended by a deed of amendment dated 23rd June, 2016 (the "Anurang Rohan Trust Deed"). The trustees of the Anurang Rohan Trust are Mr. Anurang Jain and Mrs. Varsha Jain, as the family trustees, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rohan Trust Deed, Mr. Anurang Jain shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

2 Held by Mrs. Suman Jain in her capacity as the family trustee of NC Trust ("NC Trust"). The NC Trust is a private family trust settled by Mr. Naresh Chandra, pursuant to a deed of settlement dated 15th June, 2016 (the "NC Trust Deed"). The trustees of the NC Trust are Mrs. Suman Jain, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the NC Trust Deed, Mrs. Suman Jain shall, as long as she is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

3 Held by Mr. Naresh Chandra in his capacity as the family trustee of Anurang Rhea Trust ("Anurang Rhea Trust"). The Anurang Rhea Trust is a private family trust settled by Mrs. Suman Jain, pursuant to a deed of settlement dated 15th June, 2016 (the "Anurang Rhea Trust Deed"). The trustees of the Anurang Rhea Trust are Mr. Naresh Chandra, as the family trustee, and Kotak Mahindra Trusteeship Services Limited, as the managing trustee. Pursuant to the Anurang Rhea Trust Deed, Mr. Naresh Chandra shall, as long as he is acting as the family trustee, exclusively exercise voting rights in respect of these Equity Shares.

ii) The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets after deducting all its liabilities in proportion to the number of equity shares held.

10A OTHER EQUITY

₹ in million

	Particulars	As at 31st March, 2020	As at 31st March, 2019
(a)	Securities premium (refer note (i) below)		
	Balance at the beginning and at the end of the year	160.40	160.40
(b)	General reserve (refer note (ii) below)		
	Balance at the beginning and at the end of the year	1,208.89	1,208.89
(c)	Retained earnings		
	Balance at the beginning of the year	18,023.58	15,146.66
	Profit for the year	4,276.92	3,578.61
	Remeasurements of defined benefit plans, net of tax	(43.44)	(23.39)
	Dividend including interim dividend (Refer note 38)	(1,547.29)	(562.65)
	Tax on dividend	(318.05)	(115.65)
	Balance at the end of the year	20,391.72	18,023.58
	Total	**21,761.01**	**19,392.87**

(i) Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act 1956. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

11 NON CURRENT BORROWINGS

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Measured at amortised cost		
Unsecured borrowings		
Deferred sales tax loan	13.37	29.78
Right of use lease liability (Refer note 11.01 & 42)	29.47	-
Total unsecured borrowings	42.84	29.78
Total	**42.84**	**29.78**

11.01 Maturity profile

₹ in million

Particulars	Right of use lease liability	Deferred sales tax loan	Total
Current maturities			
2020-21	5.42	16.41	21.83
Non-current maturities			
2021-22	6.08	10.06	16.14
2022-23	4.76	3.31	8.07
2023-24	4.05	-	4.05
2024-25	3.53	-	3.53
2025-26 to 2027-28	11.05	-	11.05
Total	**29.47**	**13.37**	**42.84**

12 OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Security deposits received from dealers	28.68	33.54
(b) Retention money payable	78.85	13.22
Total	**107.53**	**46.76**

12A Other current financial liabilities

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Current maturities of long-term borrowings (Refer note 11.01)	16.41	19.80
(b) Interest accrued but not due on borrowings	2.76	3.32
(c) Foreign currency derivative liabilities	0.81	24.61
(d) Unpaid equity dividend	0.27	0.09
(e) Payables on purchase of property, plant and equipment	200.87	362.65
(f) Right of use lease liability (Refer note 11.01 & 42)	5.42	-
Total	**226.54**	**410.47**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

13 NON-CURRENT PROVISIONS

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(a)	Provision for employee benefits:		
	Provision for gratuity (Refer note 29)	137.49	43.44
(b)	Provision for others:		
	Provision for warranty	20.68	19.33
Total		**158.17**	**62.77**

13ACurrent provisions

₹ in million

Particulars			As at 31st March, 2020	As at 31st March, 2019
(a)	Provision for employee benefits:			
	i)	Provision for compensated absences	143.42	116.74
	ii)	Provision for gratuity (Refer note 29)	94.55	86.60
(b)	Provision for others:			
	i)	Provision for warranty	54.55	46.98
Total			**292.52**	**250.32**

13A.01 Details of provision for warranty (Refer note 13 (b) and 13A (b))

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carrying amount as at 1st April, 2019	66.31	59.78
Provision made during the year	71.52	45.50
Discounting/unwinding effect	(0.44)	(0.21)
Amount paid/utilised during the year	(62.16)	(38.76)
Carrying amount as at 31st March 2020	75.23	66.31

Provision for warranty: The Company gives warranties on certain products from the date of sale, for their satisfactory performance during the warranty period as per the contracts with buyers. Provision for warranty claims arising out of such obligation is made based on such warranty period.

14 CURRENT BORROWINGS

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
Measured at amortised cost			
A.	Secured borrowings (Refer note 14.01 and 14.02)		
	Cash credit/working capital demand loans	500.00	800.00
	Total secured borrowings (A)	500.00	800.00
B.	Unsecured borrowings (Refer note 14.02)		
	From bank		
	- Short Term Loan	961.00	1,320.00
	Total unsecured borrowings (B)	961.00	1,320.00
Total (A+B)		**1,461.00**	**2,120.00**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

14.01 Details of security provided in respect of current borrowings

Fund based secured working capital facilities outstanding from a consortium member bank as on 31st March, 2020 is ₹ 500 million [Previous year ₹ 800 million]. The total working capital facilities sanctioned by the consortium member banks are secured by

a) first pari passu charge on, both present and/or future, current assets including inventory and receivables,

b) second pari passu charge on, both present and/or future, movable property, plant and equipment located at identified premises of the Company.

c) second pari pasu charge on identified immovable properties of the Company.

14.02 Details of interest rates for current borrowings

Short term foreign currency loans availed during FY2019-20 carries interest rate linked to LIBOR rates with mutually agreed spread [effective interest rate ranges between 2.36% p.a. to 3.08% p.a.(previous year 0.60% p.a. to 3.11% p.a)]. Similarly, short term rupee denominated borrowings carry interest cost linked to MCLR with mutually agreed spread [effective interest rate ranges from 4.90% p.a. to 12.15% p.a. (previous year 5.30% p.a. to 10.10% p.a.)].

