

LIL:CS:BSE:2020-21

**BSE Limited**

Listing & Compliance Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001

**Security Code: 517206****Sub.: Submission of reports/ disclosures in the annual report submitted for the year ended 31- March-2020****Ref.: Letter No. NSE/LIST/16667 dated December 15, 2020 received from the National Stock Exchange of India Limited**

Sir/Ma'am,

With reference to the captioned subject, we would like to state that we had received the above referred letter from The National Stock Exchange of India Limited (NSE) (**copy attached**) and pursuant to that letter we hereby confirm you that as advised by NSE, the Company has communicated by way of an addendum about the inadvertent non-submission / disclosure of the Independent Auditor's Report on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Annual Report for the financial year 2019-20. The communication was made by way of an addendum through e-mail on December 17, 2020 to all shareholders of the Company whose names appeared in the Register of Members as on 24<sup>th</sup> July, 2020 (the cut-off date considered for the purpose of dispatch of Annual Report of the Company by way of email only, for the financial year 2019-20).

We have also uploaded the revised version of the Annual Report, on our website i.e. [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

The addendum along with revised version of the said Annual Report is available on the Company's website at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

We hereby state and confirm that the above was an inadvertent mistake and assure you that we will exercise due caution to avoid recurrence of such instance in future.

Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,

For LUMAX INDUSTRIES LIMITED



PANKAJ MAHENDRU  
COMPANY SECRETARY  
M.NO. A-28161



Encl:

- a) Copy of the letter received from The National Stock Exchange of India Limited
- b) Copy of the Addendum sent to the Shareholders on December 17, 2020
- c) Confirmation received from NSDL for dispatch of the Addendum to the Shareholders
- d) Revised Version of the Annual Report for FY 2019-2020



**National Stock Exchange Of India Limited**

Ref: NSE/LIST/ 16667

15-Dec-2020

The Company Secretary,  
Lumax Industries Limited  
2nd Floor, Harbans Bhawan- II  
Commercial Complex  
Nangal Raya New Delhi- 110046 NEW DELHI-110046 .

Dear Sir/Madam,

**Sub: Non submission of reports/ disclosures in the annual report submitted for the year ended 31-Mar-2020**

This has reference to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding submission of annual report by listed entities.

It has been observed that following disclosures/reports were not included in the annual report submitted by the company:

1. Compliance certificate from either the auditors or practicing company secretaries regarding compliance with the conditions of corporate governance

In view of the above, you are required to communicate the above disclosures/ reports to the shareholders of the company and submit a confirmation of the same to the Exchange.

Further you are advised to exercise caution in future to avoid recurrence of such instances. Any such non-compliance in future would be viewed seriously and appropriate action would be initiated.

Yours faithfully,  
For National Stock Exchange of India Ltd

Harmeet Singh  
Manager

This Document is Digitally Signed

**Lumax Industries Limited – Addendum to the 39<sup>th</sup> Annual Report for the Financial Year 2019-2020.**

This addendum is with reference to the 39<sup>th</sup> Annual Report of Lumax Industries Limited ('the Company') for the Financial Year 2019-2020.

The Company had inadvertently missed to include the Independent Auditor's Report on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Annual Report for the financial year 2019-20. The said Independent Auditors report is now enclosed with this addendum.

All the Members of the Company are requested to consider this addendum and read this in conjunction with the said Annual Report.

This addendum along with revised version of the said Annual Report is available on the Company's website at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

We sincerely regret the above inadvertent mistake and resultant inconvenience caused in this regard

Yours Faithfully,

For LUMAX INDUSTRIES LIMITED



**PANKAJ MAHENDRU**  
**COMPANY SECRETARY**  
Membership No.: ACS 28161

Encl: As Stated above

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To the Members of **Lumax Industries Limited**

1. This report is issued in accordance with our engagement letter dated 1 June 2020.
2. We have examined the compliance of conditions of Corporate Governance by **Lumax Industries Limited** ('the Company') for the year ended 31 March 2020 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with the Stock exchanges.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance with the conditions of Corporate Governance, as stipulated in the Listing Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the said conditions.

**Auditor's Responsibility**

4. Our examination is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance, as stipulated in the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to report whether the Company has complied with the conditions of Corporate Governance, as stipulated in Listing Regulations, in respect of the year ended 31 March 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. In our opinion, and to the best of our information and according to the explanations given to us and based on the representations provided by the Management, we report that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations in respect of the year ended 31 March 2020.
9. We state that our report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which Management has conducted the affairs of the Company.

**Restriction on Use**

10. The report is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For B S R & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 116231W/W-100024

**Manish Kapoor**  
Partner  
Membership No. 510688  
ICAI UDIN: 20510688AAAAAO7992

Place: Gurugram  
Date: 18 June 2020



Pankaj Mahendru <pankaj.mahendru@lumaxmail.com>

**RE: Lumax Industries Limited – Addendum to the 39th Annual Report for the Financial Year 2019-2020.**

1 message

Pratik Bhatt <PratikB@nsdl.co.in>

To: "pankaj.mahendru@lumaxmail.com" <pankaj.mahendru@lumaxmail.com>

Cc: Anubhav Saxena <AnubhavS@nsdl.co.in>, Pallavi Mhatre <pallavid@nsdl.co.in>, Amit Vishal <AmitV@nsdl.co.in>, Sarita Mote <SaritaM@nsdl.co.in>, Prajakta Pawle <PrajaktaP@nsdl.co.in>

Fri, Dec 18, 2020 at 11:07 AM

Dear Sir,

we wish to confirm that the email communication for Addendum to the 39th Annual Report for the Financial Year 2019-2020 has been sent to 13143 shareholders of Lumax Industries Limited on 17<sup>th</sup> Dec, 2020.

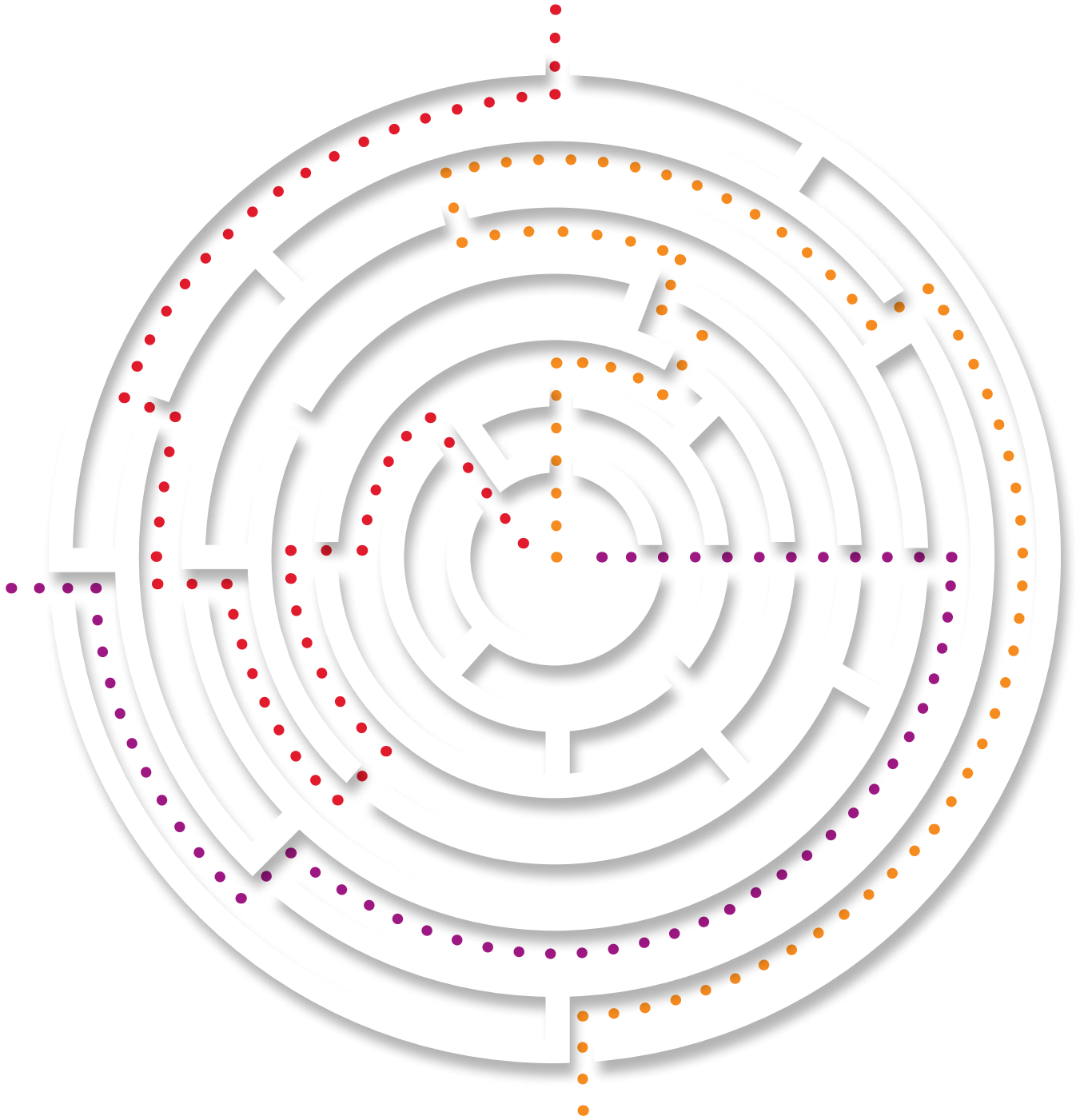
Regards,



Pratik Bhatt | Executive

National Securities Depository Limited

+ 022 2499 4738 | +91 7506 682 281 | [PratikB@nsdl.co.in](mailto:PratikB@nsdl.co.in) | [www.nsdl.co.in](http://www.nsdl.co.in)



**SAME PASSION.  
RENEWED PERSPECTIVE.**



# Across the Pages



## Corporate Overview

**P. 4-9**

*Group Overview*

PIONEER  
PARTNERSHIPS  
LEADER

**P. 12-15**

*Leadership Review*

MESSAGE FROM THE MANAGEMENT



**P. 18-31**

*Strategic Review*

VALUE-CREATION  
APPREHEND  
PRUDENCE  
AWARDS & ACCOLADES  
PROMISE  
BOARD OF DIRECTORS



## Statutory Reports

**P. 32-114**

Corporate Information  
Board's Report  
Management Discussion and Analysis  
Corporate Governance



## Financial Statements

**P. 115-253**

Standalone  
Consolidated  
Form AOC-1

**P. 254-268**

Notice

## ABOUT THIS REPORT

This report is aligned with the International Integrated Reporting Council's (IIRC) globally accepted framework. Lumax Industries Limited ('Lumax Industries' or 'the Company' or 'Lumax') aims to strengthen its communication to the stakeholders with respect to material activities, value creation process, business highlights and future prospects. The report also follows and adopts guidelines laid out by SEBI with respect to Annual Report.

## SCOPE AND BOUNDARY

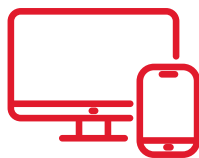
This annual report comprises of all the relevant aspects of operations of Lumax Industries. It also consists of the desired statutory disclosures and audited annual financial statements for the year ended 31 March 2020. Consolidated financial information also forms part of this Annual Report.

## FRAMEWORKS

The content and structure of our Annual Report is guided by the framework endorsed by the Integrated Reporting <IR> Council. Besides, the Company fully complies with the NSE and BSE listings as well SEBI compliances. It is committed to embracing best practices in reporting to ensure transparency and better stakeholder engagement.

## ASSURANCE

Lumax Industries Limited's Board of Directors and its subcommittees have reviewed the Report and have satisfied themselves of the materiality, accuracy, and balance of disclosures in this Report. The Board has not sought independent assurance of the Report, other than for the annual financial statements.



For more investor related information, please visit: [www.lumaxworld.in/lumaxindustries/annual-report.html](http://www.lumaxworld.in/lumaxindustries/annual-report.html)

## Investor information

Market Capitalisation as at 31 March 2020 : ₹ 81,096 Lakhs

CIN : L74899DL1981PLC012804

BSE Code : 517206

NSE Symbol : LUMAXIND

Bloomberg Code : LUMX: Natl India

Dividend Declared : ₹ 23.50 (including interim) per share

AGM Date : 28 August 2020

This document contains statements about expected future events and financials of Lumax Industries Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

# Same passion. Renewed perspective.

## Same Passion: We are Learning

Navigating our way through these unprecedented times, we are all learning. Because even amidst these uncertainties, lie opportunities. The challenges we face today are helping us develop the strength, needed for tomorrow. And we are all learning with the same passion that we started this journey with.

## Renewed Perspective: The New Normal

The world is adapting to the new normal. Everyone is observing #SOCIALDISTANCING, so are we. But the distance is bringing us closer. It is strengthening our core as a team. As we move forward each day defying each obstacle, we are preparing to succeed with a renewed perspective. Our goals and vision are the same, our target is growth and success, but our approach this time, is different.

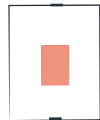
## Covid-19 and Lumax DK Jain Group

Covid-19 changed life with the blink of an eye. As the fight against the virus intensifies each day, we are faced with the new reality of our existence. There are

two ways of dealing with this. We can either lament over what was or simply shift focus to what we can be. At the D K Jain Group, we opted for the latter. We began adjusting to the new normal. Safety has always been our top priority. And so, protecting the health and safety of our employees and communities was the first thing we did. Here is how we swiftly adapted to the new normal:

- Promptly deployed our crisis management framework
- Activated plans to maintain business continuity to secure safe and reliable operations
- Abided by the Government's social distancing norms at workplace
- Added social distancing and sanitising as a part of our daily activities and routine
- From daily bus shuttles to canteen areas to workstations, we are now navigating the new normal

Today, more than 50% of employees are working remotely. And we will continue to operate with reinforced health, safety, and security protocols. We are committed to create a healthy and positive workplace culture while maintaining distance. We are determined to progress with same passion and renewed perspective.



# PIONEER

## Same Principles. Renewed Passion.

Established in the year 1945 as a small trading firm, the DK Jain Group is the pioneer and a leader in the Indian Automotive industry. Since inception, the Group has undergone a multi-phased development and evolution journey. With over 7 decades of rich experience and expertise, the Group's 'Customer First' philosophy has been an intrinsic part of its foundation, right from the beginning. The Group's principles: Respect, Integrity, Passion, and Excellence, form the core of its strong foundation and commitment. These principles act like the guiding light that have enabled the Group to widen its spectrum of offerings.



### Spectrum of Offerings

Over the years, the Group has diversified and built an industry-leading portfolio of automotive components. With 15 entities, including 2 listed entities viz. Lumax Industries Limited and Lumax Auto Technologies Limited, the Group is an industry leader in automotive lighting and gear shifters. The Group has been consistently delivering quality services while standing true to its commitments and promises. A well-built manufacturing infrastructure, in 30 different locations across 8 Indian states, and a workforce strength of more than 9,000 forms the sturdy backbone of the Company.



### 75 and Counting

The Group, for the last 75 years, has been passionately creating world-class products. With a strong belief in the power of innovation and good quality, the Group is backed by 4 state-of-the-art research centres and a design centre in Taiwan. The Group strives to build a high-performance organisation supported by the trust of all stakeholders and envisions strengthening its presence by solidifying its global footprints.

**75**  
YEARS  
RICH  
EXPERIENCE

**9000+**  
HUMAN  
ASSETS

**30**  
MODERN  
MANUFACTURING  
FACILITIES

**4**  
R&D  
CENTRES

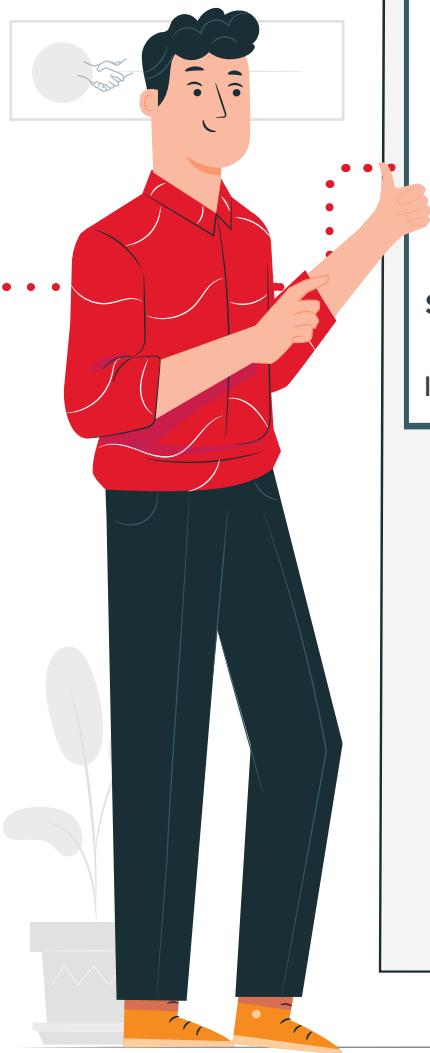
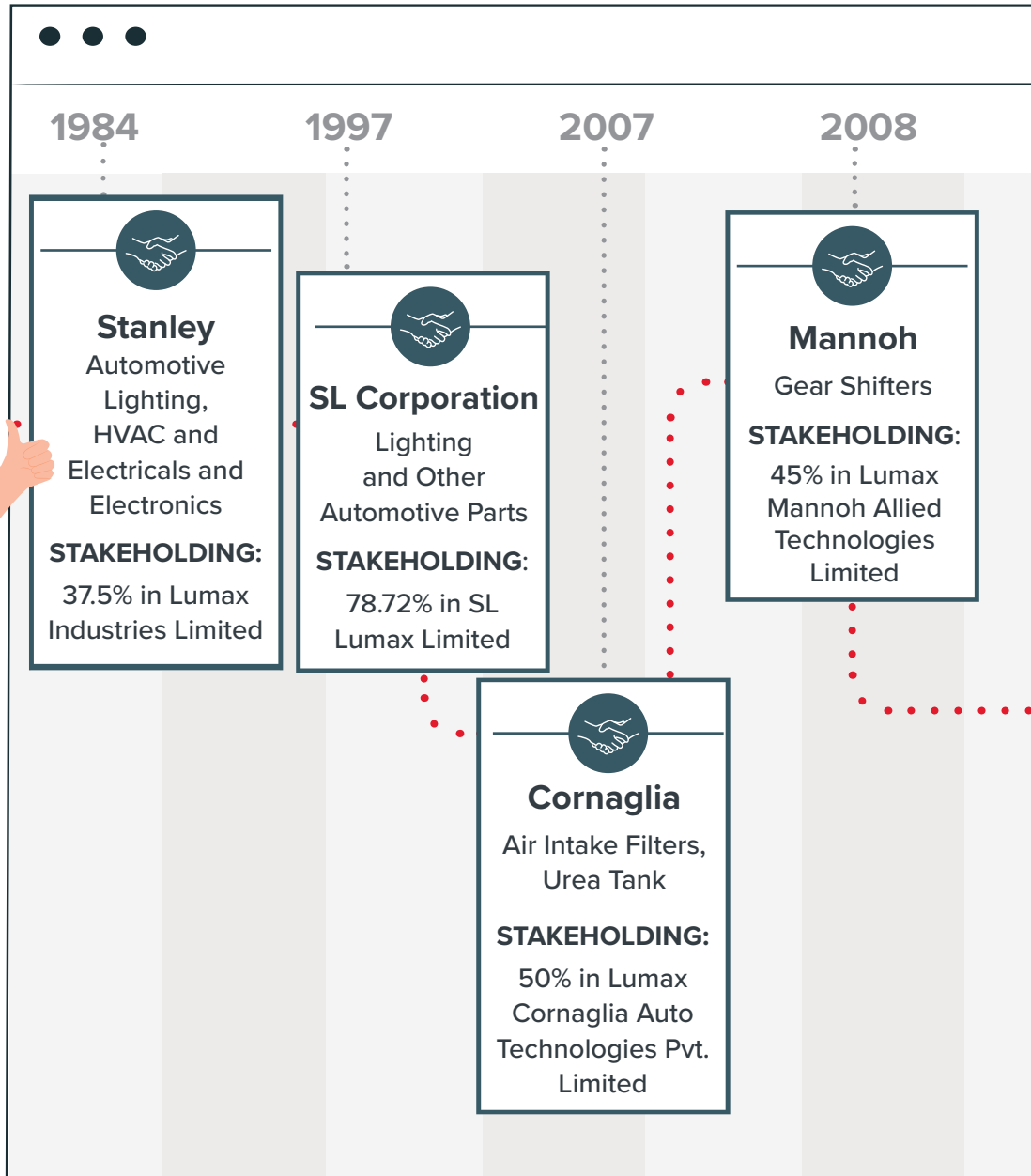
**1**  
STATE-OF-THE-ART  
DESIGN CENTRE  
AT TAIWAN

**9**  
PARTNERSHIPS

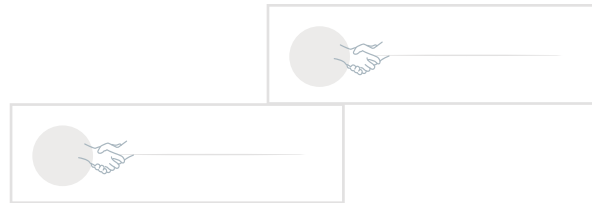
# PARTNER

The combined power of anything is higher than each placed separately.

