

Technology Drives. Quality Builds.

Contents

02-23

i Corporate Overview

Highlights of the Year	02
Proven Track Record of Delivering Profitable Growth	03
Review by the	
Managing Director	04
This is Endurance today	06
Our Product Portfolio	08
Quality Led	10
Technology Driven	12
Complete Solutions	14
People	16
Governance and Ethics	18
Corporate Social	
Responsibility	20
Board of Directors	22
Corporate Information	23

24-107

Ŋ	Management Discussion and Analysis	24
Reports	Board's Report	41
	Corporate Governance Report	76
Statutory	Business Responsibility Report	99

108-211

ents	Standalone Financial Statements	10
Statements	Consolidated Financial Statements	16



Our enduring success as a leading end-to-end solution provider to major OEMs in India and Europe has emanated from single-minded focus and commitment to QUALITY and TECHNOLOGY.

From prototype to production and from design to deployment, every step and every stage is defined by our First Time Right philosophy. From our people to our processes and from our culture to our systems, it is our collective mindset and uncompromising attitude to get it right the first time, every time, that has sustained our consistent growth and value creation over 33 years.

With the momentum of an excellent year of profitable growth reflected in the 16.8% increase in Total Income to ₹ 65,617 million and 18.3% rise in Net Profit to ₹ 3,908 million, Endurance is positively placed to accelerate.

With OEMs rationalising vendors, we are looking to supply more components from all our four product portfolios to existing customers as well as expanding our presence amongst new OEMs. As a future-ready organisation, we are geared up for changes like Industry 4.0, BS-VI emissions and the hybrid/electric vehicles with focus on light-weighting and frugal engineering. Our R&D and innovation teams are exploring next-gen technologies like Internet of Things and Artificial Intelligence for better trackability and traceability.

Powered by favourable tailwinds in the form of strong growth drivers, we are confident of scaling.

The next phase of growth and expansion in the industry will be unlocked by Quality and Technology, which incidentally, are also our key competitive and comparative advantages, because at Endurance







- Total Income (net of Excise Duty) ₹ 65,617 million, up by 16.8%
- EBITDA ₹ 9,513 million, up by 20.8%
- PAT ₹ **3,908** million, up by **18.3**%

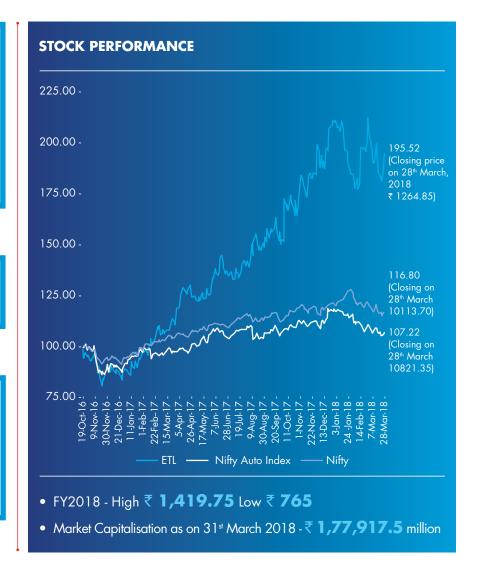
MARGINS

- EBITDA 14.5%
- PAT **6%**

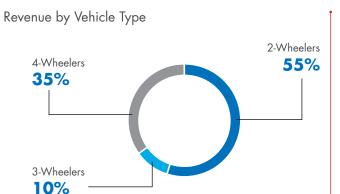
RATIOS

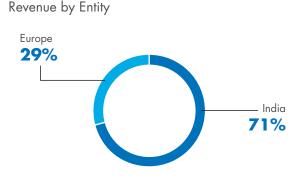
- ROCE 23.3%
- ROE 20%
- Net Debt / Equity 0.1x
- Interest Cover (before exceptional items) - 26.8x

Based on consolidated financials



REVENUE PROFILE







Proven Track Record of Delivering Profitable Growth

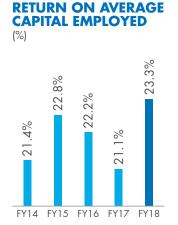
Strong CAGR Performance...