15 TRADE PAYABLES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade payable for goods and services		
i) Total outstanding dues of micro and small enterprises (Refer note 30)	545.74	667.90
ii) Total outstanding dues of other than micro and small enterprises (other than acceptances)	3,410.21	4,539.65
Total	**3,955.95**	**5,207.55**

16 OTHER CURRENT LIABILITIES

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Advances received from customers	63.76	91.63
(b) Income received in advance	4.76	7.11
(c) EPCG deferred payable	9.59	15.39
(d) Statutory remittances (contribution to PF, ESIC, Withholding taxes, Goods and Service tax etc.)	230.07	353.48
Total	**308.18**	**467.61**

17 CURRENT TAX LIABILITIES (NET)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Provision for tax (net of advance taxes and taxes deducted at source)	34.61	34.61
Total	**34.61**	**34.61**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

17ADeferred tax assets/(liabilities)

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liabilities		
On account of temporary differences in		
Property, plant and equipment and intangible assets	(177.00)	(306.13)
Fair valuation of current investments	(22.32)	(22.25)
Others	(1.14)	(1.43)
Total	**(200.46)**	**(329.81)**
Deferred tax assets		
On account of temporary differences in		
Provision for employee benefits	94.50	86.23
Provision for doubtful debts	0.32	0.45
Expenses disallowed	31.54	72.15
Long term Capital losses	-	14.86
Others	0.41	-
Total	**126.77**	**173.69**
Net deferred tax assets/(liabilities)	**(73.69)**	**(156.12)**

18 REVENUE FROM OPERATIONS (REFER NOTE 18.01)

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Revenue from contracts with customers	48,201.58	53,414.27
(b)	Other operating revenue	1,184.11	760.32
Total		**49,385.69**	**54,174.59**

18.01 Details of revenue from contracts with customers and other operating revenue

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Revenue from contracts with customers		
i)	**Goods transferred at a point in time**		
	Sale of manufactured goods		
	Shock absorbers	18,737.99	19,065.35
	Disc brake assembly (including rotary disc)	4,983.04	4,042.00
	Aluminium die casting parts	14,482.89	19,089.16
	Alloy wheels	3,320.57	3,651.71
	Clutch and clutch parts	4,448.53	4,608.64
	Others	1,491.02	2,533.09
	Total - (A)	**47,464.04**	**52,989.95**
	Sale of traded goods		
	Components and spares	426.53	343.40
	Total - (B)	**426.53**	**343.40**
	Total - (A+B)	**47,890.57**	**53,333.35**
ii)	**Services transferred over time**		
	Job work receipts	311.01	80.92
	Revenue from contracts with customers (i+ii)	**48,201.58**	**53,414.27**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Other operating revenue comprises:		
Scrap sales	173.38	181.29
Government incentives	906.14	444.09
Wind power generation	8.73	12.11
Export incentives	95.86	122.83
Total	**1,184.11**	**760.32**

18.02 Revenue from contracts with customers

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Outside India	2,167.26	2,751.38
India	46,034.32	50,662.89

18.03 Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue as per contracted price	**48,481.39**	**53,699.82**
Adjustments:		
Discounts	279.81	285.55
Revenue from contracts with customers	**48,201.58**	**53,414.27**

19 OTHER INCOME

₹ in million

Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Interest income		
	i) Bank deposits	1.99	1.58
	ii) Income tax refund	-	8.14
	iii) Others	4.91	4.47
(b)	Other non operating income		
	i) Excess provision/creditors' balances written back	10.23	14.48
	ii) Income from investments in mutual funds	45.01	38.05
	iii) Profit on sale of property plant and equipment (net)	110.42	46.71
	iv) Income from insurance policy maturity	88.88	-
	v) Miscellaneous income	53.44	45.94
(c)	Net gain on foreign currency transactions	47.00	2.86
	(other than considered as finance cost)		
	Total	**361.88**	**162.23**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

20A COST OF MATERIALS CONSUMED

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening stock (including goods in transit)	903.98	677.12
Add: Purchases	30,092.68	35,471.90
	30,996.66	**36,149.02**
Less: Closing stock (including goods in transit)	912.13	903.98
Cost of materials consumed	30,084.53	35,245.04
Cost of materials capitalised	(77.84)	(164.78)
Total	**30,006.69**	**35,080.26**
Material consumed comprises		
i) Aluminium alloy	7,768.53	10,819.73
ii) Others	22,316.00	24,425.31
Total	**30,084.53**	**35,245.04**

20B PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Components and spares	278.40	230.84
Total	**278.40**	**230.84**

20C CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Inventories at the end of the year		
Finished goods	(719.52)	(882.53)
Work-in-progress	(657.65)	(683.61)
Stock-in-trade	(32.70)	(31.87)
Inventories at the beginning of the year		
Finished goods	882.53	841.59
Work-in-progress	683.61	664.72
Stock-in-trade	31.87	17.89
Net (increase)/decrease	**188.14**	**(73.81)**

21 EMPLOYEE BENEFITS EXPENSE

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Salary, wages and bonus	2,662.78	2,501.01
(b) Contribution to provident and other funds (Refer note 29)	217.16	194.15
(c) Staff welfare expenses	81.34	82.27
Total	**2,961.28**	**2,777.43**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

22 FINANCE COSTS

₹ in million

Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
(a) Interest expenses on		
i) Fixed period term loans	-	1.03
ii) Others	46.89	84.28
(b) Other borrowing costs		
i) Discounting charges on commercial paper	55.77	61.91
ii) Bank charges	5.49	8.00
(c) Exchange difference regarded as an adjustment to borrowing cost	-	15.51
Total	**108.15**	**170.73**

23 OTHER EXPENSES

₹ in million

Particulars	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
Stores and spares consumed	940.87	1,035.49
Packing material consumed	429.62	455.52
Tools and instruments consumed	202.83	222.81
Processing charges	1,362.34	1,459.61
Labour charges	1,082.97	1,071.84
Power, water and fuel	1,928.32	2,014.61
Rent	76.41	135.64
Repairs and maintenance:		
Plant and machinery	573.82	597.66
Building	37.82	47.94
General	176.62	190.62
Insurance	62.48	51.54
Rates and taxes	24.16	14.73
Travelling and conveyance	243.01	251.39
Freight	687.14	764.41
Advertisement	9.48	4.35
Donation	-	3.10
Payment to auditors (Refer note 23.01)	9.22	7.40
Directors fees and travelling expenses	26.88	29.58
Warranty claims	97.19	48.31
Expenditure on corporate social responsibility (Refer note 37)	137.12	68.00
Miscellaneous expenses	502.29	484.42
Total	**8,610.59**	**8,958.97**
Expenses capitalised	(82.57)	(119.20)
Total	**8,528.02**	**8,839.77**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