In its pursuit of excellence, the Group believes that synergies bring out true efficiencies. It helps build an attitude of proactiveness while bringing harmony to business. Over the years, the Group has built long-term partnerships and collaborations with global technology leaders. These partnerships have helped shape innovative products and bring present day technologies to our business that meet customer requirements effortlessly.



# SHIPS



2014

2017


2017

2019


2020




**Alpine**  
Exclusive  
Distribution  
Agreement




**Ituran**  
Telematics  
Products and  
Services  
**STAKEHOLDING:**  
50% in Lumax  
Ituran Telematics  
Pvt. Ltd.



**FAE (Francisco  
Albero S.A.U.)**  
Oxygen Sensors  
**STAKEHOLDING:**  
49% in Lumax FAE  
Technologies Pvt.  
Ltd.



**Yokowo**  
Antennas &  
Other Vehicle  
Communication  
Products  
**STAKEHOLDING:**  
50% in Lumax  
Yokowo  
Technologies Pvt. Ltd.



**JOPP**  
Transmission  
Products  
**STAKEHOLDING:**  
50% in Lumax Jopp  
Allied Technologies  
Pvt. Ltd.



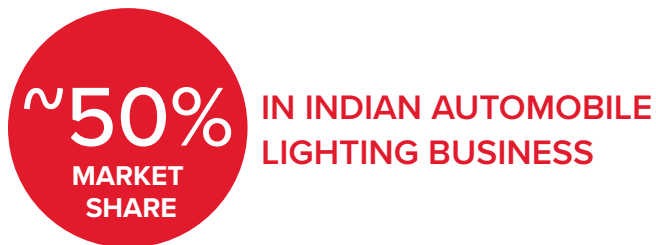


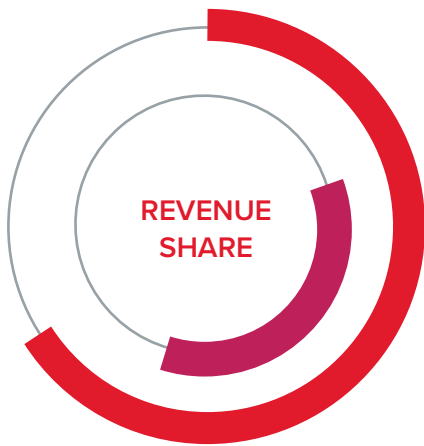
# LEADER

## Same Proficiency. Renewed Expertise.

Lumax Industries Limited, the D. K. Jain Group's flagship company, caters the Indian Automotive Original Equipment Manufacturers (OEMs). The Company, propelled by state-of-the-art technologies and latest trends, provides premium quality automotive lighting solutions for Four-Wheelers (4Ws), Two-Wheelers (2Ws), Commercial Vehicles (CVs) and Tractor/Farm Equipment Segment (FES).

Revolving around our 'Customer First' approach, the Company today enjoys a handsome market share of over 50%. The dynamic collaboration with Stanley, Japan, has helped the Company progress closer to its goal each day. Further, the strong partnership with SL Corporation, Korea, specifically for Korean OEMs in India, gives it a competitive advantage. Collaborations do not just accelerate business velocity, but they also align customer expectations to product offerings.





**34%**  
LED LAMPS

**66%**  
CONVENTIONAL  
LAMPS



### Our Group Purpose

Delivering pride and progress with positivity



**66%**  
PASSENGER VEHICLE

**29%**  
2-WHEELERS

**5%**  
COMMERCIAL VEHICLES



### Our Vision

Building an admired high performance global organisation in whom all stakeholders have absolute trust.



**66%**  
FRONT LIGHTING

**25%**  
REAR LIGHTING

**9%**  
OTHERS



### Our Values

- Respect
- Integrity
- Passion
- Excellence

Front Lighting: Head Lamp & Fog Lamp and DRL  
Rear Lighting: Tail Lamp & High Mount Stop Lamp  
Others: Auxiliary Lamps & Indicators

Note: All the above data are for FY 2019-20

# PASSION

## Same Presence. Renewed Purpose.

The word 'Lumax' stands for Luminosity Maxima, which means growing and believing. The Company is strongly driven by its passion to grow. The zeal to constantly develop competencies has helped Lumax come a long way today. It is an attribute that has motivated the Company to move ahead with a clear purpose – the purpose of expanding its horizons.

With a wide and complete range of automobile lighting systems and solutions, Lumax has taken automotive lighting to a new level. These stellar systems and solutions help us cater to a substantial Original Equipment Customers with passion. And to justify our purpose, we have strategically expanded our footsteps in India.



This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

## Client Portfolio



FOUR-WHEELER



TWO-WHEELER



COMMERCIAL VEHICLE



TRACTORS/FES



EXPORTS



# Message from the Management



*The upcoming year, against the backdrop of a slow economic growth and Covid-19, is expected to be challenging. Hence contributing to a sluggish automotive market. We are cautious on our demand outlook. To surf through these testing times, our focus will be on improving operational efficiencies.*

## Dear Stakeholders,

Nothing is different, and yet, everything, as we know, has changed. We are living amidst a serious health crisis today. The world is fighting an unseen enemy in the name novel Coronavirus (Covid-19). The pandemic has been relentless on human lives and is ravaging every economy across the globe. When India got introduced to the virus, the Government took a prompt action and announced a nationwide lockdown to arrest the spread of the virus. Social distancing became the need of the hour and economic activities came to a standstill. Supporting the decision, we, at Lumax Industries, briefly suspended our operations, choosing to maintain business continuity while working remotely. This crisis brought along challenges that made us change the course of our actions. Today, as the world fights this foe together, it has made us look at things differently.

If you ask us about our strategy to overcome these tough times, our answer would be 'Same passion. Renewed perspective.'. While our vision remains the same, our plan of action has changed. The goal is the same, but our approach route is different. Our passion and purpose are the same, but we are navigating our way into the future with a renewed perspective. We are hopeful that the world will find a way out of this global health crisis and soon economic activities will start resuming in a staggered manner.

***The FY 2019-20 was the most challenging year for the Indian automotive industry as it witnessed the worst-ever downturn in the last two decades. Even amidst such challenges, our financial performance and margin profile speak the story of our success.***

The auto industry was already reeling under a slowdown from 3rd quarter 2018, recording the slowest demand in almost 2 decades. Various factors like, strict lending rules due to NBFC credit squeeze, central elections and negative rural sentiment, led to dampened demand. However, the BSIV to BSVI transition brought with it hope for revival, but the outbreak of Coronavirus derailed all projections. The subsequent lockdown impacted the economy adversely and further dented the already bleeding auto industry.

***The dynamics of the automotive industry are changing. We are being receptive and equipping ourselves to adopt a multi-pronged approach that meets the ever-evolving demand for new and better products.***

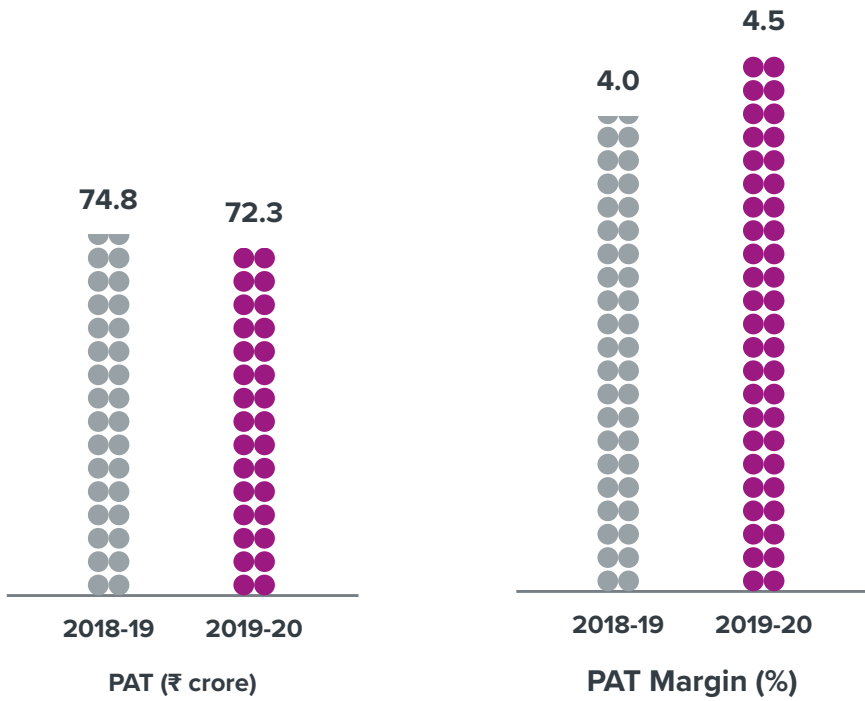
### Financial performance

The FY 2019-20 was characterised by a difficult demand environment and weaker-than-anticipated financial performance.

### Operational highlights

During the FY 2019-20, the Company succeeded in overcoming a non-conducive social and industrial environment. I would credit this success to the Company's degree of receptiveness and adaptability. We did not resist the change and persistently kept moving ahead in an efficient and effective manner. Lumax Industries has always been proactive in the adoption of new technologies. This approach helped us deliver quality and technologically advanced lighting products to our customers. Our focus on developing new products remained consistent, reaffirming our industry leadership.

During the year, our portfolio flourished with new customers, which we are optimistic will add to our business. Strong support from our partners and long standing relations with our customers have strengthened our presence across markets, enabling us to steer through these difficult times. As a dominant player in the lighting business, we benefitted from the slew of new model launches by OEMs and entry of new OEMs in the country.



EBITDA: Earnings before interest, tax, depreciation, and amortisation  
 PAT: Profit after Tax excluding exceptional items

*Leveraging our significant relationship with Stanley Electric, in the automotive lighting business, we are expanding our collaboration to include electronic parts and components — the future of automobiles.*

#### **New technologies based on innovations and collaboration**

Collaboration with industry stakeholders is an essential aspect for developing technologies and products that meet the changing market requirements. This year, our partnership extension decisions were based and aimed at accelerating the development and commercialisation of new products. Leveraging our significant relationship with Stanley Electric, in the automotive lighting business, we are expanding our collaboration to include electronic components and parts — the future of automotive. It is an opportune time for us to expand our portfolio to add electronic parts, bringing design, development and technological expertise to prepare and keep pace with global vehicle models with high electronic components per vehicle.

#### **Governance**

The Board of Directors continued to perform intensive supervision on the implementation of Company strategies. This included implementation of the operational excellence strategy across all work systems, and good control over the Company's position in the automotive market. The Board continued overseeing the Company's efforts towards adapting technological developments and facing market challenges and disruptive trends. The Company focused on improving the quality of human resources to stay ahead.

#### **Consistent emphasis on responsible business conduct**

Social considerations are equally important to us while we deliver on customer expectations. Well being of the society is the cornerstone of our business philosophy. To foster an inclusive corporate culture, we respect

diversity, provide equal opportunities, and demonstrate high ethical standards. Another clear priority is ensuring safe working conditions and strengthening leadership within the Company. We have also laid out strategies to resume operations at all locations that abide with the Government guidelines.

#### **Going forward**

The upcoming year, against the backdrop of a slow economic growth and Covid-19, is expected to be challenging, and hence, contributing to a sluggish automotive market. We are cautious on our demand outlook. To surf through these testing times, our focus will be on improving operational efficiency. Our aim is to mitigate, to an extent possible, the near-term performance headwinds related to demand from OEMs. We are shifting our perspective from pure production performance to surviving in an environment of unpredictable change. We are being prompt and receptive to the changing market conditions. While our passion remains the same, we are changing our perspective to re-strategise and build a robust supply chain, making manufacturing more agile.

#### **Words of Appreciation**

The performance achieved by the Company during FY 2019-20 can be credited to the cooperation of all parties and stakeholders. I would like to sincerely thank the shareholders who always put their trust in the Company's ability. I also appreciate the Board of Directors who have given their best efforts in optimising the Company's performance. More importantly, I express my utmost appreciation for all the employees who have given their best contribution to achieve the Company's targets and goals. We are committed to continue working optimally and create sustainable growth for the Company.

Warm regards,

**D. K. Jain**  
Chairman Emeritus

**Deepak Jain**  
Chairman and MD

**Anmol Jain**  
Joint MD



# FORES

## Same Goals. Renewed Techniques.

Success is not just about great ideas. It is about dreaming big for greater things and making it happen.

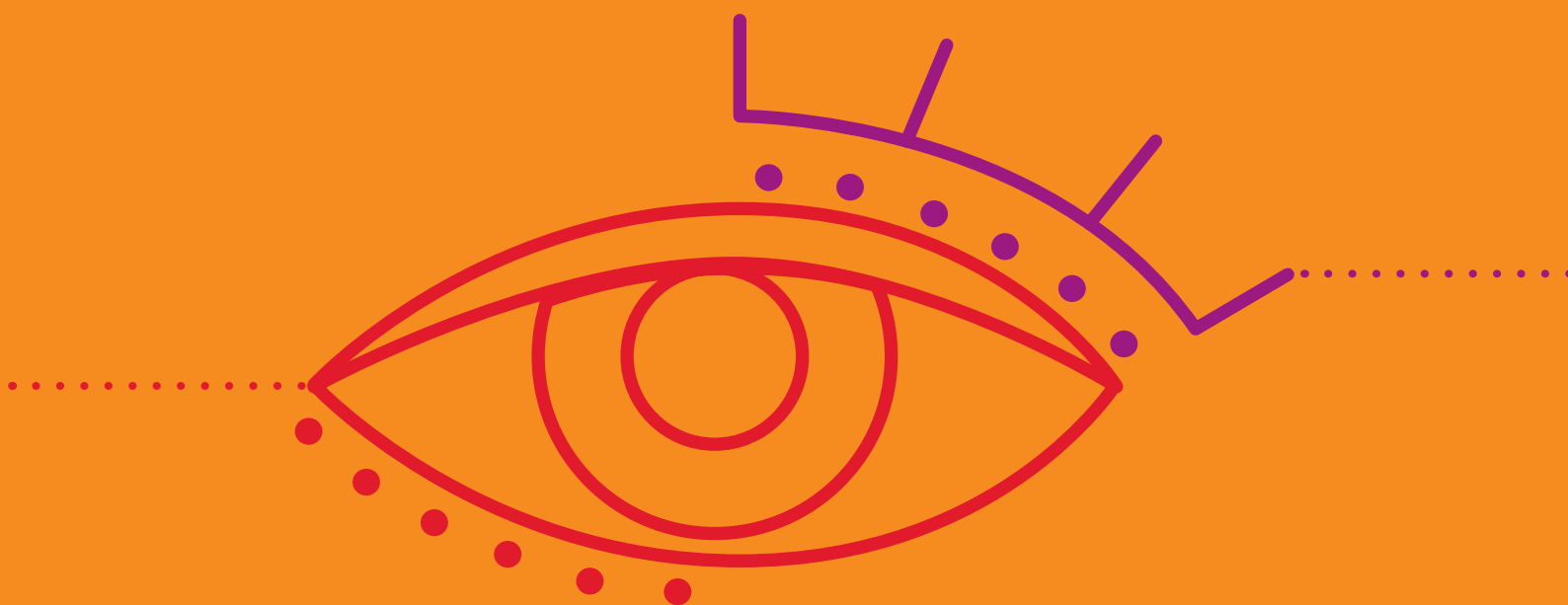
The Company's technological expertise and strong R&D development, clubbed with customer-centric approach, is its game-changing factor.

Lumax Industries is identified as a leading, agile, and innovative global automobile lighting solution provider. The Company is known for delivering growth with improved profitability. Design, quality, and aesthetic facets are the key demand drivers of the Company's products. The recent developments and changing customer preferences are the key enablers of transition from conventional to LED lighting.

The Company continues investing in infrastructure, technology, product development, processes, and its most important asset — human capital. The Company, positioned at the forefront of the industry developments, rides the back of a strong brand equity and proven execution track record. This approach is sure to bring out consistent results as the Company continues outperforming the industry.