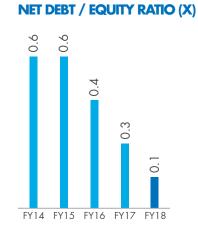


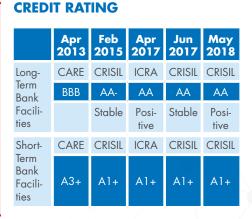




...with a Robust Balance Sheet







Growth in European Business PROFITABLE REVENUE GROWTH(1) (** MN) CAGR FY14-18: 14.7% OZO 61 OZO 61

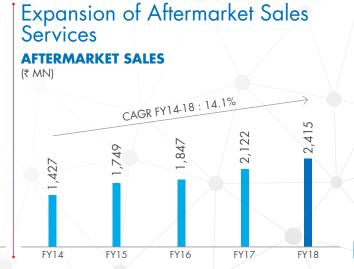
FY16

FY17

FY18

FY1.5

(1) Net Revenue from Operations







Review by the Managing Director



We are totally geared to capitalise on BS-VI opportunities. Our teams have been working on various light-weighting and frugal engineering concepts for tomorrow's mobility. Also, we are continuously looking at acquisition opportunities as well as alliances and tie-ups 99

Mr. Anurang Jain, the Managing Director of Endurance Technologies Limited, reflects on the Company's performance in FY2018 and shares his thoughts on the future prospects.

This is the first full year since the Company was listed in October 2016. What are your views on the operating context and challenges?

Indeed, it has been an eventful and interesting year for us. The global economy continues on its path to recovery even as new challenges like Brexit negotiations and the threat of tariff war looms large. Both USA and the Eurozone witnessed resurgence with key indicators like job rate, GDP growth and investment sentiments improving.

India continued to surge confidently. While there was a temporary aberration in the first half of the year as the Government introduced the bold GST reform, by the end of the year, the economy was more or less on track. With a normal monsoon for the second year in a row, other key factors remained positive, creating favourable tailwinds for the economy.

It was also a positive year for the Automobile industry in particular. Can you throw some more light on this?

Driven by an overall positive consumer sentiment, the year saw a healthy growth in all the three key segments, namely, Two and Three-Wheelers, Passenger Vehicles and Commercial Vehicles. The Indian automobile industry, including two and three-wheelers crossed 29 million vehicles in sales. In the two-wheeler segment, sales of scooters rose by more than 19% while those of motorcycles rose by more than 15% (including exports). The star performer of the year undoubtedly was the three-wheeler category registering a growth of almost 30% - an outstanding show (including exports).

Majority of global passenger car markets also grew during the year with the exception of North America. In Europe, production of passenger cars reached 19.6 million, exceeding the pre-crisis level for the first time in many years.

How did the year pan out for Endurance Technologies?

It was another year of robust performance by the Company as we continued to leverage our quality and technology edge. We are an end-to-end, multi-solution provider with a diverse product portfolio across four product categories. We continued to outperform the automobile industry.

Our Total Income for the year grew to ₹ 65,617 million from ₹ 56,199 million last year, rising by 16.8%. EBITDA for the year was ₹ 9,513 million against ₹ 7,874 million in the previous year, while the EBITDA margin improved by 50 bps to 14.5% against 14% last year. PAT for the year was ₹ 3,908 million compared to that of ₹ 3,303 million last year, with PAT margin registering an improvement of 10 bps to 6% this year. (All on consolidated basis)

We continue with our B2C expansion through Aftermarket sales and services. The Aftermarket footprint now spans 23 countries and has over 35 distributors. This year, the revenue from Aftermarket sales rose to ₹ 2,415 million from ₹ 2,122 million last year.

What are the key drivers for growth for Endurance Technologies in the near and midterms? Are there any particular challenges you foresee?

I am quite optimistic about both the near and mid-term prospects of the Company. While on one hand demand for all key segments in the automobile space is set to continue its momentum, on the other hand, top OEMs are increasingly rationalising their vendor-base. I firmly believe this is a significant opportunity for us as we are amongst the few vendors who provide a one-stop solution for all our product segments. Another positive development is the implementation of GST - a unified market means we can now actually leverage our pan-India presence and reach.