23.01 PAYMENT TO AUDITORS

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
As auditor		
Audit fee	7.15	6.45
Expenses reimbursed	1.12	0.65
In other capacity		
Other services (certification fees)	0.95	0.30
Total	**9.22**	**7.40**

24 TAXES

Income tax expense

(i) Statement of Profit and Loss Section

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Current Tax expenses [Short/(excess) provision for tax relating to prior years ₹ Nil, 31st March, 2019 ₹ 15.14 million]	1,475.30	1,610.16
(b) Deferred tax charge	(67.81)	157.85
Total	**1,407.49**	**1,768.01**

(ii) Other Comprehensive Income (OCI) Section

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Net gain / (loss) on remeasurement of defined benefit plan	(58.05)	(35.95)
(b) Income tax charged to OCI on remeasurement of defined benefit plan	14.61	12.56

(iii) Reconciliation of effective tax rate

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) Accounting profit before income tax	5,684.41	5,346.62
(b) Enacted tax rate in India	25.17%	34.94%
(c) Computed tax expense	1,430.65	1,868.32
(d) Reconciliation items		
R&D expenses - revenue	-	(182.89)
R&D expenses - capital	-	(54.93)
Investment allowance reversal	6.45	3.81
(Short)/excess payment of post employment benefits	-	(59.60)
CSR expenditure & Donation	43.56	35.55

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Gain to be set off against carried forward losses	(73.84)	(40.97)
	Others	37.50	(11.60)
	Lease written off	25.28	22.80
(e)	Net adjustment	38.95	(287.83)
(f)	Tax expense/ (saving) on net adjustment (e*b)	9.81	(100.59)
(g)	Current tax expense recognised in Statement of Profit and Loss (c+f)	1,440.47	1,767.73
(h)	Short/(excess) provision for tax relating to prior years	-	15.14
(i)	Effect of change in income tax rate	(47.84)	-
(j)	Deferred Tax asset created on long term capital losses	14.86	(14.86)
(k)	Net current tax expense recognised in Statement of Profit and Loss (g+h+i+j)	1,407.49	1,768.01

(iv) Details of carry forward losses on which no deferred tax asset is recognised by the Company is as follows:

Capital loss can be carried forward for a period of 8 years from the year in which such loss arose. The capital loss will expire till Assessment Year 2021-22.

₹ in million

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Long term capital loss	139.54	219.84
(b)	Short term capital loss	2.87	22.87
Total		**142.41**	**242.71**

25 (a) Endurance Amann GmbH, Germany

The total investment of the Company in Endurance Amann GmbH, Germany (a wholly owned subsidiary of the Company) as on 31st March, 2020 amounts to Euro 30.93 million (₹ 1,930.62 million) [Previous year Euro 30.93 million (₹ 1,930.62 million)]

The equity of Endurance Amann amounting to Euro 3.25 million is represented by stock. Euro 0.2 million is held by Endurance Amann as treasury shares.

(b) Endurance Overseas Srl, Italy (EOSrl)

The total investment of the Company in EOSrl as at 31st March, 2020 amounts to Euro 25.83 million (₹ 1,706.99 million) [Previous year Euro 25.83 million (₹ 1,706.99 million)].

26 During the year, the Company has sold 85,360 shares of face value ₹ 10 each of Watsun Infrabuild Pvt Ltd. The investment as at 31st March, 2020 now stands at ₹ 1.45 million (Previous year ₹ 2.31 million).

27 SEGMENT REPORTING

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Operating Segment' represents a single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2.

In accordance with Ind AS - 108, "Operating Segments" segment information has been given in the consolidated Ind AS financial statements and therefore no separate disclosure on segment information is given in these financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

28 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent liabilities (To the extent not provided for)

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
i)	Excise matters[1]	71.97	78.84
ii)	Service tax matters[1]	2.82	2.82
iii)	Sales tax (VAT and CST) matters[1]	44.07	45.93
iv)	Income tax matters[1]	540.41	531.93
v)	Employees related matters[1]	0.80	0.80
vi)	Environment pollution control matters[2]	20.85	20.85

1 Future cash outflow, if any, in respect of these matters are determinable only on receipt of judgements / decisions pending at various stages before the appellate authorities.

2 Hon'ble National Green Tribunal (NGT) in the prior years, had directed the Company to deposit ₹ 100 million based on the initial report of M.S. University, Baroda for alleged inappropriate discharge of industrial effluents. Based upon Maharashtra Pollution Control Board's (MPCB) claim submission, the NGT vide its order dated 8th July, 2016 instructed MPCB to refund ₹ 70 million against the deposit given, which was duly received by the Company on 28th July, 2016. MPCB submitted a revised claim based on which the Hon'ble NGT vide its order dated 30th January, 2018 instructed MPCB to refund an additional amount of ₹ 9.15 million against the deposit. Accordingly, the Company received ₹ 9.15 million on 31st March, 2018.

There are numerous interpretative issues relating to the Supreme Court judgement on provident fund dated 28th February 2019. As a matter of caution, the Company has implemented the change on a prospective basis.

(b) Commitments

₹ in million

Particulars		As at 31st March, 2020	As at 31st March, 2019
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	- Tangible assets	539.41	1,266.29
(ii)	Other commitment		
	- Aluminium alloy	1,302.03	1,174.81
Total		**1,841.44**	**2,441.10**

29 In conformity with the principles set out in the Indian Accounting Standard (Ind AS) 19 Employee Benefits, details for defined contribution and benefit plans are given below:

(a) Defined contribution plan:

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Employers contribution to provident fund/pension fund	141.41	123.84
Employers contribution to superannuation fund	15.96	14.28
Employers contribution to ESIC	2.96	6.23
Employers contribution to Labour welfare fund	0.19	0.23
Total	**160.52**	**144.58**

Note: Above contributions are included in contribution to provident fund and other funds reported in note 21 of employee benefits expense.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(b) Defined benefit plan:

The defined benefit plan comprises gratuity (included in contribution to provident and other funds in note 21). The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method. The present value of accrued gratuity is provided in the books after reducing the fund value with Life Insurance Corporation of India.