IGHT



# VALUE - CR

Same Motivation. Renewed Strategies.

INPUT

**Financial Capital**

₹ 167.4 Cr Capex

0.14 Debt:Equity

**Manufacturing Capital**

10 Production Facilities

**Intellectual Capital**

₹ 46 Cr (2.90%) R&D Spend

1 Technical Collaboration

**Human Capital**

284 New Employees Hired

**Natural Capital**

Harnessing Solar Energy

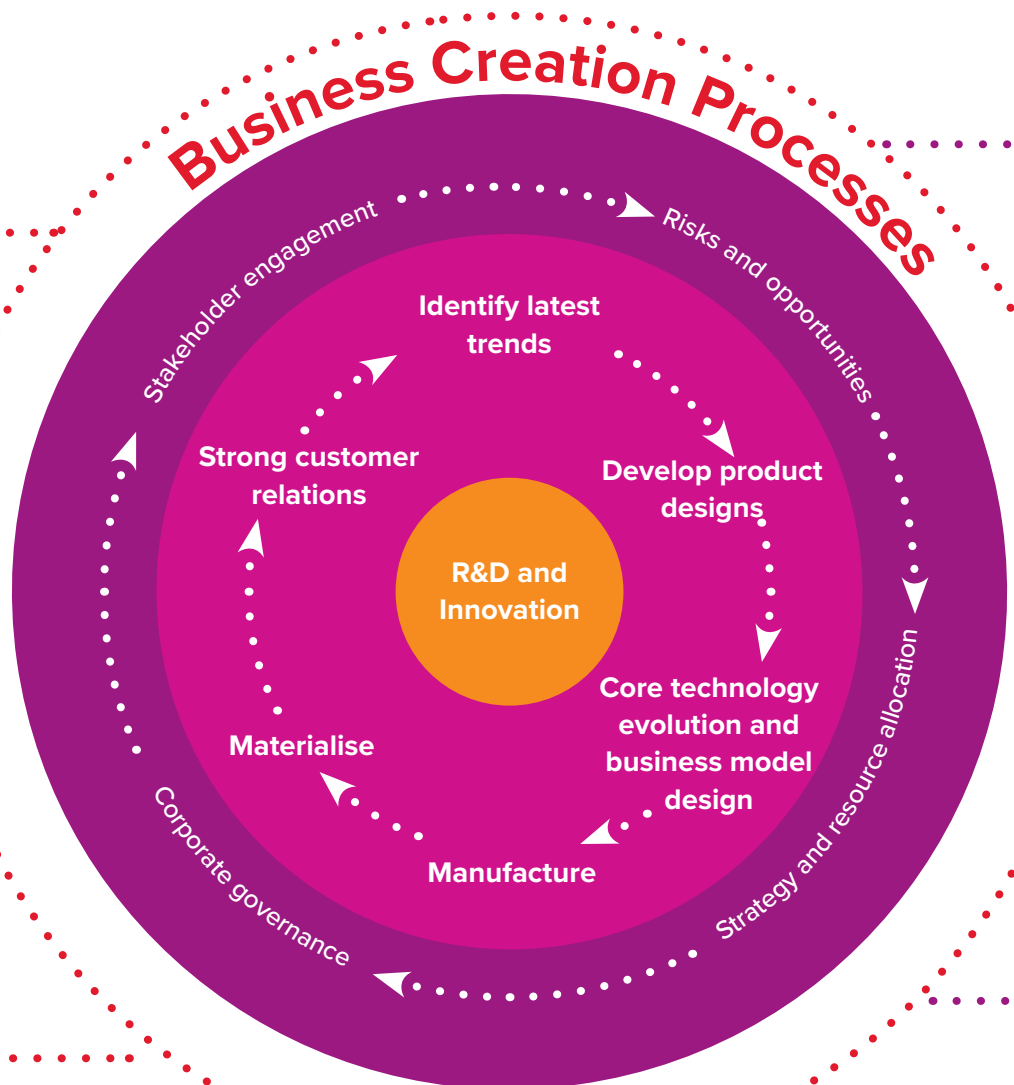
Installing Energy Efficient Appliances

Implementing Water Conservation Processes

**Social Relationship Capital**

Key Stakeholders

- Government and Regulatory Bodies
- Vendors
- Customers
- Investors



# E A T I O N

## OUTPUT



**₹ 1,602 Cr** Sales  
**10.3%** EBITDA Margin\*



**3,48,09,008** Lamps Manufactured  
**04** TPM Facilities



**5** Patents Registered  
**51** New Products Developed  
Upgraded Technology



**4864** Total Employees  
**9%** Female Employees  
**12** years Average Experience



**10,86,368 kWh** Renewable Energy Generated  
**33,33,756 kWh** Reduction in Overall power consumption  
**2,499 tCO<sub>2</sub>/y** Total GHG Reduction



**₹ 191 Cr** Contribution to Exchequers by Way of Taxes, Among Others  
**4,500+** Education Outreach (Career Counselling, Life Skills, Scholarships, Learning Aids etc)  
**5,000+** Communities Outreach for Health  
**226** Vendors  
**32** Customers

## OUTCOME

### Financial Capital

- Improvement in Profitability

### Manufacturing Capital

- Improved Operational Efficiency by Streamlining Processes
- Strengthened Customers' Confidence
- Stood Ahead of the Technological Curve
- Retained Market Leadership in the Automotive lighting Space

### Human Capital

- Low Attrition Rate
- Low Operational Accidents
- Improved Quality and Productivity
- Optimally-used Human Resource

### Social Relationship Capital

- Strong Governance
- **10** years (average) Relationship with Vendors
- **25** years (average) Relations with Customers
- Transparent Communications
- Uplifted Communities

\* Consolidated

# P E R S P E

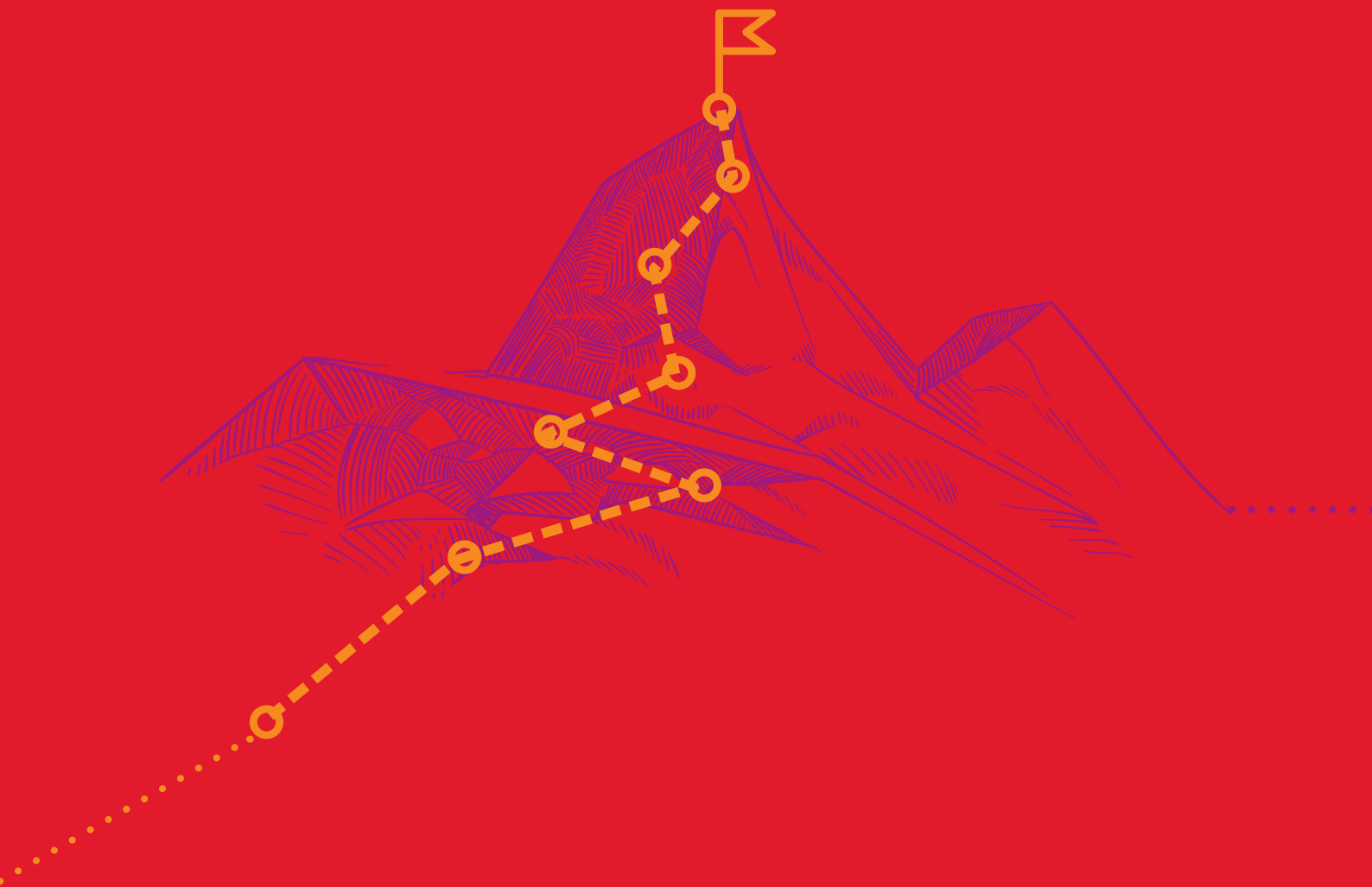
## Same Relationship. Renewed Offerings.

When you look out, what you see does not just depend on what you look at, but also on where you look from. Simply put, when you change perspective from where you are to where all you can be, progress is sure to follow.

The Company, having built a rich legacy in the Indian automotive lighting space, is now ready to further solidify its footings in the industry. Lumax Industries has extended its existing joint venture (JV) business to include electronic parts and components with complete range of Stanley Electric products. The purpose of this addition is to expand the Company's portfolio and product offerings. The Company aims to include the vast range of advanced electronic components available with Stanley Electric, Japan.

Starting with the production of Printed Circuit Board (PCB), the core component of automotive lighting system, the JV will extend its product line to Heating Ventilation Air Conditioning panel (HVAC) in the near future. The product will be localised and manufactured at the Company's newly setup electronic facility at Bawal, Haryana.

# ELECTIVE



# APPREHEND

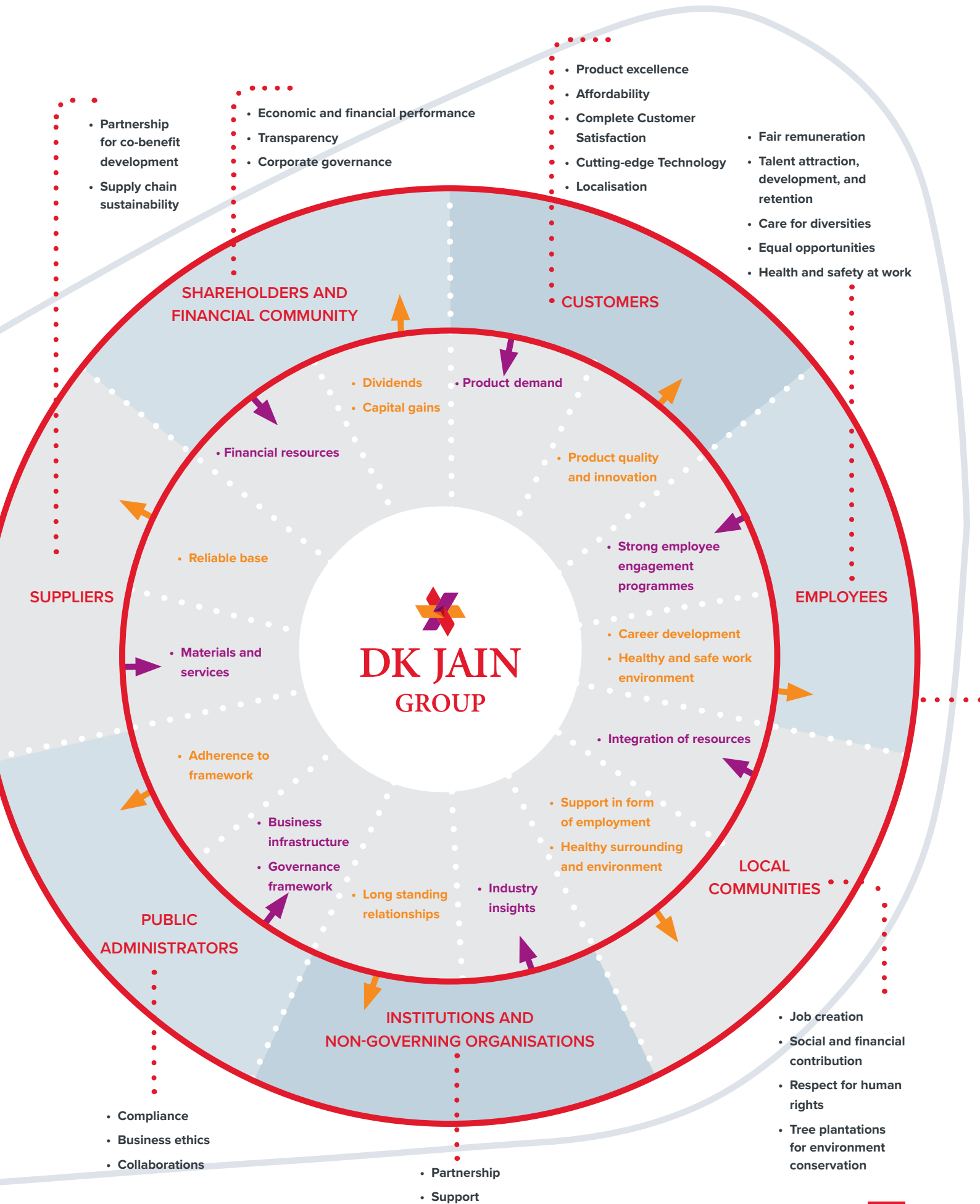
## Same Stakeholders. Renewed Engagement.

Understanding is the starting point of any business. It is the key to good quality, good customer relations, and eventually successful business. Understanding key stakeholders is important for effective engagement.

The Company has a diverse range of stakeholders including customers, investors, employees, regulators, commercial partners, and community groups. It is always essential for the Company to work closely with each while being transparent.

The Company's stakeholder engagement is designed to help understand stakeholders' unique needs, expectations, perceptions, or concerns. This helps the Company identify risks and opportunities. It also helps the Company gain insights which ensure that its strategy, products, and services are in line to meet its stakeholders' needs and requirements.







# PRUDENCE

## Same Prospects. Renewed Evaluation.

Lumax Industries is exposed to a diverse range of risks and uncertainties. Some threats can materialise in no time while some emerge gradually. It is crucial to continuously improve risk management capabilities for eliminating or minimising the impact of risks. And this ongoing strengthening of risk management is key to the Company's smooth operations. It forms an active part of the Company's growth strategy.

The Company's risk management process helps reduce uncertainties. It helps undertake a systematic approach to anticipate risks in the Company's constantly changing business environment. This, in turn, helps being more responsive and alert while tackling critical risks to reduce the likelihood of its impact. It brings the Company closer to its ambitions while also delivering value to its stakeholders.



**ECONOMIC SITUATION**

Vehicles are integral to our business and their demand is directly affected by the nation's economic situation. Therefore, economic recession and an ensuing decline in market demand can adversely impact the Company's performance and financial position.

**EPIDEMIC**

A pandemic can severely impact social, economic, and political scenario causing disruption and loss. The Covid-19 pandemic has cast a long shadow over many economies. It disrupted global supply chains while critically challenging demand and supply. It also severely impacted the Company's functionality, imposing a threat on its performance and financial position.

**COMPETITION**

The Company's market-leading position can be challenged by existing and potential competitors. Consolidation among competitors creates large-scale players.

**DEPENDENCE ON MAJOR CUSTOMERS**

The Company supplies and sells its auto components to large OEMs in the Indian automotive industry. Sales to these OEMs are affected by fluctuations in production, sales at these customer companies, and other factors that the Company has no control over. These can adversely impact the Company's performance and financial position.

**RESEARCH & DEVELOPMENT**

Research & Development is crucial to prosper in a high competition and fast-evolving manufacturing business environment. It helps use advanced technologies to develop products based on precise understanding of market needs. However, failure or delay in achieving the required level of technological sophistication or a gap in assessing market needs properly, can adversely impact the Company's performance and financial position.

**OPERATIONAL ACCIDENTS**

It is recognised that events due to operational accidents can have a devastating impact on the organisation. Health and safety of employees in a manufacturing firm plays an important role in carrying out the operations in a smooth manner. Failure in addressing and developing health and safety guidelines can result in accidents, loss of time, reduced throughput rate. This can adversely impact Company's operations and smooth functioning.



High



Medium



Low

# AWARDS &

**Same Goals. Renewed Efforts.**



*JIPM-TPM Excellence Award, 2019,*  
for the Dharuhera plant

*Gold Award in Excellence in Supplier Development,*  
at the ACMA Technology Summit & Awards, November 2019, for  
the Pantnagar plant



*Gold Award in Excellence in Inclusive Growth —  
A Make in India Drive —* at the ACMA Technology Summit &  
Awards, November 2019, for the Dharuhera plant

*Bronze Award in Excellence in Manufacturing  
at the ACMA Technology Summit & Awards,*  
November 2019, for the Dharuhera plant



# ACCOLADES



**Gold Award in Digitalisation Robotics and Automation Category**, amongst 48 nominees at Low Cost Automation & Digitalisation Robotics and Automation Competition organised by the Confederation of Indian Industry in September 2019, held at Gurugram, for the Dharuhera plant

**Gold Award at ICQCC 2019**, held at Tokyo, Japan, in September 2019, for the Bengaluru plant, won from a total of 368 teams from 13 countries that participated in the global Quality Control Circles competition



**Silver Award in Excellence in New Product Design & Development** at the ACMA Technology Summit & Awards in November 2019, for the Chakan Plant.

**Participated at the Auto Expo**



# P R O M I S E

## Same Belief. Renewed Commitment.

Societal responsibility is an integral part of sustainable businesses. For our future to be more growth oriented we need a stable environment not just in India but across the globe. Being part of the society at large, it is essential for companies to go beyond their business interests and work for the betterment of the people. As part of CSR, Lumax Industries Limited undertook several initiatives through Lumax Charitable Foundation (LCF), primarily in the field of education and healthcare.

### EDUCATION

Education is one of the most important instruments to ensure a sustainable future. Providing the power of knowledge and development of adequate skills to the children and youth of the nation is necessary to achieve a sustainable future. Over the years, the Company has been working with several implementation partners to provide education, life skills, infrastructure, and career counselling, among others. Many of our activities also supplement the school curriculum with fun-based and learning co-curricular activities like celebration of Indian

festivals, excursion trips to feed the curious minds and provide well-rounded exposure, thereby ensuring holistic educational development.