However, the single-biggest driver of growth in the days to come will be Quality; vendors who can consistently meet the exacting quality norms will feature in the top vendor rankings, and consequently OEMs will increase the share of business of such Tier 1 vendors. We are already Tier 1 supplier to major OEMs and are confident of increasing our wallet share with these OEMs as well as expanding our customer base to include new customers across geographies.

There are a lot of new technological advances that will change the automobile space in a few years. How is Endurance Technologies geared for these changes?

Technology has always been integral to Endurance Technologies' consistent growth and expansion. We have built strong R&D capabilities through continuous investments.

Being positioned in a dynamic and, at the same time, volatile industry, we believe that 'change' is the new normal, and therefore our focus is to develop ourselves as a future-ready organisation for tomorrow through innovations today. R&D is, therefore, one of the strong pillars of our organisation to ensure sustainable and profitable growth. We have four DSIR approved R&D facilities and over 200 dedicated R&D personnel globally. We have already received six patents and seven design registrations, while fifty two patent applications are in conduit.

We are totally geared to capitalise on BS-VI opportunities. Our teams have been working on various light-weighting and frugal engineering concepts for tomorrow's mobility. Also, we are continuously looking at acquisition opportunities as well as alliances and tie-ups.

We are also exploring next-gen technologies like Internet of Things (IoT) and Artificial Intelligence (AI), which, I believe will further advance our commitment to provide Complete Solutions through wider product offerings.

We have invested in developing a state-of-the-art, eight-track Automotive Proving Ground at Aurangabad. Expected to be operational during 2018, it will allow us to conduct advanced R&D and evaluate product performance in simulated-road conditions.

Overall, I am confident that Endurance Technologies will continue on the profitable growth trajectory and generate improved returns on capital even as the Company continues to deleverage and strengthen its balance sheet. The Company is committed to deliver to OEMs Complete Solutions that are Quality-led and Technology-driven. On behalf of the management, I express my heartfelt gratitude to all our OEM customers, employees, associates and alliance partners as well as to our investors, bankers and all stakeholders for their continued support and trust.

Thank you,

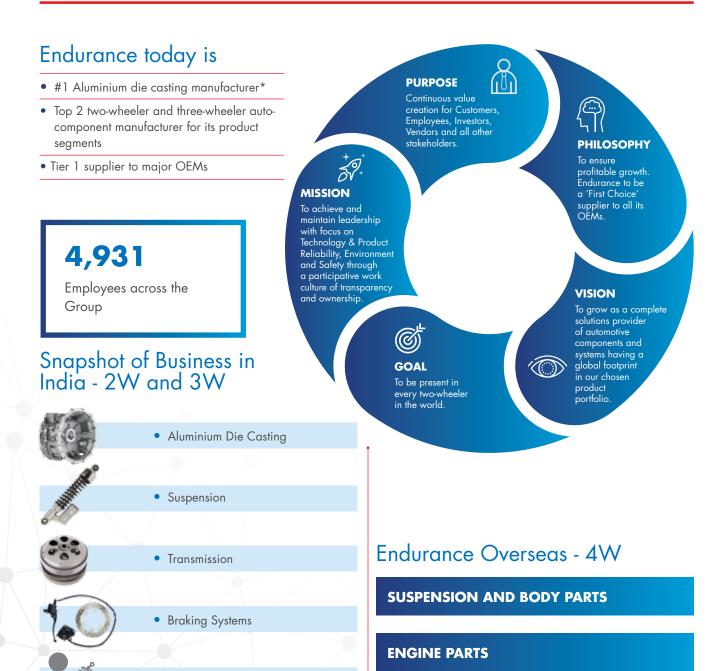






This is Endurance today

The Endurance journey commenced in 1985 with two aluminium die casting machines. Over the last 33 years, Endurance Technologies has emerged as one of India's leading automotive component manufacturing companies operating 16 plants in India and 8 plants in Europe.