I - Reconciliation of benefit obligation:

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liability at the beginning of the year	509.12	432.82
Interest cost	36.75	31.59
Current service cost	47.03	41.85
Benefits paid*	(38.32)	(32.85)
Remeasurement (gain) / loss	58.18	35.71
Liability at the end of the year	612.76	509.12

*Includes amounts directly paid by the Company.

II - Reconciliation of fair value of plan assets:

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fair value of plan assets at the beginning of the year	379.08	375.63
Interest income	27.47	28.14
Contributions	-	10.22
Benefits paid	(25.97)	(34.67)
Return on plan assets - gain / (loss)	0.13	(0.24)
Fair value of plan assets at the end of the year	380.71	379.08
Actual return on plan assets	27.60	27.90

III - Amount to be recognized in the Balance Sheet

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liability at the end of the year	612.76	509.12
Fair value of plan assets at the end of the year	380.71	379.08
Amount to be recognized in Balance Sheet - Net liability	232.05	130.04

IV - Expenses recognized in the Statement of Profit and Loss under the head employee benefits expense

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current service cost	47.03	41.85
Interest cost	9.28	3.44
Settlement (gain)/loss	-	4.09
Expenses recognized in Statement of Profit and Loss	56.31	49.38

In respect of funded benefits with respect to gratuity, the fair value of plan assets represents the amounts invested through "Insurer Managed Funds"

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

V - Remeasurement for the year

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Experience (gain)/ loss on plan liabilities	17.03	35.74
Demographic (gain)/ loss on plan liabilities	-	(0.03)
Financial (gain)/ loss on plan liabilities	41.15	-
Experience (gain)/ loss on plan assets	(0.14)	2.12
Financial (gain)/ loss on plan assets	-	(1.88)

VI - Amount recognized in statement of other comprehensive income (OCI)

₹ in million

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening amount recognized in OCI	64.51	28.56
Remeasurement for the year - obligation (gain)/ loss	58.18	35.71
Remeasurement for the year - plan assets (gain)/ loss	(0.13)	0.24
Total remeasurements cost / (credit) for the year recognized in OCI	58.05	35.95
Closing amount recognized in OCI	122.56	64.51

VII - Principal actuarial assumptions:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount rate	6.20%	7.50%
Rate of return on plan assets	7.50%	7.50%
Salary escalation for the next year	0.00%	6.00%
Salary escalation after next year	7.00%	6.00%
Withdrawal rate	8.00%	8.00%

(i) The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated terms of the obligations.

(ii) Salary escalation rate is the estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

(iii) Withdrawal rate is employee's turnover rate based on the company's past and expected employee turnover.

(iv) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments for the years ending, assessed on 31st March, 2020

₹ in million

Years ending	Amount
31st March, 2021	94.55
31st March, 2022	55.29
31st March, 2023	63.81
31st March, 2024	74.76
31st March, 2025	76.86
31st March, 2026 to 31st March, 2030	441.57

(v) Weighted Average duration of defined benefit obligation: 11 years

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(vi) Sensitivity analysis:

Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2020 is as shown below:

₹ in million

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Defined Benefit Obligation	573.21	478.59	657.50	543.41

B. Effect of 1 % change in the assumed salary escalation rate	1% Increase		1% Decrease	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Defined Benefit Obligation	651.41	538.83	583.28	482.12

C. Effect of 1 % change in the assumed withdrawal rate	1% Increase		1% Decrease	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Defined Benefit Obligation	611.24	511.40	614.43	506.58

30 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(a) Principal amount payable to Micro, Small and Medium Enterprises (to the extent identified by the Company from the available information as at 31st March, 2020 is ₹ 545.74 million (Previous year ₹ 667.90 million). The unpaid amount outstanding for more than 45 days as of 31st March, 2020 is ₹ Nil (Previous year amount ₹ Nil).

(b) In the opinion of the Management, amount is paid to suppliers within 45 days during the period, as such no interest is payable.

(c) Interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 is ₹ Nil (Previous year ₹ Nil). Amount of interest accrued and remaining unpaid as at 31st March, 2020 is ₹ Nil (Previous year ₹ Nil)

31 EARNINGS PER SHARE (EPS)

₹ in million

	Particulars	Shares in Nos	
		For the year ended 31st March, 2020	For the year ended 31st March, 2019
a)	Earnings for the purpose of basic / diluted earnings per share - Net profit after tax (₹ in million)	4,276.92	3,578.61
	Earnings attributable to equity share holders	4,276.92	3,578.61
b)	Weighted number of ordinary shares for the purpose of basic earnings per share	140,662,848	140,662,848
c)	Weighted number of ordinary shares for the purpose of diluted earnings per share	140,662,848	140,662,848
d)	Nominal value of equity shares ₹ each	10.00	10.00
e)	Basic and diluted earnings per share ₹ each	30.41	25.44

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

32 FAIR VALUE MEASUREMENTS

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financials instruments

₹ in million

Particulars	Carrying amount		Fair value	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
(a) Security Deposits	63.01	67.17	63.01	67.17
(b) Other non current investments	11.49	12.35	11.49	12.35
(c) Trade receivable	4,737.58	6,947.57	4,737.58	6,947.57
(d) Loans to employees	20.10	20.95	20.10	20.95
(e) Interest accrued on deposits	0.45	0.08	0.45	0.08
(f) Cash in hand	0.33	0.41	0.33	0.41
(g) Balance with banks in current account	1,252.48	302.22	1,252.48	302.22
(h) Balance held as Margin money against borrowings	0.44	1.69	0.44	1.69
(i) Receivable for sale of Property, plant and equipment	7.37	25.90	7.37	25.90
(j) Government incentives receivable	1,197.94	324.00	1,197.94	324.00
(k) Other financial assets	48.87	74.32	48.87	74.32
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Current investments	373.18	348.17	373.18	348.17
(b) Non current investments quoted	0.03	0.03	0.03	0.03
(c) Foreign currency derivative assets	8.14	0.01	8.14	0.01
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
(a) Non current borrowing	42.84	29.78	42.84	29.78
(b) Current borrowing	1,461.00	2,120.00	1,461.00	2,120.00
(c) Security deposits received from dealers	28.68	33.54	28.68	33.54
(d) Retention money	78.85	13.22	78.85	13.22
(e) Current maturities of long-term borrowings	21.83	19.80	21.83	19.80
(f) Interest accrued but not due on borrowings	2.76	3.32	2.76	3.32
(g) Payables on purchase of Property plant & equipment	200.87	362.65	200.87	362.65
(h) Trade payable	3,955.95	5,207.55	3,955.95	5,207.55
(i) Unpaid equity dividend	0.27	0.09	0.27	0.09
Financial assets measured at fair value through Statement of Profit and Loss				
(a) Foreign currency derivative liabilities	0.81	24.61	0.81	24.61

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/ outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds and foreign currency derivatives) is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credit rated instrument.