Students from 16 schools covering more than 1,800 students were provided with Life Skill sessions. The students were exposed to the advantages of independent thinking, effective social behaviour, interpersonal skills, decision making and taking action in situations where their parents or teachers may not be present to help. Additionally, 16 schools in Haryana, 9 schools in Pune and 2 schools in Sanand, Ahmedabad, covering 4,500 students underwent successful career counselling programmes. The Company also engaged in providing infrastructure development to schools in Haryana and Sanand, Ahmedabad, which included construction of toilets, kitchen and classrooms, and repair of old computers.

Understanding the need of the adequate infrastructure for students, the Company engaged in Roshan Vidyalaya Project which focuses on illuminating classrooms and school premises in 16 schools in Haryana and 2 schools in Pantnagar. The Company also engaged in providing GK newsletters to a school in Haryana as a part of holistic development of students. It supported the schools with teacher induction and capacity building. Maintaining its focus on providing support to the students from marginalised communities, the Company engaged with Buddy4Study for a scholarship program covering 4,500 children.



## HEALTH

Ensuring good health of the people is crucial for establishment of overall prosperity. The healthcare initiatives of Lumax Industries Limited are aimed towards providing adequate measures to prevent emergence of diseases. Several initiatives such as Cancer Camps and Cataract Camps, undertaken by the Company, were directed towards providing healthcare support to the patients around our plant locations. The Company's overall healthcare initiatives provide the much-needed behaviour change and medical support to the community, thereby ensuring sound health and safety of the people.

9.6 million deaths occur worldwide due to Cancer every year. Early detection of Cancer can help save lives - making its treatment easier and accessible. The Company's 'Cancer Mukta Community' aids in detecting the life-threatening disease Cancer for the underprivileged. Ten Cancer Camps in Haryana were organised in association with the Indian Cancer Society, where 10 patients were supported throughout the year. These camps focused on people belonging to marginalised communities who refrain from visiting hospitals or healthcare centres.

As per The World Health Organisation, 572 million people need a clear vision. 90% people suffer from poor vision/ eyesight in the lower income countries. Nearly 12 Million people in India are blind and the estimates say 80% of the blindness can be rectified with adequate and right care. Understanding the need, the Company has been engaged in organising Cataract screening camps for underprivileged communities by providing best eyecare support to them. In the past one year, 5,517 screenings, 431 Cataract Surgeries were conducted, 2,410 people were provided reading glasses in the 33 camps organised during the year.

Started years back, in a humble manner, the Company's homeopathic dispensary was established to serve the medical needs of the underprivileged. The dispensary in the Delhi/NCR region treated 5,261 patients from the adjoining areas in the past year.



# BOARD OF



LEFT TO RIGHT

1

Mr. Avinash Parkash Gandhi  
(Independent Director)

C M M

2

Mrs. Ritika Modi  
(Independent Director)

Nomination & Remuneration Committee

3

Mr. D.K.Jain  
(Chairman Emeritus)

4

Mr. Munish Chandra Gupta  
(Independent Director)

C M

5

Mr. Dhiraj Dhar Gupta  
(Independent Director)

C M M

6

Mr. Anmol Jain  
(Joint Managing Director)

M

Audit Committee

# DIRECTORS



7

Mr. Koji Sawada  
(Executive  
Director)  
till 18 June 2020

8

Mr. Toru Tanabe  
(Non-Executive  
Director)

9

Mr. Deepak Jain  
(Chairman &  
Managing Director)

10

Mr. Rattan Kapur  
(Independent  
Director)

11

Mr. Tadayoshi Aoki  
(Senior Executive  
Director)

12

Mr. Vineet Sahni  
(Senior Executive  
Director)

13

Mr. Rajeev Kapoor  
(Independent  
Director)





# Corporate information

**Mr. D.K.Jain** – Chairman Emeritus

## BOARD OF DIRECTORS

**Mr. Deepak Jain**

Chairman & Managing Director

**Mr. Anmol Jain**

Joint Managing Director

**Mr. Vineet Sahni**

CEO & Senior Executive Director

**Mr. Toru Tanabe**

Non Executive Director - Stanley Nominee

**Mr. Tadayoshi Aoki**

Senior Executive Director – Stanley Nominee

**Mr. Koji Sawada (Resigned w.e.f. 18 June 2020)**

Executive Director – Stanley Nominee

**Mr. Kenjiro Nakazono (Appointed w.e.f. 18 June 2020)**

Executive Director – Stanley Nominee

**Mr. Avinash Parkash Gandhi**

Independent Director

**Mr. Munish Chandra Gupta**

Independent Director

**Mr. Dhiraj Dhar Gupta**

Independent Director

**Mr. Rattan Kapur**

Independent Director

**Mr. Rajeev Kapoor**

Independent Director

**Mrs. Ritika Modi**

Independent Director

## BOARD COMMITTEES

### Audit Committee

**Mr. Avinash Parkash Gandhi** – Chairman

**Mr. Munish Chandra Gupta** – Member

**Mr. Dhiraj Dhar Gupta** – Member

**Mr. Rattan Kapur** – Member

**Mr. Rajeev Kapoor** – Member

**Mr. Deepak Jain** – Member

**Mr. Tadayoshi Aoki** – Member

### Nomination & Remuneration Committee

**Mr. Rattan Kapur** – Chairman

**Mr. Avinash Parkash Gandhi** – Member

**Mr. Dhiraj Dhar Gupta** – Member

### Share Transfer/ Stakeholders Relationship Committee

**Mr. Dhiraj Dhar Gupta** – Chairman

**Mr. Deepak Jain** – Member

**Mr. Tadayoshi Aoki** – Member

### Corporate Social Responsibility Committee

**Mr. Munish Chandra Gupta** – Chairman

**Mr. Avinash Parkash Gandhi** – Member

**Mr. Deepak Jain** – Member

**Mr. Anmol Jain** – Member

### GROUP CHIEF FINANCIAL OFFICER

Mr. Sanjay Mehta

### CHIEF FINANCIAL OFFICER

Mr. Shruti Kant Rustagi

### COMPANY SECRETARY

Mr. Pankaj Mahendru

### REGISTRAR & SHARE TRANSFER AGENT

M/s Kfin Technologies Private Limited  
Karvy Selenium Tower B  
Plot No. 31-32, Gachibowli  
Financial District, Nanakramguda  
Hyderabad – 500 032  
E-mail: einward.ris@kfintech.com

### REGISTERED OFFICE

2nd Floor, Harbans Bhawan – II,  
Commercial Complex, Nangal Raya,  
New Delhi – 110046

### CORPORATE IDENTITY NUMBER

L74899DL1981PLC012804

### BANKERS

Citi Bank N.A

CTBC Bank Co. Ltd

HDFC Bank Ltd

ICICI Bank Ltd

IDBI Bank Ltd

IndusInd Bank

Kotak Mahindra Bank Ltd

Standard Chartered Bank

Syndicate Bank

Yes Bank Ltd

### STATUTORY AUDITORS

M/s BSR & Associates LLP,  
Gurugram

### INTERNAL AUDITORS

M/s Grant Thornton India LLP

## MANUFACTURING LOCATIONS

### Northern Region

#### HARYANA

Plot No. 16, Sector-18, Maruti Complex,  
Gurugram, Haryana

Plot No. 195-195A, Sector 4,  
Phase-II, Bawal, District Rewari, Haryana.

Plot No. 6, Industrial Area, Dharuhera,  
District Rewari, Haryana

Plot No. 91-B, Sector-5, IMT Manesar,  
Gurugram-122050, Haryana

#### UTTARAKHAND

Plot No. 51, Sector 11, IIE,  
Pant Nagar, District Udham Singh Nagar,  
Uttarakhand

Plot No. 5, Industrial Park – II,  
Village Salempur, Mehdood, Haridwar,  
Uttarakhand

### Western Region

#### MAHARASHTRA

608-609, Chakan Talegaon Road,  
Mahalunge Ingle, Chakan, Pune,  
Maharashtra

D2-43/2, M.I.D.C. Industrial Area,  
Chinchwad, Pune, Maharashtra

#### GUJARAT

Plot No. D-1, Vendors Park,  
Sanand, District Ahmedabad, Gujarat

### Southern Region

#### KARNATAKA

Plot No. 69-70 A, Phase-II, Bidadi  
Industrial Area, Sector-2, Bengaluru,  
Karnataka

# Boards' Report

## TO THE MEMBERS,

The Board of Directors ("Board") have pleasure in presenting the 39 Annual Report on the business and operations together with Audited Financial Accounts of your Company ("the Company") for the Financial Year ended 31 March 2020.

### 1. FINANCIAL PERFORMANCE- STANDALONE & CONSOLIDATED

The highlights of standalone and consolidated financial performance of the Company are as follows:

Particulars	(Rupees in Lakhs unless otherwise stated)			
	Standalone		Consolidated	
	For the Financial Year 31 March		For the Financial Year 31 March	
	2020	2019	2020	2019
Revenue from Operations	1,60,158.72	1,85,145.00	1,60,158.72	1,85,145.00
Other Income	966.19	2,551.88	735.27	1,153.11
Total Income	1,61,124.91	1,87,696.88	1,60,893.99	1,86,298.11
Total Expenses	1,52,929.65	1,77,408.93	1,52,929.65	1,77,408.93
Profit before exceptional items, income tax and share in profit/(loss) of associate	8,195.26	10,287.95	7,964.34	8,889.18
Exceptional items	-	3,620.27	-	3,620.27
Profit before share in net profit/(loss) of associate	8,195.26	13,908.22	7,964.34	12,509.45
Profit/ (Loss) of Associate	-	-	1,208.76	918.65
Profit Before Tax (PBT)	8,195.26	13,908.22	9,173.10	13,428.10
Tax Expenses	964.57	3,168.22	1,983.42	3,048.68
Profit After Tax (PAT)	7,230.69	10,740.00	7,189.68	10,379.42
Other Comprehensive Income/(Loss) Items that will not be re-classified to profit or loss				
- Remeasurement of defined benefit liability/asset	(94.38)	(210.05)	(68.79)	(210.05)
- Income Tax relating to above	-	-	-	-
Net other Comprehensive Income/(Loss)	(94.38)	(210.05)	(68.79)	(210.05)
Total Comprehensive Income	7,136.31	10,529.95	7,120.89	10,169.37
Paid-up Equity Share Capital	934.77	934.77	934.77	934.77
Earnings Per Share				
Basic/Diluted EPS (In Rupees)	77.35	114.89	76.91	111.04

- Financial Results for the Year ended 31 March 2020 are in compliance with Indian Accounting Standards (Ind-AS) prescribed under Section 133 of Companies Act, 2013
- Exceptional items as on 31 March 2019, represent gain amounting to ₹ 3,620.27 Lakhs on sale of land and building.

#### a. COMPANY PERFORMANCE

##### Standalone:

On standalone basis there was a decline of 13.50 % in Revenue from Operations in line with the Industry.

For the Financial Year 2019-20, the profit before tax and exceptional items (PBT) stood at ₹ 8,195.26 Lakhs as compared to ₹ 10,287.95 Lakhs in the previous year witnessing a decline of 20.34 %. The PBT after exceptional items stood at ₹ 8,195.26 Lakhs as compared to ₹ 13,908.22 Lakhs in the previous year due to the exceptional gain amounting to ₹ 3,620.27 Lakhs on sale of land and building in the previous year. The Profit after Tax (PAT) stood at ₹ 7,230.69 Lakhs as compared to ₹ 10,740 Lakhs in the previous year. The Total Comprehensive Income declined to ₹ 7,136.31 Lakhs as against ₹ 10,529.95 Lakhs in the previous year.

## Boards' Report (Contd.)

### Consolidated:

At the consolidated level, the Revenue from Operations declined by 13.50 % whereas the Profit before tax (PBT) and Profit After Tax (PAT) for the Period stood at ₹ 9,173.10 Lakhs and ₹ 7,189.68 Lakhs respectively showing a decline by 31.69 % & 30.73 % respectively. The Total Comprehensive Income stood at ₹ 7,120.89 Lakhs leading to decline by 29.98% as compared to the Financial Year 2018-2019.

### b. SHARE CAPITAL

The paid-up Equity Share Capital as on 31 March 2020 was ₹ 934.77 Lakhs. During the year under review, the Company has not issued shares or granted stock options or sweat equity.

### c. DIVIDEND

During the year under review and based on the Company's performance, the Board of Directors at their meeting held on 16 March 2020, declared and paid an interim dividend of ₹ 17.50 per equity share (i.e. 175%) of face value of ₹ 10/- each and the same is being confirmed at the Annual General Meeting. Further, your Board of Directors have now recommended a final Dividend @ ₹ 6/- per Equity share (i.e. 60 %) of face value of ₹ 10/- each for the Financial Year 2019-20 which was considered by the Board in its meeting held on 18 June 2020 subject to approval of Shareholders in the ensuing Annual General Meeting ("AGM"). The Total Dividend paid for the previous Financial year was ₹ 35/- per Equity Share (i.e. 350%) of face value of ₹ 10/- each (including a special dividend of ₹ 10/- per share on account of the exceptional gain on sale of land and building).

With the above final dividend, the total dividend pay-out for the financial year 2019-20 would work out to ₹ 2,532.97 Lakhs (including Corporate Dividend Tax of ₹ 336.25 Lakhs), which is equivalent to 35.03% of the net profits of the Company during the year as against the pay-out of ₹ 3,944.37 Lakhs (including Corporate Dividend Tax of ₹ 672.66 Lakhs) in previous Financial Year 2018-19. The Register of Members and Share Transfer Books shall remain closed from **Saturday, the 22 August 2020 to Friday, the 28 August 2020 (both days inclusive).**

The final dividend as recommended by the Board of Directors, if approved by the shareholders at the ensuing AGM shall be paid to the eligible Shareholders, whose names appear in the Register of Members as on Friday, the August 21, 2020 within the stipulated time period.

### d. AMOUNT TRANSFER TO RESERVES

The Board of Directors of the Company do not propose to transfer any amount to reserve other than transfer of undistributed profits to surplus in statement of Profit & Loss.

### e. PERFORMANCE OF ASSOCIATE COMPANY & CONSOLIDATED FINANCIAL STATEMENTS

The Company has one Associate Company viz. SL Lumax Limited, which was incorporated in the year 1997. Your Company holds 21.28% in equity share capital of SL Lumax. SL Lumax is based in Chennai and primarily engaged in manufacturing of Auto Parts which includes auto lamp assemblies, chassis, mirror and front-end modules (FEM).

During Financial Year 2019-20, the Associate's profit attributable to the Company was ₹ 1,208.76 Lakhs as compared to the ₹ 918.65 Lakhs in the previous year.

In accordance with the provisions of Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the Financial Year 2019-20, together with the Auditors' Report form part of this Annual Report.

A report on performance and financial position of Associate Company included in the Consolidated Financial Statement (CFS) is presented in a separate section in this Annual Report in the prescribed format of AOC-1.

In accordance with Section 136 of the Companies Act, 2013 the Electronic copy of the Financial Statements of the Associate Company shall be available for inspection in the Investor Section of the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries). Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company Secretary at the Registered Office of the Company. The Financial Statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

## 2. STATE OF COMPANY'S AFFAIRS

The Financial Year 2019-20 was a challenging year for the automotive sector as a whole. According to SIAM report, the industry produced a total 2,63,62,284 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycle during the Financial Year 2019-20 as against 3,09,14,874

## Boards' Report (Contd.)

produced during last financial year 2018-19 showing a decline of 14.73%. The Automotive sector saw both ups and down during this period, witnessing the longest sustained downfall in the automotive industry. During this turbulent and unprecedented time, the Company with its strong order book and products in development, remained the market leader and a preferred supplier for all the Original Equipment Manufacturers (OEM's) in India.

The Company with its strong focus on R&D coupled with continual upgradation of the skills and capabilities, have been able to provide its customers with local solutions for faster development and launch of new generation products into the market. The recent developments for the new models introduced in different segments like Passenger Vehicle category viz. Maruti Suzuki S-Presso, MG Motors Hector, Honda WR-V, in Two Wheeler Segment viz. HMSI Shine, TVS Motors N-Torq, have been appreciated by the industry.

With the changing product requirements in order to meet both the regulations and customer demands, the Company keeping in mind the future technological shifts expected in this ever evolving industry, is upgrading its manufacturing capabilities with the aim to excel in both development and delivery of quality products to its customers.

As more and more products are introduced in the market with application of LEDs it becomes a necessity for the organization to keep pace with the technological advancements in the field of electronics. To keep in sync with these developments and ahead of the industry, the Company is investing thoughtfully in scaling up its electronic facility to meet the future requirements of technologically advanced products and remain ahead of the competition.

To succeed in the digital era, where technologies are changing the ground rules in every industry, the Company undertook several new initiatives for enhancement of its existing Information Technology (IT) systems to meet the regulatory and other organizational requirements. Your Company made noteworthy developments in the field of IT by implementing the following:

- Robotic Process Automation (RPA) is developed which helped in the use of software bots to automate highly repetitive, routine tasks normally performed by knowledge workers. Automating repetitive tasks helps in time saving and accuracy of data as bots are having inbuilt AI and increase in throughput.
- In paperless office direction, Company have started saving documents in digitize format and these

documents can be accessed anytime and anywhere as per defined authority matrix.

Road safety is important and is imperative to prevent deaths and injuries due to road accidents, there are methods and measures that the govt. takes to change in attitudes and behaviour ensuring they become responsible drivers, passengers, pedestrians and cyclists. In view of this, it is important for the industry to contribute through enhancing product features that offer and ensure safety on the road. One of the crucial measures undertaken by the Company was development of VRX from Optis, which is a Virtual Simulation Software that simulates all Front lighting lamps like headlamp, front fog lamp, cornering lamps, static bending lamps etc. This Simulator can visualize light homogeneity and quality of light on various road driving condition virtually and provides improved road safety, light performance with multiple driving experiments under various road conditions.

The in-house R&D and Design centres, as also, its manufacturing capabilities ensure continuous support to its Customers. The Company demonstrated its commitment towards Quality by ensuring that quality processes are adhered by all, the awards received at the ICQCC- Singapore by its teams are a proof. The company has won accolades and awards not only from the customers but also at various industry conventions like ACMA competition, National Convention of Quality Control Circle (NCQCC), Kaizen. Also Company got International TPM awards from Japan Institute of Plant Maintenance (JIPM) for best manufacturing practices.