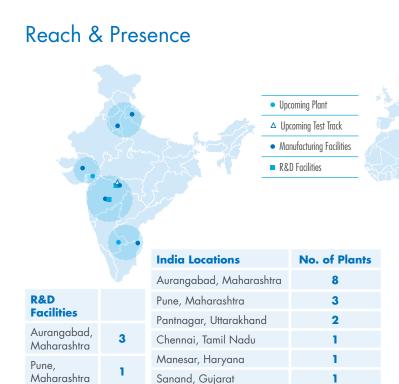


TRANSMISSION PARTS

Aftermarket Sales

06

(*Source: ALUCAST 2017)



		Мар	not	to	scale.	For	illustrative	purpose	only
--	--	-----	-----	----	--------	-----	--------------	---------	------

Europe Locations	No. of Plants
Massenbachhausen, Germany	3
Torino, Italy	1
Chivasso, Italy	2
Grugliasco, Italy	1
Lombardore, Italy	1
Total	8

End-to-End Solutions

Total

Provide end-to-end services from conception to end-user delivery

Total

Aftermarket sales service for a wide range of technologyintensive auto component products

Manufacturing facilities in proximity to customers, to ensure timely delivery

Manufacture wide range of products to service the diverse requirements of



16

Structured product development to get "first time right" products

Testing facilities for material, component, product and vehicle level testing

KEY STRENGTHS AND DIFFERENTIATORS

- End-to-end multi-solution provider with diverse product range
- 3-decade experience and expertise in 2W, 3W and 4W components
- Locational advantage with strategic proximity to OEMs
- Strong R&D and Technology capabilities
- Multi Track proving ground
- Manufacturing Excellence through Total Productivity Management
- Enduring Relationships with Top OEM customers and vendors
- Proven track record of profitable growth and robust financials
- Outperforming two-wheeler auto industry growth since 2012

Awards Received in FY 2017-18

- National Energy Conservation Award by the Bureau of Energy Efficiency
- Bronze Award under Excellence in Manufacturing 'Very Large Category' for the year 2016-17 by Automotive Component Manufacturers Association of India (ACMA) to the plant at E-92 & 93, Waluj
- Silver Certificate of Merit to the plant at E-92 & 93, Waluj by the Executive Committee of 'Frost & Sullivan' and FICCI India Manufacturing Excellence Awards 2017 for enhancing Manufacturing and Supply Chain Excellence
- Silver Certificate of Merit to the plant at K-120, Waluj by the Executive Committee of 'Frost & Sullivan' and FICCI India Manufacturing Excellence Awards 2017 for enhancing Manufacturing and Supply Chain Excellence





Products Manufactured in India

TIER 1 SUPPLIER OF DIVERSE RANGE OF TECHNOLOGY-INTENSIVE PRODUCTS FOR 2W, 3W AND 4W OEMs









ALUMINIUM DIE CASTING AND MACHINING

HPDC | LPDC | GDC | Machining

SUSPENSIONS

Shock absorbers – (hydraulic, mono & oleo pneumatic) | Front forks – (Conventional & inverted)

TRANSMISSIONS

Clutch assemblies | Friction plates (cork / paper) | CVTs

BRAKING SYSTEMS

TMC sub-assemblies | Disc brake assemblies | Drum brake assemblies | Rotary Discs | Brake pads

TWO-WHEELERS

Crank cases | Cylinder Blocks | Cylinder head Covers | Transmission Covers | Swing Arms | Rear Arms | Alloy Wheels | Cylinder Heads Shock absorbers and Front forks for:

100cc to 790cc motorcycles, 110cc to 125cc scooters Clutch assemblies for 100cc to 500cc motorcycles | CVT for 110cc scooters | Friction plates



Brake pads

All servicing 125cc to 500cc Motorcycles

THREE-WHEELERS

Crank Cases - Magneto Side | Crank Cases - Clutch Side | Cylinder Head | Cylinder Blocks | Handle Bars | Fly Wheel Side Covers | Differential Covers | Clutch Covers | Starter Covers Shock absorbers

Clutch assemblies | Friction plates Tandem Master Cylinder sub-assembies | Asbestos free brake shoes | Drum brake assemblies

FOUR-WHEELERS

Transmission Parts

Case Transaxles – Clutch | Case Transaxles – Transmission | Clutch Housings | Gear Box Housings | Thermo

Housings | Water Inlets Engine Parts

Cam Carriers | Ladder Frames | Oil Sumps

Shock absorbers for Quadricycles

Clutch assemblies for Small Commercial Vehicles and Quadricycles | Friction plates