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(c) The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the end of reporting period was assessed to be insignificant.

Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data

The following table presents our assets and liabilities measured at fair value on recurring basis at 31st March, 2020 and 31st March, 2019.

₹ in million

Particulars	Level 1	Level 2	Level 3
31st March, 2020			
Investment in mutual funds	373.18	-	-
Equity	0.03	-	-
Foreign currency derivatives asset	8.14	-	-
Foreign currency derivatives liability	0.81	-	-
31st March, 2019			
Investment in mutual funds	348.17	-	-
Equity	0.03	-	-
Foreign currency derivatives asset	0.01	-	-
Foreign currency derivatives liability	24.61	-	-

During the year ended 31st March, 2020, there were no transfer between Level 1 and Level 2 fair value measurement.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

33 FINANCIAL INSTRUMENTS AND RISK REVIEW

I. Capital Management

The Company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed on a quarterly basis.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a quarterly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Debt-to-equity ratio is as follows:

₹ in million

Particulars	As at 31st March, 2020	As at 31st March, 2019
Net Debt (A)[1]	(100.05)	1,518.87
Equity (B)	23,167.64	20,799.50
Debt Ratio (A / B)	Net negative debt	0.07:1

1 Net debt includes non current borrowings, current borrowings, current maturities of non current borrowings net off current investments and cash and cash equivalents.

II. Financial Risk Management Framework

The Company is exposed primarily to market risk (fluctuations in foreign currency exchange rates and interest rate), credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to contractual terms. Credit risk encompasses, the risk of default, the risk of deterioration of creditworthiness of the counterparty as well as concentration of risks.

Financial instruments that are subject to exposure to credit risk consist of trade receivables, investments and other financial assets.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from operating activities, primarily from trade receivables.

Trade receivables

Trade receivables consist of receivables arising primarily due to sale of goods. These receivables are unsecured and mature at the end of a specified credit period depending upon the terms of contract of each customer, which ranges from 30-60 days for customers in India and 30-120 days for overseas customers. The Company's customers primarily consist of Original Equipment Manufacturers ("OEM") for its primary products and Dealers for spare parts.

The Company assesses the credit risk of its customers and dealers at the time of acceptance of the customer as well as on an ongoing basis. Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The credit limit of these customers and dealers is continuously monitored and recalibrated based on the credit risk assessment. Most of the OEM's have high credit ratings which helps the Company mitigate credit risk.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

The Company assesses at each reporting date whether a trade receivable or a group of trade receivables is impaired. The Company recognizes lifetime expected credit losses for all trade receivables that do not constitute a financing transaction and which are due for more than six months. The expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

₹ in million

Particulars	**Not due**	**Within 365 days***	**More than 365 days***	**Total**
ECL rate	0%	0%	100%	
31st March, 2020				
Estimated total gross carrying amount	1,052.95	3,684.63	1.27	4,738.85
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	1,052.95	3,684.63	-	4,737.58

₹ in million

Particulars	**Not due**	**Within 365 days***	**More than 365 days***	**Total**
ECL rate	0%	0%	100%	
31st March, 2019				
Estimated total gross carrying amount	3,805.43	3,142.14	1.27	6,948.84
ECL - Simplified approach	-	-	(1.27)	(1.27)
Net carrying amount	3,805.43	3,142.14	-	6,947.57

* Provision is made for receivables where recovery is considered doubtful irrespective of due date. Where an amount is outstanding for more than 365 days the Company usually provides for the same unless there is clear visibility of recovery.

The Movement in the expected credit loss allowance is as given below:

₹ in million

Particulars	**As at 31st March, 2020**	**As at 31st March, 2019**
Balance at the beginning of the year	1.27	1.27
Movement in the expected credit loss allowance on trade receivables calculated at lifetime	-	-
expected credit losses		
Balance at the end of the year	1.27	1.27

Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 78% of total receivables as of 31st March, 2020 (76% as at Previous year), however there was no default on account of those customers in the past.

The Company considers the trade receivables to have low risk of defaults since the customers have strong capacity to fulfil their obligations and even if there are adverse changes in economic and business conditions, the Company is of the view that it will not adversely affect the ability of the customers to fulfil their obligations.

The Company considers write-off of receivables on case to case basis, depending upon the circumstances of each delayed receivable, and when the Company is of the view that recovery seems unlikely after reasonable efforts.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

The maturity profile of various financial assets is as given below:

₹ in million

Particulars	31st March, 2020		31st March, 2019	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial assets				
Trade receivables	4,737.58	-	6,947.57	-
Total	**4,737.58**	**-**	**6,947.57**	

Investments and other financial assets

Investments consist mainly of investments in subsidiaries and investments in mutual funds and fixed deposits. Other financial assets consist of Govt incentive receivable, export incentive and security deposits for business purposes.

Investments in mutual funds are primarily those instruments which have been approved by the Board and are in low-risk category and are continuously monitored by the investment committee of the Board. The Company considers credit risk in investments as well as in other financial assets to be very low.

ii) Liquidity Risk

Liquidity risk is the risk that the Company may not be in a position to meet its financial liabilities. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure availability of adequate funds for business. The Company generates sufficient internal accruals and generally the purpose of borrowings is to meet temporary fund flow mismatches and sometimes to meet regular capital expenditures. The Company maintains a very low debt to equity ratio.

The maturity profile of various financial liabilities is as given below. These amounts have been drawn up based on the undiscounted cash flows of various financial liabilities based on the earliest date on which the Company can be required to pay.

₹ in million

Particulars	31st March, 2020		31st March, 2019	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative financial liabilities				
Trade payables	3,955.95	-	5,207.55	-
Other financial liabilities	226.54	107.53	410.47	46.76
Working capital demand loans / Term loans	1,461.00	42.84	2,120.00	29.78
Total	**5,643.49**	**150.37**	**7,738.02**	**76.54**

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk like commodity prices risk.