The Company continues to uphold the highest standards of Corporate Governance, treating its various stakeholders as an ethical requisite rather than a regulatory necessity and continue to base all its actions on the principles of fairness, trust and transparency, standing by its core values of Respect, Integrity, Passion and Excellence.

All in all, the Company made good progress in all areas in Financial Year 2019-2020, and the management is quite confident, going forward the Company will continue to deliver value to all its customers and stakeholders. The long term outlook for the Company remains positive and it is poised to outperform the industry.

Having said the above, your directors would like to put a word of caution with respect to spread of pandemic COVID-19 and repetitive countrywide lockdown during March-2020 and first quarter of the current financial year which has severally hit the industry in general

## Boards' Report (Contd.)

and automotive sector in particular. On account of this, the financial performance of the Company during the financial year 2020-21 is also likely to remain stressed. Though, the management of your Company has taken various initiatives to optimize costs in order to reduce the impact of COVID – 19. The management is hopeful that it's endeavours will bear positive results and safeguard all its Stakeholders from any adverse situation emerging in future.

### a. CAPACITY EXPANSION & MODERNISATION OF FACILITIES

Your Company is constantly expanding the boundaries of its existing facilities and during the Year under review, the Company has invested towards capacity expansion of its manufacturing facilities as follow:

- Purchase of Plant & Machinery for PCB – ₹ 23.67 cr
- Expansion of Sanand & Bangalore – ₹ 64.86 cr
- Capex for new Projects at other Plants – ₹ 53.46 cr

Further, an expenditure on Research and Development facilities of Chakan and Gurugram was done to the tune of ₹ 1.66 Cr.

### b. TECHNOLOGY, INNOVATION AND QUALITY

The world is passing through rapid socio-economic changes, driven by technology, innovation and quality. Your Company firmly believes that the focus on quality along with development in technology is the future of the automotive lighting. Your Company has been fortunate in developing and adopting various innovations in the field of technology, driven by team of talented engineers. This has allowed your Company to stay ahead in this era of extensive competition.

The “Zero Defect & Self Reliant” initiative continues to remain at the heart of organization and the new technology and innovative products are well researched and designed with no defects, thereby leaving no adverse effect on society and environment.

During the year, the Company has endeavoured to strengthen its technological capabilities and providing indigenous solutions to the customers. Few of such steps taken towards technology advancement was introduction of Non touch technology which has been deployed on futuristic approach and would perform in Projector Lamp, leading to better quality and minimal human efforts. The other technological upgradation was 2W LED HL achieved with single chip LED only. Full LED Headlamp and Tail Lamp for 4W designed inhouse with Sequential Turn.

Your Company is cognizant of the latest trends and constantly equipping itself with new technologies to be able to stay ahead of the curve. In our journey from being “Good to Great”, the Company will continue to innovate and develop world class products and put thrust and focus on R&D, global technology partnerships and development of advanced technological automotive products.

As an annual practise, this year as well, the Company celebrated 15 September as Innovation Day on the occasion of Engineers Day, showcasing the Company's new products, technologies to the customers.

### c. MANAGEMENT DISCUSSION & ANALYSIS REPORT

As stipulated under the provisions of Regulation 34 of the Listing Regulations, Management Discussion & Analysis Report forms an integral part of this Report as an **Annexure - A** and provides details on overall Industry Structure and Developments, financial and operational performance and other material developments during Financial Year under review.

### d. Key Business Developments

The Company had entered into a revised Technical Assistance Agreement with Stanley Electric Co. Ltd, Japan, the existing Foreign Promoter of the Company.

### e. THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the Financial Year ended 31 March 2020, there was no change in the nature of business of the Company.

## 3. GOVERNANCE AND ETHICS

### a. CORPORATE GOVERNANCE

The Report on Corporate Governance together with the Auditor's Certificate regarding the Compliance of conditions of Corporate Governance as stipulated in Regulation 34 of Listing Regulations is annexed and forms part of this Annual Report as an **Annexure - B**.

### b. DIRECTORS & KEY MANAGERIAL PERSONNEL

#### (i) DIRECTORS

The Composition of Board of Directors is in conformity with the applicable provisions of Companies Act, 2013 and Listing Regulations.

During the year under review, there was no change in the composition of the Board of Directors of the Company.

The Company in its Board Meeting held on 18 June 2020, had appointed Mr. Kenjiro Nakazono (DIN: 08753913) nominated by Stanley Electric Co. Ltd. as an Additional Director to be designated as an

## Boards' Report (Contd.)

Executive Director for a period of 3 years, liable to retire by rotation, with immediate effect which is subject to his regular appointment in the ensuing Annual General Meeting. The said appointment was recommended by Nomination and Remuneration Committee of the Board.

Mr. Kenjiro Nakazono aged 50 years is a Graduate from Hamamatsu Commercial High School, possessing over 30 years of rich experience in the field of Procurement, Planning, Audit and NPD. In terms of the provision of Section 161 of the Companies Act, 2013, Mr. Nakazono shall hold office until the ensuing Annual General Meeting. The Company has received a notice from a shareholder signifying the candidature of Mr. Nakazono for appointment as a Director of the Company at the ensuing Annual General Meeting. Keeping in view the experience and knowledge of Mr. Nakazono, the Board of Directors of your Company recommends the appointment of Mr. Nakazono by the Shareholders at the ensuing Annual General Meeting.

At the request of Stanley Electric Co. Ltd, Japan, Mr. Koji Sawada had to move back to Japan. Therefore, Mr. Koji Sawada had to resign from the Board of Directors of the Company with effect from 18 June, 2020. The same was accepted by the Nomination and remuneration committee and the Board of Directors of the Company.

The Board placed on record its sincere appreciation for the contributions made by Mr. Sawada during his tenure as an Executive Director of the Company.

### RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

- In accordance with the Articles of Association of the Company and Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Anmol Jain, Joint Managing Director (DIN: 00004993) is due to retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

A brief profile of Mr. Anmol Jain is provided in the Notice of the ensuing Annual General Meeting of the Company.

### INDEPENDENT DIRECTORS

The Board has 6 (Six) Independent Directors, including one Woman Independent Director,

representing diversified fields and expertise. Details are provided in the appropriate section of the Corporate Governance Report.

All Independent Directors of the Company have submitted their declarations of independence, as required pursuant to provisions of section 149 (7) of the Companies Act, 2013 and Regulation 16 of Listing Regulations, as amended from time to time, stating that they meet the criteria of independence as provided in sub-section (6) of section 149 of Companies Act, 2013 and the Listing Regulations.

Further as stipulated under the Regulation 17(10) of Listing Regulations an evaluation exercise of Independent Directors was conducted by the Board and the same has been satisfactorily evaluated and all the Independent Directors fulfil the criteria regarding their independence from the Management of the Company.

### (ii) KEY MANAGERIAL PERSONNEL

As on 31 March 2020, Mr. Deepak Jain, Chairman & Managing Director, Mr. Anmol Jain, Joint Managing Director, Mr. Vineet Sahni, Senior Executive Director & CEO, Mr. Tadayoshi Aoki, Senior Executive Director, Mr. Koji Sawada, Executive Director, are regarded as Key Managerial Personnel (KMPs), in addition to Mr. Shruti Kant Rustagi, Chief Financial Officer and Mr. Pankaj Mahendru, Company Secretary of the Company as per the provisions of the Companies Act, 2013.

During the year under review, the following changes have taken place in the Key Managerial Personnel of the Company:

### APPOINTMENT

- The Board of Directors at its meeting held on 12 November, 2019, pursuant to the recommendation of Nomination and Remuneration Committee had appointed Mr. Pankaj Mahendru as Company Secretary & Compliance Officer of the Company w.e.f. 12 November, 2019 in place of Ms. Ankita Gupta, erstwhile Company Secretary of the Company.
- Subsequent to the year ended 31 March, 2020 Mr. Kenjiro Nakazono had been appointed as a Whole Time Director (KMP) of the Company w.e.f. 18 June, 2020 for a period of 3 years.

## Boards' Report (Contd.)

### CESSATION

- Ms. Ankita Gupta had tendered her resignation from the post of Company Secretary & Compliance Officer w.e.f. 14 August, 2019. In the meanwhile, the Company had designated Mr. Shruti Kant Rustagi, Chief Financial Officer and Key Managerial Personnel as Compliance Officer of the Company till the date of appointment of Mr. Pankaj Mahendru, Company Secretary.

### c. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2019-20, the Board of Directors met seven (7) times on 5 April, 2019, 14 May, 2019, 2 August, 2019, 19 September, 2019, 12 November, 2019, 1 February, 2020, 16 March, 2020 to conduct the operations of the Company. It is confirmed that the gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Companies Act, 2013.

Pursuant to the requirements of Para VII (1) of Schedule IV of the Companies Act, 2013 and the Listing Regulations a separate Meeting of the Independent Directors of the Company was held on 16 March, 2020, without the presence of Non-Independent Directors and Members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive, Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

### d. DIRECTORS RESPONSIBILITY STATEMENT

In terms of section 134 (3) (c) & 134 (5) of the Companies Act, 2013, and to the best of their knowledge and belief, and based on the information and explanations provided, your Directors hereby make the following statements:

- that in the preparation of the Annual Accounts for the Financial Year ended 31 March 2020 the applicable Accounting Standards have been followed and there are no material departures;
- that the Directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March, 2020 and of the profit and loss of the Company for that period;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- that the Directors have prepared the Annual Accounts on a "going concern" basis;
- that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

### e. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

As stipulated under the provisions of Section 149 (6) of Companies Act, 2013 and Regulation 25 of Listing Regulations, the requisite declarations have been received from the Independent Directors regarding meeting the criteria of Independence as laid down under those provisions. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

### f. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Pursuant to the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of Listing Regulations the Board of the Company in their meeting held on 20 March 2019, have approved the revised Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMP) and Other Employees including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3), to bring it in line with recent amendments enforced by statute.

The main features of the Policy are as follows –

- Introduction and Regulatory Framework
- Objective
- Constitution of Nomination and Remuneration Committee
- Role of Nomination and Remuneration Committee

## Boards' Report (Contd.)

- e. Appointment/ Nomination of Directors
- f. Remuneration of Directors
- g. Appointment of Key Managerial Personnel and Senior Management Personnel
- h. Remuneration of Key Managerial Personnel and Senior Management Personnel
- i. Appointment and Remuneration of Other Employees
- j. Term/Tenure
- k. Evaluation of Performance of Board of Directors
- l. Frequency of Board Evaluation
- m. Disclosure
- n. Administration, Review and Amendment of Policy
- o. Clarification

The Company's Policy relating to Nomination/ Appointment of Directors and KMP, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters is enclosed to this Board Report as an **Annexure - C**.

The said policy is also available on the website of the Company at <https://www.lumaxworld.in/lumaxindustries/pdf/nomination-and-remuneration-policy-of-directors.pdf>.

### g. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

One of the key responsibilities and role endowed on the Board is to monitor and evaluate the performance of the Board, Committees and Directors.

Accordingly, in line with applicable provisions of the Companies Act, 2013 and Listing Regulations, 2015, the annual performance evaluation of the Board as a whole, Committees and all the Directors was conducted, as per the internally designed evaluation process approved by the Nomination and Remuneration Committee. The evaluation tested key areas of the Board's work including strategy, business performance, risk and governance processes. The evaluation considers the balance of skills, experience, independence and knowledge of the management and the Board, its overall diversity, and analysis of the Board and its Directors' functioning.

#### EVALUATION TECHNIQUE

- The evaluation methodology involves discussion of questionnaires consisting of certain parameters such as Evaluation factor, Ratings and Comments, if any.
- The performance of entire Board is evaluated by all the Directors based on Board composition and quality, Board meetings and procedures, Board

development, Board strategy and risk management, etc.

- The performance of the Managing Director and Executive Directors is evaluated by all the Board Members based on factors such as leadership, strategy formulation, strategy execution, external relations, etc.
- The performance of Non-Executive Director and Independent Directors is evaluated by other Board Members based on criteria like managing relationship, Knowledge and skill, personal attributes, etc.
- It also involves self-assessment by all the Directors and evaluation of Committees of Board based on Knowledge, diligence and participation, leadership team and management relations, committee meetings and procedures respectively.
- Further, the assessment of Chairman & Managing Director's performance is done by each Board Member on similar qualitative parameters.

#### EVALUATION OUTCOME

The feedback of the evaluation exercise and inputs of Directors were collated and presented to the Board and an action plan to further improve the effectiveness and efficiency of the Board and Committees is put in place.

The Board as a whole together with each of its Committees was working effectively in performance of its key functions - Providing strategic guidance to the Company, reviewing and guiding business plans, ensuring effective monitoring of the management and overseeing risk management function. The Board is kept well informed at all times through regular communication and meets once per quarter and more often as and when need arises. Comprehensive agendas are sent to all the Board Members well in advance to help them prepare and ensure the meetings are productive. The Company makes consistent efforts to familiarize the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant, Product Category and Corporate Function from time to time.

The performance of the Chairman was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities for the day to day management of the business, with reference to the strategy and long-term objectives. The Executive Directors and Non-Executive Directors provided entrepreneurial leadership to the Company within a framework of prudent and



## Boards' Report (Contd.)

effective controls, with a balanced focus on policy formulation and development of operational procedures. It was acknowledged that the management accorded sufficient insight to the Board in keeping it up-to-date with key business developments which was essential for each of the individual Directors to maintain and enhance their effectiveness.

### h. AUDIT COMMITTEE & COMPOSITION

As at 31 March, 2020, the Audit Committee of Board comprised of seven (7) Members viz. Mr. Avinash Parkash Gandhi (Chairperson), Mr. Munish Chandra Gupta, Mr. Dhiraj Dhar Gupta, Mr. Rattan Kapur, Mr. Rajeev Kapoor, Mr. Deepak Jain and Mr. Tadayoshi Aoki.

The details regarding category of Members and terms of reference of Audit Committee had been stated in Corporate Governance Report which forms part as an **Annexure - B** to this Report.

All the recommendations of Audit Committee made to the Board of Directors were duly accepted by the Board of Directors.

### i. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

For the Financial Year 2019-20, all the Related Party Transactions entered into by the Company were in ordinary course of business and at arms-length basis. All Related Party Transactions, which are foreseen and repetitive in nature, are placed before the Audit Committee on a yearly basis for obtaining prior omnibus approval of the Committee.

The transactions entered into pursuant to the omnibus approval are placed before the Audit Committee for review and approval on quarterly basis. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the provisions of the Companies Act, 2013 and Listing Regulations.

There were no materially significant Related Party Transactions entered into, by the Company with Promoters, Directors or Key Managerial Personnel, which may have a potential conflict of interest for the Company, at large.

However, details of Related Party Transactions undertaken by the Company which fall under the purview of "Materiality" as per Listing Regulations are attached in Form AOC-2 as an **Annexure - D** to this Report.

Further, the Shareholder approval on such Material Related Party Transactions have been taken by way of

Postal Ballot Notice dated 01 February, 2020 for which the results were declared by the Company on 25 March, 2020. The Company has formulated a policy on Related Party Transactions, which is available on the Company's website at <http://www.lumaxworld.in/lumaxindustries/pdf/related-party-transactionpolicy.pdf>.

### j. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism named Whistle Blower Policy, for Directors, employees and business associates to report to the Management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics, in accordance with the provisions of Section 177 (10) of Companies Act, 2013 and Regulation 22 of the Listing Regulations. This mechanism provides for adequate safeguards against unfair treatment of whistle blower who wishes to raise a concern and also provides for direct access to the Chairman of the Audit committee in appropriate/ exceptional cases.

The Whistle Blower Policy is uploaded on the website of the Company [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries). To further strengthen this mechanism, the Company has launched an Employee App which is available for both android and iOS users to report any instances of financial irregularities, breach of Code of Conduct, abuse of authority, unethical / unfair actions concerning Company vendors /suppliers, malafide manipulation of Company records, discrimination among employees in an anonymous manner to provide protection to the employees and who report such unethical practices and irregularities.

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

### k. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

The Company has adopted the Code of Conduct for Directors and Employees. The Board of Directors in their meeting held on 18 June, 2020 has amended and adopted the Code of Conduct for Directors and Senior Management of the Company. The same is uploaded on the website of the Company [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

### l. BUSINESS RESPONSIBILITY POLICY

The Board of Directors in their meeting held on 18 June, 2020 has adopted the Business Responsibility Policy in line with the Business Responsibility Report applicable under Regulation 34 of the Listing Regulations

## Boards' Report (Contd.)

(as amended from time to time). The same is uploaded on the website of the Company [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

### m. PARTICULARS OF EMPLOYEES

Information on Employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this Report as an **Annexure - E**. The information required pursuant to Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the Members at the Registered Office of the Company during business hours on working days (except Saturday) up to the date of ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent.

### n. COMPLIANCE MANAGEMENT FRAMEWORK

Your Company has a robust and effective framework for monitoring compliances with applicable laws. The Company has adopted comprehensive Compliance Manual for structured control over applicable compliances by each of the units of the Company.

A separate Corporate Compliance Management Team periodically reviews and monitors compliances by units and supports in effective implementation of same in a time bound manner. The Board and Audit Committee along-with Compliance team periodically monitors status of compliances with applicable laws based on quarterly certification provided by Senior Management.

## 4. INTERNAL FINANCIAL CONTROLS & ADEQUACY

### a. Adequacy of Internal Financial Control with reference to Financial Statements

The Company has a robust and well embedded system of internal controls in place to ensure reliability of financial reporting, orderly and efficient conduct of business, compliance with policies, procedures, safeguarding of assets and economical and efficient use of resources. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and operate effectively.

Periodical programs of Internal Audits are planned and conducted which are also aligned with business objectives of the Company. The meetings with Internal Auditors are conducted wherein the status of audits and management reviews are informed to the Board.

The Company periodically conducts physical verification of its inventory, fixed assets and Cash on hands and matches it with the books of accounts. Explanations are sought for any variance noticed from the respective functional heads.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standard) Rules, 2014.

During the Financial Year 2019-2020, the Company has adopted Ind AS 116.

The Company gets its Standalone and Consolidated Financial Statements reviewed every quarter by its Statutory Auditors.

The Company uses an established SAP ERP HANA Systems to record day to day transactions for accounting and financial reporting. The SAP system is configured to ensure that all transactions are integrated seamlessly with the underline books of accounts, which helps in obtaining accurate and complete accounting records and timely preparation of reliable financial disclosures.

### b. RISK MANAGEMENT POLICY

The Company had adopted the Enterprise Risk Management Policy and had also constituted the Risk Management Committee. Further the Board of Directors of the Company in their meeting held on 18 June, 2020 has adopted the Risk Management Policy and constituted the Risk Management Committee as per Regulation 21 of the Listing Regulations in order to frame, implement, and monitor the risk management plan for the Company. The Committee is responsible for development and implementation of a Risk Management Policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company and is responsible for reviewing the risk management plan and its effectiveness. The Company has Risk Management Policy which can be accessed on Company's website [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

### c. AUDITORS

#### STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company in its 36th Annual General Meeting held on 22 July 2017 approved the appointment of M/s. BSR & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) as Statutory Auditors of the Company for an

## Boards' Report (Contd.)

initial term of five (5) years from the conclusion of 36th AGM till the conclusion of 41st AGM to be held in the year 2022.

M/s. BSR & Associates LLP, Chartered Accountants have furnished a certificate confirming that they are not disqualified from continuing as Auditors of the Company. The Auditors have issued an unmodified opinion on the Financial Statements for the Financial Year ended 31 March 2020.

The requirement for annual ratification of Auditors appointment at AGM has been omitted pursuant to Companies Amendment Act, 2017 notified on 7 May 2018.

### STATUTORY AUDITORS REPORT

The Report given by M/s. BSR & Associates LLP, Chartered Accountants on the Financial Statements of the Company for the year 2019-20 is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### COST AUDITORS

In terms of Section 148 (1) of Companies Act, 2013, the Company is required to maintain cost records for certain products as specified by the Central Government and accordingly such accounts and records are made and maintained in the prescribed manner.

The Board on recommendation of Audit Committee has re-appointed M/s Jitender, Navneet & Co. (Firm Registration No. 000119) as the Cost Auditors of the Company in accordance with Section 148 and other applicable provisions of the Companies Act, 2013, for the audit of the cost accounts of the Company for the Financial Year 2020-21.

The remuneration proposed to be paid to the Cost Auditor requires ratification by the shareholders of the Company. In view of this, your approval for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting. Accordingly, a resolution, seeking approval by members for the Ratification of the remuneration to be paid to Cost Auditors amounting to ₹ 1.75 Lakhs (Rupees one Lakh and seventy five thousand only) excluding taxes and out of pocket expenses, if any payable to M/s Jitender, Navneet & Co., is included in the Notice convening 39th Annual General Meeting of your Company.

### COST AUDIT REPORT

The Cost Audit Report for the Financial Year 2018-19 has been filed with the Central Government within the stipulated time on 31 August 2019.

### DISCLOSURE ON MAINTENANCE OF COST RECORDS AS SPECIFIED BY CENTRAL GOVERNMENT UNDER SUB SECTION (1) OF SECTION 148

The Company is maintaining cost records as stipulated under law.

### SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of The Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr. Maneesh Gupta, Practising Company Secretary as the Secretarial Auditor of the Company to conduct the Secretarial Audit for the Financial Year 2020-21.

The Company has received consent from Mr. Maneesh Gupta to act as the auditor for conducting audit of the secretarial records for the Financial Year ending 31 March 2021.

### ANNUAL SECRETARIAL AUDIT REPORT & ANNUAL SECRETARIAL COMPLIANCE REPORT

The Secretarial Audit Report for the Financial Year ended 31 March 2020 under Companies Act, 2013, read with Rules made thereunder and Regulation 24A of the Listing Regulations, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the **Annexure - F** to this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Pursuant to Circular having No. CIR/CFD/CMD1/27/2019 issued by Securities and Exchange Board of India dated 8 February 2019 read with Regulation 24 (A) of Listing Regulations, all listed entities on annual basis are required to get a check done by Practising Company Secretary (PCS) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and get an Annual Secretarial Compliance Report issued by a PCS in this regard which is further required to be submitted to Stock Exchanges within 60 days of the end of the Financial Year. Due to the COVID 19 Pandemic Outbreak, SEBI vide its Circular number SEBI/HO/CFD/CMD1/ CIR/P/2020/38 dated 19 March 2020, had extended the said timeline by one month i.e. Annual Secretarial Compliance Report to be submitted to Stock Exchanges by 30 June 2020.

The Company has engaged the services of Mr. Maneesh Gupta (CP No. 4982), Practising Company Secretary and Secretarial Auditor of the Company for providing this certification.

## Boards' Report (Contd.)

Accordingly, the Company has complied with the above said provisions and an Annual Secretarial Compliance Report has been issued to the Company.

### INTERNAL AUDITORS

In compliance with the provisions of Section 138 of Companies Act, 2013, read with Companies (Accounts) Rules, 2014, the Internal Audit, of various units of Company, for the Financial Year 2019-2020 was done by M/s Grant Thornton, India LLP. Further, the Board of Directors in their meeting held on June 18, 2020 has appointed M/s Grant Thornton, India LLP as Internal Auditors for the Financial Year 2020-21.

#### d. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under review, no frauds were reported by Statutory Auditor and Secretarial Auditor against the Company which would need to be mentioned in this Board's Report.

### 5. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND INITIATIVES

Your Company's Corporate Social Responsibility (CSR) is to give back to society and contribute to nation development through its initiatives.

The Company's CSR initiatives are implemented through its CSR arm/ trust, Lumax Charitable Foundation ("Foundation"), with focus on education, empowerment of girl child through education and the healthcare, for disadvantaged section of society. During the year, your Company's spend on CSR activities is 2.20% of the average net profits during the three immediately preceding Financial Years.

The Company has constituted a CSR Committee of the Board and also developed & implemented a CSR Policy in accordance with the provisions of the Companies Act, 2013. The Committee monitors and oversees various CSR initiatives and activities of the Company. The details of CSR Policy is available on the Company's website <http://www.lumaxworld.in/lumaxindustries/pdf/corporate-social-responsibility-policy.pdf>.

#### Key CSR Activities:

Committed towards the India sustainable goals of Quality Education and Good Health, Lumax provides holistic education opportunities and preventive and curative health interventions. These interventions are managed by the teams along with implementation partners.

#### Education:

In its endeavour to provide holistic and quality education, the interventions include, girl child enrolment in schools, starter kits and learnings aids. The effort is also to help underprivileged students enhance their learning experience through excursion trips, end-to-end career counselling, life-skills & soft-skills training on a continuous basis and facilitate various govt. & private scholarships to deserving need-based and merit-based students.

Infrastructure needs of the govt. schools including construction of toilets, classroom, providing LED lights are also undertaken after a thorough need assessment. The programs are conducted in areas around the plants.

#### Health:

Under health, the foundation has been running a homeopathic dispensary, besides supporting communities near the plants with preventive Cancer awareness and screening camps and also provide eye care camps and conduct Cataract surgeries. The cancer screening includes blood profiling along with physical examination by a surgeon, ENT specialist and a gynaecologist, complete with radiology examination.

The programs also include Juvenile diabetes for the underprivileged children and a mobile path lab for communities donated to the Primary Health Centre (PHC).

#### Constitution of CSR Committee

During the Financial Year 2019-20, the CSR Committee of the Company comprised of four (4) Members namely, Mr. Munish Chandra Gupta (Chairperson), Mr. Avinash Parkash Gandhi, Mr. Deepak Jain and Mr. Anmol Jain.

The details of the CSR Policy of the Company are also available on the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries). The contents of the said policy are as below:

- a. CSR Philosophy
- b. Constitution of CSR Committee
- c. Role of CSR Committee
- d. Implementation of CSR Projects, Programs and Activities
- e. Allocation of Budget
- f. Lumax domains of engagement in accordance with Schedule VII
- g. Monitoring and Review Mechanism
- h. Management Commitment

The Annual Report on CSR as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as an **Annexure - G** to this Report in the prescribed format.

## Boards' Report (Contd.)

### 6. OTHER DISCLOSURES

#### MATERIAL CHANGES AND COMMITMENTS

The Board of Directors of the Company in its Meeting held on 20 March 2019 had approved the commencement of In-house manufacturing of the PCB business for its captive consumption with effect from 1 April 2019. Accordingly, in the Board Meeting held on 5 April 2019, the Company approved acquiring of assets (including Plant & Machineries, Allied Infrastructures and Capital work in progress) for manufacturing of PCB's for ₹ 2,245.41 Lakhs and an unsold Inventory at ₹ 2,394 Lakhs from Lumax Auto Technologies Limited. The fair values of assets (i.e. Property, plant and equipment and other intangible assets) acquired amounts to ₹ 1,267.83 Lakhs resulting to the Goodwill of ₹ 977.58 lakhs which is attributable to synergies expected to be achieved from integrating PCB into the Company's existing business.

No other material changes and commitments affecting the Financial position of the Company have occurred between 1 April 2020 and the date on which this Report has been signed.

#### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of Investments and Loans as on 31 March, 2020 are covered under the provisions of Section 186 of The Companies Act, 2013 is given in the Notes 6 and 7 respectively to Financial Statements of the Company. The Company has not given any guarantees during the Year under review.

#### INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

One of the several commitments that continued to remain in force throughout the Financial Year was developing business along with improvement in environmental performance to maintain a reliable and sustainable future.

During the course of the year, the manufacturing units of the Company have continued their efforts to reduce energy consumption in all areas of its operations. These manufacturing units are constantly encouraged to improve operational activities and maximising production volumes and minimizing consumption of natural resources. Systems and processes have been put in place for utilization of alternate sources of energy and monitoring of energy consumption for all the units.

Disclosure of information regarding Conservation of Energy, Research & Development, Technology

Absorption and Foreign Exchange Earning and Outgo, etc. under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed as an **Annexure – H** to this Report.

#### EXTRACT OF ANNUAL RETURN

In accordance with the requirement of Section 92 and 134 (3) (a) of The Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT 9 is annexed to this Report as an **Annexure – I** and is also available on company's website on the link: [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries)

#### DETAILS OF FIXED DEPOSITS

During the year under review, the Company has neither accepted nor renewed any Deposit in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and any provisions of the said Section are not applicable to your Company.

#### NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the Financial Year 2019-20, there were no Companies which became Subsidiary or Joint Venture of the Company, neither the Associate Company ceased to be an Associate of the Company.

#### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

#### CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE (ICC) UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (POSH)

As per MCA notification dated 31 July 2018, a "Statement that the Company has complied with the provisions related to Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)" has to be included in the Board's Report.

In accordance with the above-mentioned provisions of POSH, Lumax is in compliance with and has adopted the "Policy on Prevention of Sexual Harassment of Women at Workplace" and the said policy has been amended by the Board of Directors in their meeting held on June 18 2020 and has also re-constituted an Internal Complaints Committee (ICC) for Prohibition, Prevention and

## Boards' Report (Contd.)

Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the related aspects. The constitution of ICC is as per the provisions of POSH and includes external Members from NGO or those individuals having relevant experience.

The Committee meets as and when required and provides a platform for female employees for registration of concerns and complaints, if any.

During the year under Review i.e. 2019-20, twenty nine (29) meetings and sixteen (16) awareness sessions were held across all manufacturing locations to discuss on strengthening the safety of employees at workplace. In addition, the awareness about the Policy and the provisions of Prevention of Sexual Harassment Act was also carried out in the said meetings. Further, as per the applicable provisions of POSH your Company continues to submit Annual Report to the District Officer consisting of details as stipulated under the said Act.

### ENVIRONMENT, HEALTH, SAFETY

The Company focuses on "Safety Culture Building" by maintaining the "Safety Management System" to reduce the risk of incident and Injuries. This system includes safety rules, safety procedures, safety training, hazard identification, correction, incident reporting & investigation, capturing near miss accidents, safety communications and safety suggestions.

Safety Management System contributes, not only to improve the workplace Safety, but it also influences the organization Safety Culture.

Apart from the above, the Company also performed below activities in Financial Year 2019-20 sincerely:

1. ST/ Duct cleaning for locations where paint material & chemicals are being used
2. Safety Gemba Audit and monitoring all critical Points
3. Regional Safety Meeting at all regions
4. KYT - Kiken Yochi Training (Identifying hazard and taking corrective measures with the help of actual users)
5. Hazards specific Safety training (Fire Fighting, First Aid, Electrical Safety, Chemical & Machine Safety, Risk Assessment & Evacuation Drill )
6. Prepared Safety manual for Standard Operating Procedures
7. Identified probable emergency and prepared Emergency Response Manual

8. Prepared standard KYT Manual
9. Performed Comprehensive Inspection of all chemical storage areas according to the check point and necessary display system
10. Comprehensive review / surveillance audit done as per ISO 14001 (Environment Management System) and ISO 18001 (Occupational Health & Management system)

From last 2 Year, the Company also commenced the Fire Risk Assessment Audit for Tier-2 (65 Nos) Suppliers to reduce the fire related incident and achieved significant OK result, this year also started the Safety Audit for Tier-2 suppliers to reduce the human injury and also monitoring the injury status. Delivered the awareness program to the suppliers related to Fire and Safety.

By ensuring all the above, zero accident level has been maintained for last Four years. Induction programs & regular training of employees and the introduction of formal safety management system has contributed us to mitigate future incidents.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

#### Unpaid Dividend and Shares underlying Unpaid Dividend

Pursuant to the provisions of Section 124(5), 125 and other applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), all unpaid or unclaimed Dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven (7) years from the date of transfer to Unclaimed/Unpaid Dividend Account of the Company.

Further, pursuant to provisions of Section 124(6) of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which Dividend has not been claimed or unpaid by the shareholders for seven (7) consecutive years or more shall also be transferred to the Demat account of IEPF Authority. The said provisions does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

Accordingly, the details relating to amount of Dividend transferred to the IEPF and corresponding shares on which Dividends were unclaimed for seven (7)

## Boards' Report (Contd.)

consecutive years, are provided in the Report on Corporate Governance annexed to this Report.

**It may be noted that the due date for transfer into IEPF of the Unpaid/Unclaimed Dividend lying in the Unpaid Dividend Account of the Company which was declared on 06 August, 2013 for the Financial Year 2012-13 is 04 September 2020. Accordingly, concerned Shareholders are requested to kindly claim the Unpaid Dividend. The Notice as stipulated pursuant to the provisions of Section 124 of Companies Act, 2013 read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 has been published in the newspapers on June 04 2020 viz. the Financial Express (English- All Edition) and Jansatta (Hindi-Delhi), titled- "TRANSFER OF UNPAID DIVIDEND AND THE UNDERLYING EQUITY SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF) ACCOUNT" inviting the attention of the Shareholders to claim their Dividends and in this regard, the Company has also sent the Individual notices to the concerned Shareholders.**

### **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS (CODE OF CONDUCT)**

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons [Pursuant to Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]. This Code of Conduct is intended to prevent misuse of Unpublished Price Sensitive Information ("UPS") by designated persons.

The said Code lays down guidelines, which advise Designated Persons and Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. This Code includes a Policy and Procedure for Inquiry in case of leakage of Unpublished Price Sensitive Information or suspected leakage of Unpublished Price Sensitive Information and is available for reference on the website of the Company i.e. [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

### **BUSINESS RESPONSIBILITY REPORT**

A detailed Business Responsibility Report in terms of the provisions of Regulation 34 of the Listing Regulations is available as a separate section in the Annual Report.

### **DISCLOSURE FOR COMPLIANCE OF SECRETARIAL STANDARDS**

The Company has complied with the Secretarial Standard-1 (Meetings of Board of Directors) and Secretarial Standard-2 (General Meetings) issued by the Institute of Company Secretaries of India.

### **CONTRIBUTION TO EXCHEQUER**

The Company is a regular payer of taxes and other duties to the Government. During the Year under review, Company paid all its statutory dues & presently no undisputed dues are outstanding more than six months. The Company generally ensures payment of all dues to exchequer well within time line as applicable.

### **ACKNOWLEDGEMENT**

The Board of Directors place on record their sincere gratitude and appreciation towards all its Stakeholders viz. shareholders, employees, investors, bankers, customers, suppliers, government agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates, service providers, academic partners for their continued commitment and support. The Board conveys their deep sense of appreciation towards contributions made by every member of Lumax Family during the year and express a sincere thanks and gratefulness to its Technical & Financial Collaborator- Stanley Electric Co., Ltd. for their continued support and patronage throughout the year.

**For and on behalf of the Board of Directors**  
**Lumax Industries Limited**

Sd/-

**Deepak Jain**

Place: New Delhi

Dated: 18 June 2020

Chairman & Managing Director

# Management Discussion and Analysis

## ANNEXURE - A

### Global Economy

The Global economy growth, for the last few years, has been majorly driven by emerging economies. This can be attributed to the western countries voluntarily shifting their manufacturing bases to emerging markets, for capitalising on cheap resources. Amongst all other emerging economies, India and China have benefited the most out of this shift. The two economies have emerged stronger as manufacturing powerhouses while creating shared value. However, the interconnectedness and liberalisation in recent times waned owing to the heightened trade restrictions.

The year 2019 proved to be a rather challenging one. Major exporters across the globe were seen adjusting themselves to the ongoing trade war between US and China alongside geo-political incidents and rising debts further elevated and rattled global tension. Just when 'Phase one' trade agreement, Brexit and stable crude oil prices were turning the sentiments of geographies, the world ensnared in a devastating pandemic — Covid-19. This outbreak was a huge blow to the global supply chain. Covid-19, a public health emergency, caused a never-seen-before lockdown across all regions. It forced the global 'just in time' supply system to come to a complete standstill. As an attempt to overcome this adversity, the Government, and central banks around the globe, reacted swiftly through measures to save human lives and reduce stress in industries.

### Indian Economy

The Indian economy's foundation remained strong through the year ensuring macroeconomic stability. Several steps were taken on the economy formalisation front to become more organised and transparent. The year 2019-20 witnessed the nation addressing some transitional hiccups faced due to GST implementation. The government tried course correcting the economy with appropriate measures: privatisation of few PSUs, consolidation of bank, opting out of RCEP deal, corporate and income tax rate cut. It also addressed key challenges: rising trade deficit, decreasing national income and subdued consumer demand. These measures were considered as good signs for strengthening Indian economy's fundamentals.

However, with the global economy taking a dive, emerging economies cannot grow at a normal pace. The Indian economy was grappling with its own issues when the outbreak of Covid-19 came to worsen the matters. This unprecedented public health emergency has further augmented to the slowing economy. An uncertain outlook in near term was created as the country was observing lockdown. Addressing the need of the hour, the Government of India announced its

biggest economic package. RBI also stepped up to announce some monetary measures, ensuring market liquidity. The lockdown has caused a havoc while also opening new avenues of opportunity. The Nation-wide lockdown has made the corporates re-think and fortify the nation's digital infrastructure. This will play a central role in transforming India into a 5 trillion-dollar economy by 2025.

### Outlook

The Covid-19 pandemic has significantly weakened the country's growth prospects for the year and exposed the challenges associated with a high public-debt burden. Government has initiated various measures to boost the economy including direct benefit transfer, increased allocations to key sectors like infrastructure, agriculture, MSMEs etc. Reserve Bank of India has cut repo rate by 185 bps on a cumulative basis this year to support the aggregate demand and private investment as well as ease liquidity given the COVID-19 situation. The reduction in corporate tax rate is a big boost to the industry; it makes India much more competitive globally and should accelerate investments in the economy. The slew of policy measures and announcements are welcome and signal the Government's strong commitment to arrest and reverse the slowdown.