1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations which have floating rate indebtedness. The Company also maintain deposits of cash and cash equivalents with banks and other financial institutions which are subject to periodic resets.

Interest rate sensitivity

The sensitivity analysis below demonstrates the sensitivity to a reasonable possible change in interest rates on the debt obligations of the Company and on the cash and cash equivalents.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

For the year ended	Currency	Increase / decrease in basis points	Effect on profit before tax	Financial statement item	Variable rate WCDL / CC balance / ECB
31st March, 2020	INR	+100	(14.61)	Debt obligation	1,461.00
	INR	-100	14.61	Debt obligation	1,461.00
31st March, 2019	INR	+100	(21.20)	Debt obligation	2,120.00
	INR	-100	21.20	Debt obligation	2,120.00

2) Foreign Currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At a standalone level the Company is exposed to currency risk of changes in EURO, USD, CHF, CNY, GBP, SGD and JPY. However, the risk of changes in foreign exchange rates on the statement of profit or loss and other comprehensive income is not material. The Company has an exposure to changes in foreign exchange (primarily EURO) on account of its investments in its subsidiaries.

Wherever, transactions are undertaken in foreign currency, the Company hedges the risk of foreign exchange fluctuation by using derivative financial instruments in line with its risk management policies. The investment in subsidiaries being long term in nature is unhedged. The information on derivative instruments and the unhedged foreign currency exposures are as follows:

(a) Details of Forward Exchange Contract, Currency swaps, Currency options:

Particulars	Currency	As atn31st March, 2020		As at 31st March, 2019	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
Forward contract - USD - INR	USD	3.39	255.43	5.00	345.85
No. of Contracts		31		25	
Forward contract - JPY - INR	JPY	-	-	180.00	112.54
No. of Contracts		-		2	
Forward contract - EUR - INR	EURO	1.30	107.68	2.15	167.02
No. of Contracts		25		15	
Forward contract - SGD - INR	SGD	-	-	0.46	23.38
No. of Contracts		-		1	

(b) Foreign currency exposures that are not hedged by derivative instruments:

Particulars	Currency	As atn31st March, 2020		As at 31st March, 2019	
		Foreign Currency Notional Amount (in million)	Rupees (in million)	Foreign Currency Notional Amount (in million)	Rupees (in million)
I. Trade receivables :	USD	0.71	53.65	1.30	90.07
	EURO	0.67	55.63	1.02	79.27
			109.28		169.34
II. Trade payable and capital creditors:	CHF	-	-	(0.04)	(2.98)
	USD	(0.26)	(19.39)	(0.36)	(24.75)
	EURO	(0.35)	(28.96)	(0.54)	(41.75)
	GBP	(0.07)	(6.11)	(0.02)	(1.54)
	CNY	(0.03)	(0.31)	(0.04)	(0.40)
	JPY	(2.69)	(1.87)	(4.37)	(2.73)
			(56.64)		(74.15)

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Particulars	Currency	As atn31st March, 2020 Foreign Currency Notional Amount (in million)	As atn31st March, 2020 Rupees (in million)	As at 31st March, 2019 Foreign Currency Notional Amount (in million)	As at 31st March, 2019 Rupees (in million)
Total	CHF	-	-	(0.04)	(2.98)
	USD	0.45	34.26	0.94	65.32
	EURO	0.32	26.67	0.48	37.52
	GBP	(0.07)	(6.11)	(0.02)	(1.54)
	CNY	(0.03)	(0.31)	(0.04)	(0.40)
	JPY	(2.69)	(1.87)	(4.37)	(2.73)

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, EURO, GBP, CHF, JPY and CNY exchange rates, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in million

For the year ended	Currency	Change in rate	Effect on profit before tax
31st March, 2020	USD	+10%	3.43
	USD	-10%	(3.43)
	EUR	+10%	2.67
	EUR	-10%	(2.67)
	GBP	+10%	(0.61)
	GBP	-10%	0.61
	JPY	+10%	(0.19)
	JPY	-10%	0.19
	CNY	+10%	(0.03)
	CNY	-10%	0.03
31st March, 2019	USD	+10%	6.53
	USD	-10%	(6.53)
	EUR	+10%	3.75
	EUR	-10%	(3.75)
	GBP	+10%	(0.15)
	GBP	-10%	0.15
	CHF	+10%	(0.30)
	CHF	-10%	0.30
	JPY	+10%	(0.27)
	JPY	-10%	0.27
	CNY	+10%	(0.04)
	CNY	-10%	0.04

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

3) Commodity Price risk

The Company is exposed to risks in fluctuation of prices of certain raw materials, which are used as key inputs in the production process, especially ferrous and non-ferrous metals. Historically, as a practice, and as per our understanding with customers, the Company has passed on an increase in the cost of metals, especially aluminium and steel to its customers and does not foresee a significant risk to its statement of profit and loss on account of fluctuations in the material prices.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

34 Related party disclosure as required by Ind-AS 24 is as under. Key Management Personnel (KMP) has been identified as per Ind-AS 24:

a) List of Related Parties and nature of relationships

S.No	Description of Relationship	Name of Related Party/Persons
1	Holding Company	None
2	Subsidiaries Direct / Indirect	Endurance Amann GmbH, Germany (Direct Subsidiary)
		Endurance Overseas S.r.L., Italy (Direct Subsidiary)
		Endurance S.p.A, Italy (Indirect Subsidiary)
		*Endurance Fondalmec S.p.A merged with Endurance FOA S.p.A with effect from 1st January, 2019. Upon merger, Endurance Fondalmec S.p.A ceases to exist and the name of Endurance FOA S.p.A stands changed to Endurance S.p.A.
		Endurance Engineering S.r.L., Italy (Indirect Subsidiary)
		Endurance Castings S.p.A., Italy (Indirect Subsidiary) (w.e.f. 1st January, 2019)
3	Fellow Subsidiaries	None
4	Associates	None
5	Key Management Personnel	Mr. Naresh Chandra, Chairman
		Mr. Anurang Jain, Managing Director
		Mr. Satrajit Ray, Director and Group CFO
		Mr. Ramesh Gehaney, Director and COO
		Mr. Partho Datta, Independent Director
		Mr. Soumendra Basu, Independent Director
		Mr. Roberto Testore, Independent Director
		Ms. Anjali Seth, Independent Director
		Mrs. Falguni Nayar, Independent Director
		Mr. Massimo Venuti, Non-executive Director
6	Relatives of Key Management Personnel with whom transactions have taken place	Mrs. Suman Jain - Wife of Mr. Naresh Chandra
		Mrs. Varsha Jain - Wife of Mr. Anurang Jain
		Ms. Rhea Jain - Daughter of Mr. Anurang Jain
		Mr. Rohan Jain - Son of Mr. Anurang Jain
7	Enterprises Owned or controlled by Key Management personnel and/or their Relatives	Varroc Engineering Limited

b) Transactions carried out with the related parties in ordinary course of business (Previous year figures are in brackets)