### Indian Structure and Developments

#### Indian Automobile Industry

The Indian automobile is the pillar of the manufacturing sector. It contributes nearly 7.5% to the Indian GDP. Being an economic multiplier, it provides employment to a large pool of around 8 million people. Festival season was expected to contribute some alleviation, however it failed to attract buyers. New launches in the utility vehicle segment did bring in some buyers, but weaker consumer sentiments due to economic slowdown, liquidity crisis and increased ownership cost of vehicle contributed to the overall slump. Just when the Government was taking steps to revive the industry demand, Covid-19 outbreak further aggravated the market. The pandemic made the production and dispatches come to a halt. Going forward, the industry players are anticipated to re-strategise the blueprint of their operations and activities related to sourcing of auto-components in future.

According to SIAM data, production of PVs – fell 14.76 % to 34,34,013 units in the year ended March 2020. The hardest blow was felt in March as volumes saw sharp decline of 34 % due to the subdued demand and weak consumer sentiment. This was further aggravated by the Covid-19 outbreak in the country.



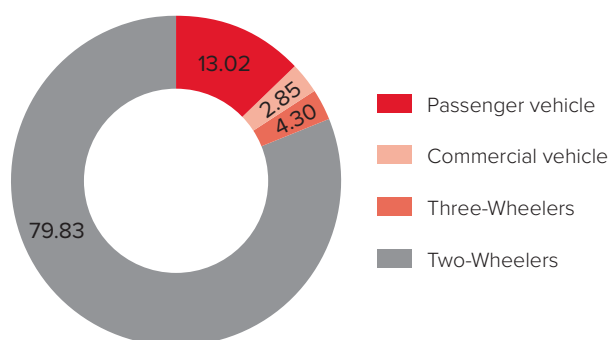
## ANNEXURE - A (Contd.)

Cumulative production across all vehicle types (PVs, CVs, 2W and 3W) declined 14.73 % to 2,63,56,187 units, a stark contrast from driving past the 25-million-vehicle mark for the first time in FY19.

### Segment-wise automobile production trends in 2019-20

Category	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Passenger vehicles	32,21,419	34,65,045	38,01,670	40,20,267	40,28,471	34,34,013
Commercial vehicles	6,98,298	7,86,692	8,10,253	8,95,448	11,12,405	7,52,022
Three-Wheelers	9,49,019	9,34,104	7,83,721	10,22,181	12,68,833	11,33,858
Two-Wheelers	1,84,89,311	1,88,30,227	1,99,33,739	2,31,54,838	2,44,99,777	2,10,36,294
Grand total	2,33,58,047	2,40,16,068	2,53,29,383	2,90,92,734	3,09,09,486	2,63,56,187

### Percentage share of each segment in total production volume in 2019-20



(Source: Moneycontrol.com - <https://www.moneycontrol.com/news/business/markets/finance-minister-sitharaman-gives-automobile-sector-a-diwali-gift-4371151.html>, SIAM)

### SIAM proposal to revive domestic automobile sector:

- Reduction in GST rate by 10% across all vehicle categories and uniform 18% rate across all auto-components
- Introduction of incentive-based vehicle scrapping scheme
- 50 per cent rebate in road tax and registration charges
- Expediting the release of all pending payments to vehicle manufacturers

5th Largest in the world

(Source: [business today.in](https://www.moneycontrol.com/news/business/markets/finance-minister-sitharaman-gives-automobile-sector-a-diwali-gift-4371151.html) - <https://www.moneycontrol.com/news/business/markets/finance-minister-sitharaman-gives-automobile-sector-a-diwali-gift-4371151.html>)

### Indian Auto-Components Industry

The domestic auto-components industry is driven by strategic technological alliance and in-house R&D setup of the industry players. The automobile demand has led to advancement and introduction of innovative solutions enabling industry to grow into a massive one. The industry now contributes 2.3% to the total GDP. Despite weak turnover, the auto-components exports rose by 2.7% to \$7.5 billion in H1 2019-20 from the previous year. Wherein, Europe accounted for 32% of exports followed by the North America and Asia. The H2 2019-20 was expected to be smooth, but it suffered a demand shock both in domestic and overseas market. Majorly, this shock was caused by the Covid-19 outbreak across the globe in the Q4 of 2019-20. The lockdown led to shutdown of factories and supply chain disruption. Given the current slowdown, auto-components makers are expected to be piled up with inventories for a couple of more quarters. However, in medium-term export opportunities, competencies and policy support is expected to be played in India's favour.

(Source: [acma, economictimes.com](https://economictimes.indiatimes.com/sluggish-demand-in-h1-auto-components-sales-fall-record-10-to-rs-1-87-lakh-crore/articleshow/72399484.cms?from=mdr) - <https://economictimes.indiatimes.com/sluggish-demand-in-h1-auto-components-sales-fall-record-10-to-rs-1-87-lakh-crore/articleshow/72399484.cms?from=mdr>)

### Indian Automotive Lighting Industry

The Indian automotive consumer has developed a taste for best in-class feature and lighting is one of them. The aesthetic look and rising safety measures play a vital role in driving the Indian automotive lighting industry. This is further enabling the automobile manufacturers to adapt strategies by introducing new lighting system for aesthetics, other drivers and pedestrian communication. Rising eco-consciousness is leading the lighting market to shift from traditional to LED lighting, owing to efficiency.

(Source: <https://mobilityforesights.com/product/automotive-led-lighting-market-in-india/>)

### Key Growth Drivers

#### Growing Localisation

The global automobile manufacturer prefer India. This preference can be attributed to friendly FDI policy, large

## ANNEXURE - A (Contd.)

population with less penetration and cheap labour. The preference of foreign entrants is an indication of India becoming the preferred manufacturing destination for auto companies.

### Rise of Shared Mobility

The shared mobility is giving birth to a new customer segment. The rise in the number of vehicles leasing and the ease of commuting for customers has helped this business model. This has created new revenue pool for automobile makers and components suppliers.

### Opportunities

#### Increasing investments in road infrastructure

Road infrastructure plays a pivotal role in driving the Indian automobile industry's growth. With rising investments in road infrastructure, an increasing number of locations will need to be connected and road conditions improved. This expanded connectivity will drive the demand for major commercial and other vehicles segments.

#### Growing working population

The automobiles, produced in the country, uniquely cater to the demands of the low- and middle-income groups. This section of the population is responsible for the sector standing out amongst other automobile-producing countries. With the rise in working population comes the rise of the per capita income. This will further drive the passenger vehicle and two-wheelers demand.

#### High export potential

India's auto-components manufacturers are introducing features in- sync with the global markets driven by various mandatory norms. This creates an excellent export opportunity for auto-components makers. They can enhance their capabilities for wider reach. In the next 10 years, the domestic auto-components industry is expected to grow five times.

#### Technological innovation

Innovation in Automotive components segment has the potential to disrupt the market; however, opportunity always exists for players with focus on R&D. The first mover advantage and capture the market share.

#### New verticals

India is gradually moving towards safe and efficient modes of transportation by pushing for electric and hybrid cars. In union budget 2019-20, the Government declared following measures for electric vehicles:

- Slashed GST from 12% to 5%
- ₹ 1.5 lakh income tax deduction on interest paid on loan taken for purchase of Electric Vehicles (EVs)

Despite a bad year for automobiles companies, the electric vehicle sales jumped by 20% from last year's 1.30 Lakh units to 1.56 Lakh units in the current year. This will open new verticals for auto-component manufacturers.

(Source: <https://www.livemint.com/companies/news/electric-vehicle-sales-in-india-up-20-in-2019-20-11587370389230.html>)

### Threats

#### Weakening economic growth

India has seen a sharp deceleration in GDP growth owing to liquidity crisis, agrarian community stress, complication in adapting to new policies and the most recent Covid-19 outbreak. If the overall economy continues facing setbacks at the same pace, a pick-up in the auto sector would be delayed.

#### Discretionary nature of the industry

Auto industries are discretionary in nature. Amidst a slowdown, spending on new vehicles is often curtailed or postponed by user, making the industry a cyclical.

#### Increasing vehicle cost

The e-mobility push, BS-VI norms compliance, rising input and insurance costs are together pushing the overall vehicle price. As a result, consumers may take some time to accept the increased pricing.

#### Business Overview

Lumax Industries Limited is a leading player engaged in aesthetic and technologically advanced automotive lighting products. The Company's wide array of products comprise automotive lighting systems such as head lamps, tail lamps, LED Lamps, sundry and auxiliary lamps. The Company caters all the divisions of auto segment in domestic and overseas market. These products are manufactured at 10 different units spread across Haryana, Uttarakhand, Maharashtra, Karnataka, and Gujarat. With strong innovation and technical tie-ups with Stanley Electric Company Ltd. Japan, Lumax Industries Limited has garnered a significant share in the Indian market.

#### Financial Performance VIS-A VIS Operational Performance

##### Standalone:

On standalone basis there was a decline of 13.50 % in Revenue from Operations in line with the Industry.

For the Financial Year 2019-20, the profit before tax and exceptional items (PBT) stood at ₹ 8,195.26 Lakhs as compared to ₹ 10,287.95 Lakhs in the previous year witnessing a decline of 20.34 %. The PBT after exceptional items stood at ₹ 8,195.26 Lakhs as compared to ₹ 13,908.22 Lakhs in the previous year due to the exceptional gain amounting to ₹ 3,620.27 Lakhs on sale of land and building in the previous year. The Profit after Tax (PAT) stood at ₹ 7,230.69 Lakhs as compared to ₹ 10,740

**ANNEXURE - A (Contd.)**

Lakhs in the previous year. The Total Comprehensive Income declined to ₹ 7,136.31 Lakhs as against ₹ 10,529.95 Lakhs in the previous year.

**Consolidated:**

At the consolidated level, the Revenue from Operations declined by 13.50 % whereas the Profit before tax (PBT) and Profit After Tax (PAT) for the Period stood at ₹ 9,173.10 Lakhs and ₹ 7,189.68 Lakhs respectively showing a decline by 31.69 % & 30.73 % respectively. The Total Comprehensive Income stood at ₹ 7,120.89 Lakhs leading to decline by 29.98% as compared to the Financial Year 2018-2019.

**Details of Key Ratio**

	2018-19	2019-20	%change
Debtors Turnover (Avg)			
Based on year closing data	9.89	10.91	10%

Reason: There is no significant change

	2018-19	2019-20	%change
Inventory Turnover			
Based on year closing data	5.94	5.49	-7.6%

Reason: There is no significant change.

	2018-19	2019-20	%change
Interest Coverage Ratio			
Based on year closing data	7.63	4.74	-38%

Reason: Due to increase in long term borrowings

	2018-19	2019-20	%change
Current Ratio			
Based on year closing data	0.65	0.59	-10.3%

Reason: There is no significant change

**Risk Management**

Risk	Impacts	Mitigation
<b>Competitive landscape</b>	An optimistic long-term industry outlook has led new players entering the market, resulting in intense competition. In case, the Company does not focus on its R & D, then this could impact its performance.	The Company's long-standing relationship with its customers, coupled with technical center, expertise and strong strategic alliance helps it stay afloat and evolve with latest trends.
<b>Raw material procurement risk</b>	The Company imports certain parts of its raw material from overseas, exposing the Company to foreign currency risk. Moreover, the Company's reliance on third party supplier can result in late delivery or failure from their end. This can impact production schedule.	The Company, over the past few years, has increased its domestic raw material procurement share as a measure to hedge against the depreciating Rupee. Multiple raw material procurement sources ensure hassle-free supply chain.

	2018-19	2019-20	%change
Debt Equity Ratio (long term debt)			
Based on year closing data	0.14	0.01	1788.9%

Reason: Due to increase in long term borrowings

	2018-19	2019-20	%change
Creditor T/O ratio			
Based on year closing data	3.77	3.68	-2.2%

Reason: There is no significant change

	2018-19	2019-20	%change
Operating Profit Margin (%)			
Based on year closing data	6.31	6.45	2%

Reason: Due to improvement in operational efficiency and cost cutting measures adopted by the Company.

	2018-19	2019-20	%change
Net Profit Margin (%)			
Based on year closing data	5.72	4.49	-22%

Reason: In previous year, there was an Exceptional Gain on sale of Land & building.

**DETAILS OF CHANGES IN RETURN ON NET WORTH**
**Return on Net Worth**

	2018-19	2019-20	%change
Based on year closing data	28.85	18.81	-35%

Reason: In previous year, there was an Exceptional Gain on sale of Land & building, apart from this exceptional gain there is no change in the Return on Net Worth.

**ANNEXURE - A (Contd.)**

**Risk Management**

<b>Risk</b>	<b>Impacts</b>	<b>Mitigation</b>
<b>Increased dependence on few customers</b>	<p>The major part of the Company revenue comes from few OEMs. The Company, therefore, stands vulnerable to different risks associated with OEMs, such as:</p> <ul style="list-style-type: none"> <li>○ Losing out a major customer</li> <li>○ Significant decrease in order volumes</li> <li>○ Decreased sales volume of the overly exposed vehicle models</li> </ul> <p>Together, these could impact the Company's operational and financial performance.</p>	<p>The Company is focussing on deepening relationship with the existing OEMs while also trying to diversify its customer base.</p> <p>Lumax Industries Limited is the preferred supplier choice because of:</p> <ul style="list-style-type: none"> <li>○ Understanding customers requirement</li> <li>○ Quality products with faster turnaround time</li> <li>○ Diversified products offerings</li> </ul>
<b>Reputation risk</b>	<p>The Company, upon failing to meet the product promises, can lead to loss of trust in its integrity and could significantly impact business performance.</p>	<p>The Company's strict quality control processes ensure products adherence to the highest quality standards at all times. It also emphasises on maintaining strict ethical standards and timely payment to supplier, creditor, bank, employees, and the Government.</p>
<b>Retaining talent</b>	<p>The Company's inability to retain best of talents can increase its training and development cost. It can affect its business strategy due to lack of internal candidates for critical roles.</p>	<p>The Company provides favourable work environment with appropriate performance appraisal and reward mechanism. A learning environment is encouraged so that all employees could upgrade their knowledge and skills. The objective is to retain quality talent.</p>

**Internal Control Systems and Adequacy**

The Company maintains an adequate and synchronised system of internal controls. It strictly adheres to various procedures, laws, rules and statutes. Keeping the nature and business complexity of operations in mind, periodic risk assessment, mitigation and monitoring is done to ensure operational efficiency. The Company's independent Auditors carry out internal audit ensuring proper recording and reporting. In case of discrepancies, the issue is immediately reported to the management and Audit committee's for timely correction. The Company's comprehensive IT system assures the safety of sensitive data and ease in audit processing. Accounting Standards are strictly followed at the time of recording transactions. The MIS system, on the other hand, strengthens the real time reporting and assists in controlling the expenses. The variance in the actual and budgeted allocation are promptly reported and corrected to ensure strict compliance.

**Material development in Human Resources/ industrial relations front**

The focus of the Human resources function is twofold - Create safe and engaging work environment and enhancing

productivity. As part of this plan, Safety is of topmost priority not only inside the organisation but immense effort has been made to improve safety culture at Tier 2 suppliers as well. Out of 72 suppliers, 26 suppliers fall in 'OK' category as per MSIL Safety Check sheet. The Company organises relevant training programs focused on effective personal productivity for the senior management. These have been well received and are proposed to be rolled out - further in the coming year. The shop floor employees undergo six days training at Gurukul before being deployed on the shop floor (Currently Gurukul set up is at 8 Manufacturing Units). This is to ensure suitably trained shop floor employees. The number of permanent employees of the Company as on 31 March 2020 were 2,270.

IT is playing an increasingly important role for the HR function by continuous 2-way communication. Employee App which was launched 1.5 years back, through this, any employee who has a grievance or observation for improvement can post his/her concern and this is then resolved in a time bound manner. This also works as an excellent feedback mechanism. During the year under review, out of 314 circles in the quality control sector, Lumax Industries received 76 awards out of which 4

## ANNEXURE - A (Contd.)

were International Awards (Gold-2, Star Award-1 and Best QC Project-1) won at ICQCC, Singapore. Quality circle is a highly regarded tool used in Japan to monitor and ensure issue redressal. Lumax Industries' employee involvement is 94% and the Company aims to achieve 100% involvement in the coming year – a reflection of its strong emphasis on quality. A big focus is also given to Kaizens and to recognise the employees "Kaizen Mela" was organised.

### Environment, Health, Safety

The Company focuses on "Safety Culture Building" by maintaining the "Safety Management System" to reduce the risk of incident and Injuries. This system includes safety rules, safety procedures, safety training, hazard identification, correction, incident reporting & investigation, capturing near miss accidents, safety communications and safety suggestions.

Safety Management System contributes, not only to improve the workplace Safety, but it also influences the organisation Safety Culture.

Apart from the above, the Company also performed below activities in Financial Year 2019-20 sincerely:

1. ST/ Duct cleaning for locations where paint material & chemicals are being used
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From last 2 Year, the Company also commenced the Fire Risk Assessment Audit for Tier-2 (65 No's.) Suppliers to reduce the fire related incident and achieved significant OK result, this year also started the Safety Audit for Tier-2 suppliers to reduce the human injury and also monitoring the injury status. Delivered the awareness program to the suppliers related to Fire and Safety.

By ensuring all the above, zero accident level has been maintained for last Four years. Induction programs & regular training of employees and the introduction of formal safety management system has contributed to mitigate future incidents.

### Cautionary Statement

Statements in the Management Discussion and Analysis Report describing your Company's projections, estimates and expectations may be interpreted as "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to its operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets in which it operates, changes in Government regulations, tax laws and other statutes. Your Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent development, information, or events.