₹ in million

Nature of Transactions	Subsidiaries	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Purchase of raw material and components	-	-	-	48.60	48.60
	-	-	-	(109.52)	(109.52)
Sale of products	6.68	-	-	-	6.68
	-	-	-	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

Nature of Transactions	Subsidiaries	Key Management Personnel	Relatives of Key Management personnel	Enterprises Owned or controlled by Key Management Personnel or their relatives	Total
Remuneration* - Short Term Employee Benefits	-	109.23	12.49	-	121.72
	-	(101.29)	(9.46)	-	(110.75)
Directors' Sitting Fees	-	2.46	-	-	2.46
	-	(2.35)	-	-	(2.35)
Directors' Commission	-	10.75	-	-	10.75
	-	(10.75)	-	-	(10.75)
Professional Fees	-	3.19	-	-	3.19
	-	(3.19)	-	-	(3.19)
Reimbursement of Travelling & Other Expenses	-	0.75	-	-	0.75
	-	(0.32)	-	-	(0.32)
Dividend Paid	-	^974.68	#185.79	-	1,160.47
	-	(396.64)	(67.56)	-	(464.20)
Expenses Recovered	-	-	-	-	-
	-	(2.13)	-	(0.01)	(2.14)
Other Income	-	-	-	0.01	0.01
	-	-	-	(0.02)	(0.02)
Balances Outstanding as at 31st March, 2020					
i) Payables	-	10.79	0.22	1.87	12.88
	-	(11.29)	(0.09)	(12.06)	(23.44)
ii) Receivables	3.98	-	-	-	3.98
	-	-	-	-	-
iii) Investments	3,637.61	-	-	-	3,637.61
	(3,637.61)	-	-	-	(3,637.61)

* Post employment benefits payable in the form of gratuity and other long term benefits in the form of compensated absences are calculated on the basis of actuarial valuation. Amount payable for individual employees as at 31st March, 2020 (31st March, 2019) cannot be separately identified and therefore has not been included in above. There are no termination benefits, share based payments given to Key Management Personnel and their relatives.

^ Includes ₹ 311.30 million (₹ 113.20 million) dividend received by Mr. Anurang Jain in his capacity as family trustee of Anurang Rohan Trust.

^ Includes ₹ 186.01 million (₹ 67.64 million) dividend received by Mr. Naresh Chandra in his capacity as family trustee of Anurang Rhea Trust.

Includes ₹ 185.79 million (₹ 67.56 million) dividend received by Mrs. Suman Jain in her capacity as family trustee of NC Trust.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

c) Disclosure in respect of material transactions with related parties (Previous period figures are in brackets)

₹ in million

Nature of Transactions	Endurance Overseas S.r.L., Italy	Endurance S.p.A., Italy	Varroc Engineering Limited	Total
Purchase of raw material and components	-	-	48.60	48.60
	-	-	(109.52)	(109.52)
Sale of products	1.51	5.17	-	6.68
	-	-	-	-
Expenses Recovered	-	-	-	-
	-	-	(0.01)	(0.01)
Other Income	-	-	0.01	0.01
	-	-	(0.02)	(0.02)
Balances Outstanding as at 31st March, 2020				
i) Payables	-	-	1.87	1.87
	-	-	(12.06)	(12.06)
ii) Receivables	1.51	2.47	-	3.98
	-	-	-	-

Outstanding balances as at the year/period end are unsecured and settlement occurs in cash and cash equivalents. There are no guarantees provided or received for any related party receivables/payables.

35 GOVERNMENT INCENTIVES:

(a) Industrial Promotion Subsidy:

Incentive under Mega Project Scheme - PSI 2013

Until 31st March, 2019, the Company recognized grant income under Package Scheme of Incentives 2013, Government of Maharashtra ("PSI Scheme") on claim submission when its recoverability was considered to be reasonably certain. From 1st April, 2019, the Company recognizes grant income under PSI Scheme on sale of goods, as the management believes that the realisability of the grant income is reasonably certain.

Accordingly, in the quarters ended 30th June, 2019 ; 30th September, 2019 and 31st December, 2019, the Company had recognized an amount of ₹ 229.21 million, ₹ 230.55 million and ₹ 12.58 million respectively as grant income based on the underlying sales transaction for the year ended 31st March, 2020; and also recognized an amount of ₹ 472.34 million as grant income relating to the sales made for the year ended 31st March, 2019 as a one-time adjustment in the quarter ended 30th June, 2019. In the quarter ended 31st March, 2020, the Company received a provisional sanction of claim filed for the year ended 31st March, 2018 from the Directorate of Industries; wherein an amount has been reduced by a specified percentage of electricity duty benefit. Consequent upon the said order, the Company has reversed an amount of ₹ 70.44 million. As a result, the cumulative grant income recognized during the year stands at ₹ 874.24 million.

(b) EPCG benefit:

In the current year the Company has not imported plant and equipment's under EPCG scheme. In the previous year the Company had imported plant and equipment's under EPCG scheme and saved customs duty of ₹ 19.11 million against the export obligation of ₹ 114.67 million. The pending export obligation as on 31st March, 2020 is ₹ 57.52 million (previous year ₹ 92.34 million). In accordance with Ind-AS 20, the custom duty saved was capitalized and ₹ 5.80 million (previous year ₹ 65.67 million) is recognized as incentive received, included in other operating revenue, on account of proportionate fulfilment of the export obligation

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

36 The capital and revenue expenditure incurred by the in-house R&D Units (hereinafter referred as "R&D Centre") recognized by Department of Scientific and Industrial Research (DSIR) except Test Track, are as under:

₹ in million

Particulars	Test Track	R&D Centre at			
		E-93	B-1/3	K-226/2	K-226/1
i) Capital expenditure					
(Including CWIP)					
For the year ended 31st March, 2020	100.22	8.54	5.24	15.84	3.54
For the year ended 31st March, 2019	109.40	17.59	12.14	17.67	68.14
ii) Revenue expenditure					
For the year ended 31st March, 2020					
Salaries/wages	1.51	100.75	32.08	49.70	33.08
Materials/consumables/spares/tools	0.54	6.45	0.37	53.61	4.06
Utilities	3.49	11.40	2.92	7.25	2.82
Any other expenditure directly	15.66	32.02	22.44	25.50	20.11
relating to R & D					
Total Revenue expenditure	**21.20**	**150.63**	**57.81**	**136.06**	**60.08**
For the year ended 31st March, 2019					
Salaries/wages	0.66	90.22	34.21	35.74	28.82
Materials/consumables/spares/tools	0.16	2.98	1.74	61.26	9.70
Utilities	3.22	11.09	4.49	7.24	1.61
Any other expenditure directly	7.79	33.99	23.36	27.13	19.00
relating to R & D					
Total Revenue expenditure	**11.83**	**138.28**	**63.80**	**131.37**	**59.13**

37 CORPORATE SOCIAL RESPONSIBILITY (CSR)

i) Pursuant to Companies Act, 2013 gross amount required to be spent by the Company towards CSR during the year is ₹ 86.38 million (previous year ₹ 68.09 million).

ii) (a) The company has made a contribution of ₹ 50.0 million on 31st March, 2020 to the PM-Cares Fund to support the Government of India in its relief and rehabilitation measures towards the COVID-19 pandemic outbreak. As the CSR spending requirement for the current year has already been fulfilled, this contribution will be considered towards spending requirement for CSR activity during financial year 2020-21

(b) The Company has also contributed ₹ 0.12 million to Mother Global Foundation.

iii) The company has contributed during the year ended 31st March, 2020 ₹ 87.0 million (Previous year ended 31st March, 2019 ₹ 68.0 million) to Sevak Trust and salary of CSR staff ₹ 1.52 million (Previous year ₹ 1.27 million).

Sevak Trust has implemented following projects:

₹ in million

Nature of expenditure	For the year ended 31st March, 2020	For the year ended 31st March, 2019
i) Construction/acquisition of any asset	49.00	19.75
ii) On the purpose other than (i) above		
Village Development Project (VDP)	23.70	36.87
Vocational Training Centre (VTC)	13.00	11.23

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

₹ in million

Nature of expenditure	**For the year ended 31st March, 2020**	**For the year ended 31st March, 2019**
HP World on wheels Computer Training	1.08	-
Balwadi	0.22	0.15
Total paid to Sevak Trust	87.00	68.00
Salary of CSR staff (included in Employee benefits expense)	1.52	1.27
Total	**88.52**	**69.27**

38 During the current year, final dividend for the year ended 31st March, 2019 was declared and paid at ₹ 5.50 (previous year ₹ 4 for year ended 31st March, 2018) per equity share of face value ₹ 10 each and also interim dividend for the year ended 31st March, 2020 was declared and paid at ₹ 5.50 per equity share of face value ₹ 10 each.

39 (a) In the previous year as a consequence of the consolidation of operations, the management decided to dispose off the unutilized plot of free hold land at Takve (Gut no 414) and was in the process of identifying prospective customers, accordingly, the said land having a value of ₹ 33.37 million was disclosed as "asset held for sale". In current year agreement for the sale of the said land was entered into and the sale transaction was completed in October 2019.

(b) In the previous year, the Company closed the operations of its Manesar plant with effect from 26th December 2018 and settled the full and final liabilities of the employees in the plant. The Company paid ₹ 38.40 million as closure compensation. The Company also agreed with the union to pay an additional ₹ 169.60 million pursuant to an order passed by the Honourable Punjab and Haryana High Court on 11th, January 2019. The amount was duly paid on 2nd April, 2019 and the total amount of ₹ 208 million was disclosed as an exceptional item in the the statement of profit and loss in the previous year.

40 Coronavirus Disease (COVID-19) has resulted in the Company temporarily suspending the operations of all its manufacturing units in India. COVID-19 has impacted the normal business operations of the Company by way of interruption in production and sale of finished goods, supply chain disruption, unavailability of personnel etc. However, production and sale of goods have commenced in a phased manner through April and May 2020.

The Company has performed a detailed assessment of its liquidity position and the recoverability of the assets as at the balance sheet date and has concluded that based on current indicators of future economic conditions, the carrying value of the assets will be recovered. Management believes that it has fully considered all the possible impact of known events in the preparation of the standalone Ind AS financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

41 The figures for the previous year ended 31st March, 2019 as presented in these financial statements have been regrouped for more appropriate presentation as per the table below :

Particulars	**Reference**	**As per previous year financials**	**Change**	**As per current year financials**
Assets:				
(i) Other non-current financial assets	(a)	67.17	21.42	88.59
(ii) Other non-current assets		2,182.84	(21.42)	2,161.42
(iii) Other current financial assets	(b)	356.32	46.57	402.89
(iv) Other current assets		215.61	(46.57)	169.04
			0.00	

(a) Sales tax receivable ₹ 21.42 million has been regrouped from other non current assets to other non current financial assets.

(b) Export incentive (MEIS, duty drawback) ₹ 46.57 million have been regrouped from other current assets to other current financial assets.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

42 COMPANY AS LESSEE

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movement during the year:

₹ in million

Particulars	For the year ended 31st March, 2020
As at 1st April	33.89
Additions	6.02
Accretion of interest	2.70
Payments	(7.72)
As at 31st March	34.89
Current	5.42
Non current	29.47

The maturity analysis of lease liability is disclosed in note 11.01

The effective interest rate for lease liabilities is 8.0%, with maturity between 2021-2026

The following are the amounts recognized in the statement of profit or loss:

₹ in million

Particulars	For the year ended 31st March, 2020
Depreciation expense of right-of-use assets	6.63
Interest expense on lease liabilities	2.70
Total amount recognized in profit or loss	9.33

During the year the Company had total cash outflows for leases of ₹ 7.72 million. The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 6.02 million.

As per our report of even date

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

per **Arvind Sethi**
Partner
Membership No.: 89802

Date: 25th June, 2020
Place: Pune

For and on behalf of the Board of Directors

Naresh Chandra
Chairman
(DIN: 00027696)

Anurang Jain
Managing Director
(DIN: 00291662)

Satrajit Ray
Director & Group CFO
(DIN : 00191467)

Sunil Lalai
Company Secretary & Executive Vice President–Legal
(Membership No : A8078)

Date: 25th June, 2020