## ANNEXURE - B

# Corporate Governance Report

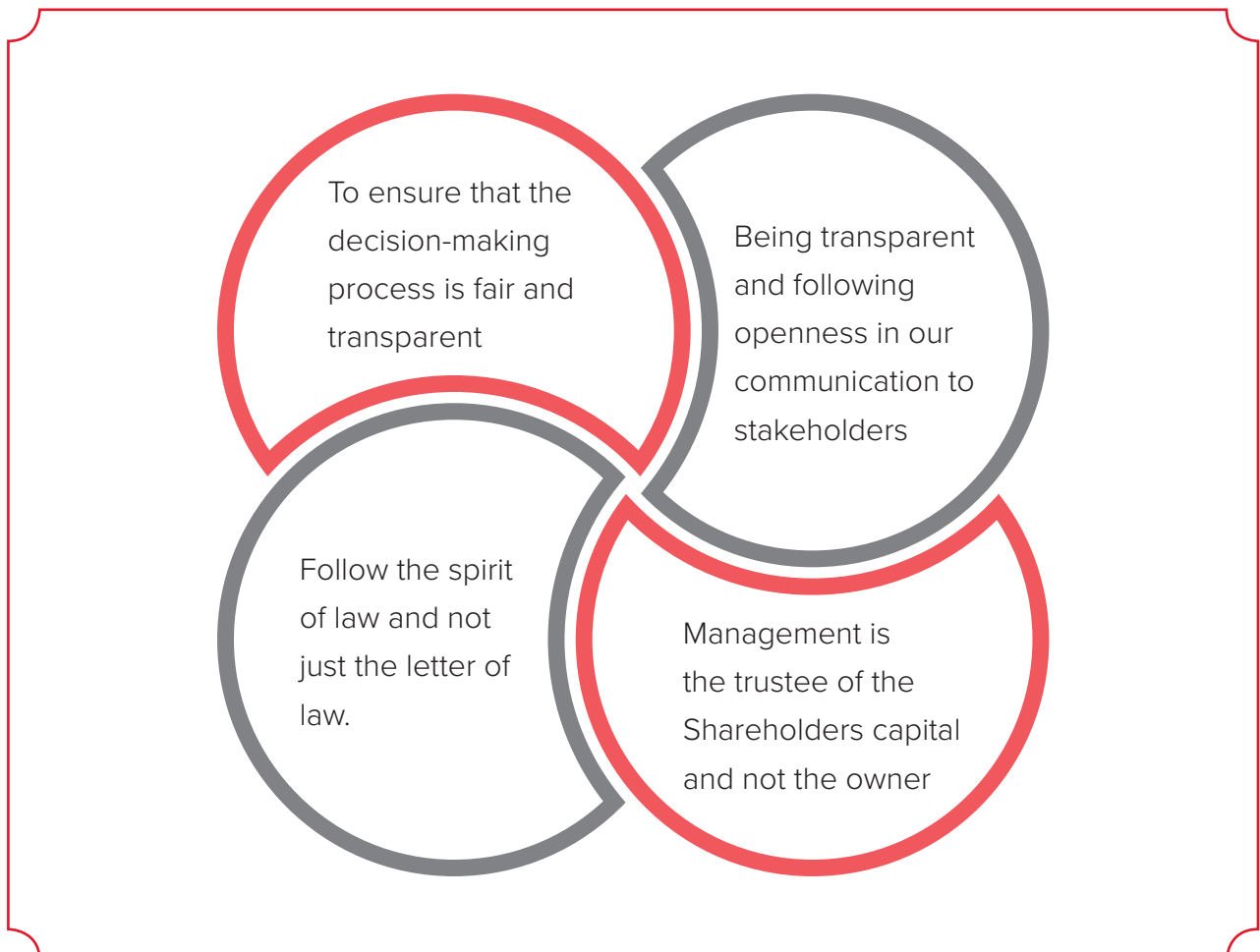
[Pursuant to Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

### 1. BRIEF STATEMENT OF COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to conduct its business within the framework of policies, internal and external regulations, in a transparent manner. The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes in doing business the right way and always seeks to ensure that the performance is driven by Respect, Integrity, Passion and Excellence. The Company believes in providing a structure that enhance stakeholder's value and society at large, by ensuring that the Company adheres to ethical standards, laws and best practices. The Company's policy on Corporate Governance is to make it a way of life by, inter alia, adopting standard Corporate Governance practices through continual improvement of internal systems and satisfaction of stakeholders. The Company in its approach to adopt the best possible practices of Corporate Governance and keeping adherence to the latest rules and regulations prescribed by various regulatory authorities, has taken all the necessary steps to stay in line with the continuously progressing governance demands.

The Company is in compliance with the requirements under Regulation 17 to 27 read with Schedule V and clause (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including any Statutory modification or re-enactment thereof (hereinafter referred to as the "Listing Regulations")

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders and is a combination of voluntary practices and compliance with laws and regulations. Lumax's philosophy on the code of Corporate Governance can be summed up as follows:



**ANNEXURE - B (Contd.)**

**Structure of Corporate Governance**

The Structure of Corporate Governance of the Company can be described as follows:



**2. BOARD OF DIRECTORS (“BOARD”)**

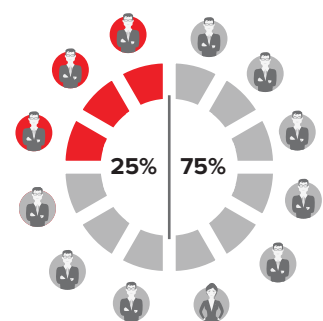
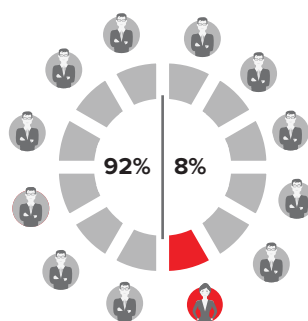
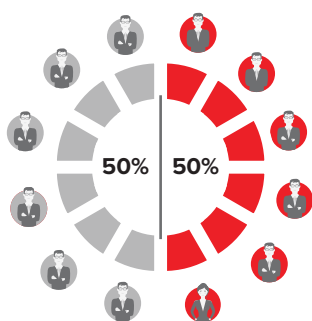
The Board is at the core of the Company’s Corporate Governance practices and oversees how the Management serves and protects the long-term interests of all the stakeholders. The Board critically evaluates Company’s strategic direction, management policies and their effectiveness.

The Company believes that an active, well-informed and Independent Board is necessary to ensure the highest standards of Corporate Governance.

**Composition and Category of Board**

At Lumax, the Board has an appropriate mix of Executive and Non – Executive Directors to maintain its independence. The Board members have in-depth knowledge of Business, in addition to the expertise in their areas of specialisation.

As on 31 March 2020 the Board comprised of twelve (12) Directors, out of which, five (5) Directors are Executive Director(s) including the Chairman & Managing Director, one (1) is Non-Executive Director and six (6) are Non-Executive Independent Director(s), including one (1) Woman Independent Director constituting 50% of Board strength. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder and is illustrated as below:



■ Executive/ Non- Executive Directors  
 ■ Independent Directors

■ Woman Director  
 ■ Men Directors

■ Indian Directors  
 ■ Foreign Directors

## ANNEXURE - B (Contd.)

## Category of Board of Directors

S. No.	Name of Directors	Category
<b>A. PROMOTER</b>		
1.	Mr. Deepak Jain	Chairman & Managing Director
2.	Mr. Anmol Jain	Joint Managing Director
<b>B. NON- PROMOTER</b>		
3.	Mr. Vineet Sahni	CEO & Senior Executive Director
4.	Mr. Tadayoshi Aoki	Senior Executive Director
5.	Mr. Koji Sawada	Executive Director
6.	Mr. Toru Tanabe	Non-Executive Director
7.	Mr. Avinash Parkash Gandhi	Independent Director
8.	Mr. Munish Chandra Gupta	Independent Director
9.	Mr. Dhiraj Dhar Gupta	Independent Director
10.	Mr. Rattan Kapur	Independent Director
11.	Mr. Rajeev Kapoor	Independent Director
12.	Mrs. Ritika Modi	Independent Director

*Note: Mr. Koji Sawada has resigned from the Board of Directors of the Company w.e.f. 18 June 2020 and Mr. Kenjiro Nakazono has been appointed as an Additional Director and Whole Time Director (Executive Director) in the Board Meeting held on 18 June 2020 and has now been recommended for the approval of the Shareholders in the ensuing Annual General Meeting of the Company to be appointed as a Director and Whole Time Director of the Company.*

**Role of Chairman and Managing Director (“CMD”)**

Mr. Deepak Jain, the CMD of the Company presides over the Meetings of the Board and Shareholders of the Company. He is primarily responsible for setting and implementing the Company’s direction and strategy under superintendence, direction and control of Board. The CMD actively oversees the functioning of the Company and ensures that all the matters needed to be considered by the Board are in fact brought before it and understands the views of all the Board Members.

**Role of Joint Managing Director (“JMD”)**

Mr. Anmol Jain is acting as the JMD of the Company and owing to the rich experience, he is primarily responsible for monitoring operations management and supply chain systems in the Company. He along with CMD ensures successful implementation of Company’s strategy and directions set by the Board for execution by the Management from time to time.

**Role of CEO & Senior Executive Director (“CEO & SED”)**

Mr. Vineet Sahni is presently the Chief Executive Officer and Senior Executive Director (CEO & SED) on the Board of the Company and has been entrusted with the responsibility of day to day and overall management of affairs of the Company both internally and externally viz. achieving annual business targets and budgetary targets, execution of long-term business plans, opportunities of expansion/acquisitions, promotion of business and industry etc. The CEO & SED acts as a link between the Board/ Managing Directors and Executive Management.

**Independent Directors**

The Company has on its Board, eminent Independent Directors who have brought in independent judgement to Boards deliberation including issues of strategy, risk management and overall governance. They play a pivotal role in safeguarding the interests of all stakeholders.

The Independent Directors have submitted declarations that they meet the criteria of independence laid down under the Companies Act, 2013 and Regulation 16 (1)(b) of the Listing Regulations and have confirmed that they do not hold Directorships more than the prescribed limits.

The Board is of the opinion that the Independent Directors fulfill the conditions specified in Listing Regulations and are Independent of the Management.

Further, as per Regulation 17(A) (1) of Listing Regulations, no Independent Director is a director in more than seven listed companies and as per Regulation 17 (A) (2) of Listing Regulations, no Independent Director of the Company serves as a whole-time director of a listed Company. Further no Director is a member in more than 10 committees of public companies nor acts as a chairperson of more than 5 committees across all listed entities in terms of Regulation 26(1) of Listing Regulations.



**ANNEXURE - B (Contd.)**

**Details of other Directorships and Chairmanship/Membership of Committees of each Director in various Companies for the Financial Year ending on 31 March 2020 including the Names of the Listed Entities and the Category of Directorship therein**

S. No.	Name of the Director	DIN	Category (Chairperson/ Executive/ Non-Executive/ Independent/ Nominee)	No. of Directorship in listed entities including this listed entity	No. of Independent Directorship in listed entities including this listed entity	No. of memberships in Audit/ Stake-holder Committee(s) including this listed entity#	No. of post of Chairperson in Audit/ Stake-holder Committee held in listed entities including this listed entity	Name of other Listed Entity and Category of Directorship
1	Mr. Deepak Jain	00004972	CMD	3	1	3	1	<ul style="list-style-type: none"> <li>Lumax Auto Technologies Limited (Non-Executive Director)</li> <li>RSWM Limited (Non-Executive Independent Director)</li> </ul>
2	Mr. Anmol Jain	00004993	JMD & ED	2	0	1	0	<ul style="list-style-type: none"> <li>Lumax Auto Technologies Limited (Managing Director)</li> </ul>
3	Mr. Vineet Sahni	03616096	CEO & ED	1	0	0	0	-
4	Mr. Tadayoshi Aoki	08053387	ED	1	0	2	0	-
5	Mr. Koji Sawada	07582189	ED	1	0	0	0	-
6	Mr. Toru Tanabe	06883767	NED	1	0	0	0	-
7	Mr. Avinash Parkash Gandhi*	00161107	ID	5	5	10	2	<ul style="list-style-type: none"> <li>Lumax Auto Technologies Limited (Independent Director)</li> <li>Schaeffler India Limited (Independent Director)</li> <li>Minda Corporation Limited (Independent Director)</li> <li>Action Construction Equipment Limited (Independent Director)</li> </ul>
8	Mr. Rattan Kapur	00304573	ID	1	1	1	0	-
9	Mr. Munish Chandra Gupta	01362556	ID	3	3	4	2	<ul style="list-style-type: none"> <li>Vardhman Acrylics Limited (Non-Executive Independent Director)</li> <li>Bhansali Engineering Polymers Limited (Non-Executive Independent Director)</li> </ul>
10	Mr. Dhiraj Dhar Gupta	01089718	ID	1	1	2	1	-
11	Mr. Rajeev Kapoor	02051466	ID	2	2	2	0	<ul style="list-style-type: none"> <li>Rico Auto Industries Limited (Non-Executive Independent Director)</li> </ul>
12	Mrs. Ritika Modi	00463560	ID	1	1	0	0	-

Note: \* Mr. Avinash Parkash Gandhi resigned from Hyundai Motor India Limited (HML) w.e.f. 01.04.2020.

# As required under Regulation 26 of Listing Regulations, the disclosure includes chairmanships/memberships of the Audit Committee and Share Transfer/Stakeholders' Relationship Committee.

## ANNEXURE - B (Contd.)

### Disclosure of relationships between Directors inter-se;

S. No.	Name of the Directors	Relationship Inter-se
1.	Mr. Deepak Jain	Related as Brother to Mr. Anmol Jain
2.	Mr. Anmol Jain	Related as Brother to Mr. Deepak Jain
3.	Mr. Vineet Sahni	Not related to any Director
4.	Mr. Tadayoshi Aoki	Related to Nominee Directors of Stanley
5.	Mr. Koji Sawada	Related to Nominee Directors of Stanley
6.	Mr. Toru Tanabe	Related to Nominee Directors of Stanley
7.	Mr. Avinash Parkash Gandhi	Not related to any Director
8.	Mr. Munish Chandra Gupta	Not related to any Director
9.	Mr. Rattan Kapur	Not related to any Director
10.	Mr. Dhiraj Dhar Gupta	Not related to any Director
11.	Mr. Rajeev Kapoor	Not related to any Director
12.	Mrs. Ritika Modi	Not related to any Director

*Note: Mr. Kenjiro Nakazono who has been appointed as an Additional Director and Whole Time Director (Executive Director) in place of Mr. Koji Sawada in the Board Meeting held on 18 June 2020 subject to the approval of the Shareholders in the ensuing Annual General Meeting of the Company, is Related to Nominee Directors of Stanley.*

### Key Skills/Expertise/Competencies of Board of Directors

In accordance with Regulation 34 (3) read with Para C of Schedule V of the Listing Regulations, the Board of Directors have identified required set of skills, expertise and competencies in context of Company's business and sector in which it is operating to function effectively and those actually available with the Board. Accordingly, the below table represents Key Skills/Expertise/Competencies considered desirable for the Board of the Company:

<b>Knowledge of Automobile/Auto Component Sector</b>	Understanding of industry and organisations involved in design, development, manufacturing, marketing and selling of automobiles and auto components
<b>Understanding of Government legislation/ legislative process</b>	Awareness of general framework of principles within which the Government is expected to act and within which regulations are issued
<b>Finance &amp; Accounting</b>	Understanding of financial statements, transactions, financial reporting process and financial controls and management of assets and liabilities
<b>Corporate Laws and Governance</b>	Understanding of Corporate rules, processes or laws by which businesses are operated, regulated or controlled
<b>Sales &amp; Marketing</b>	Development of strategies to grow market share and experience of operations and activities in global front across various geographical markets and industry verticals
<b>Human Resource Management</b>	Understanding of managing people and work culture of the organisation
<b>Information Technology</b>	Ability to understand and appreciate the importance and robust use of Information technology in various aspects of business
<b>Risk Management</b>	Ability to identify, evaluate and prioritize risks followed by coordinated and economical application of resources to minimize, monitor and control the probability or impact of unfortunate events or to maximize the realisation of opportunities
<b>Strategy Development and Implementation</b>	Appreciation of long-term trends, strategic choices and actions to reach long term goals, identification of approaches to put plans to action and monitoring of same
<b>Stakeholder Relationships</b>	Experience in building and nurturing relationships with key stakeholders viz. shareholders, customers, employees, bankers, government/semi-government authorities and fulfilment of commitment towards them
<b>Proximity to Social Issues</b>	Ability to analyse and understand impact of social issues and suggest measures to address them.

## ANNEXURE - B (Contd.)

Further, the Skill Matrix is enclosed herein:

Directors	Mr. Deepak Jain	Mr. Anmol Jain	Mr. Vineet Sahni	Mr. Toru Tanabe	Mr. Tadayoshi Aoki	Mr. Koji Sawada	Mr. Avinash Parkash Gandhi	Mr. Munish Chandra Gupta	Mr. Dhiraj Dhar Gupta	Mr. Rattan Kapur	Mr. Rajeev Kapoor	Mrs. Ritika Modi
Knowledge of Automobile/Auto Component Sector	√	√	√	√	√	√	√	√	√	√	√	√
Understanding of Government legislation/ legislative process	√	√	√	√	X	X	√	√	√	√	√	X
Finance & Accounting	√	√	√	√	√	√	√	√	√	√	√	√
Corporate Laws and Governance	√	√	√	√	√	√	√	√	√	√	X	√
Sales & Marketing	√	√	√	√	√	√	√	X	√	√	√	√
Human Resource Management	√	√	√	√	√	√	√	√	√	√	√	√
Information Technology	√	√	√	√	X	√	√	X	√	√	X	√
Risk Management	√	√	√	√	√	√	√	√	√	√	√	X
Strategy Development and Implementation	√	√	√	√	√	√	√	√	√	√	√	√
Stakeholder Relationships	√	√	√	√	√	√	√	√	√	√	X	X
Proximity to Social Issues	√	√	√	√	√	√	√	√	√	√	√	√

√ Yes X No

### Confirmation that in opinion of the Board, the Independent Directors fulfil the conditions specified in Listing Regulations and are independent from the Management

Based on the declarations/disclosures/intimations received from the Independent Directors, as prescribed under Companies Act, 2013 and Listing Regulations, the Board confirms that in their opinion, the Independent Directors fulfil the conditions of independence as specified in Listing Regulations and are independent from the management of the Company.

### Detailed reason for the resignation of an Independent Director who resigns before expiry of tenure along with confirmation by such Director that there are no material reasons

During the year under review, no Independent Director resigned before expiry of tenure.

### Number of shares and convertible instruments held by Non-Executive Directors:

During the year under review, none of the Non-Executive Directors held any shares in the Company.

### 3. BOARD MEETINGS – PROCEDURES AND FLOW OF INFORMATION

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Corporate Office in Gurugram and all the necessary information and documents as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations pertaining to the Meetings are made available to Board of Directors. Senior Executives / Management Team and Statutory Auditors of the Company are invited to attend Meetings of the Board and Committees, to

## ANNEXURE - B (Contd.)

make presentations covering Finance, Sales, major business segments and operations of the Company, all business areas of the Company including business opportunities, business strategy and the risk management practices and Internal Audit issues and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and approve the financial results.

The Companies Act, 2013 read with the relevant rules made thereunder, facilitates the participation of a Director in the Board/ Committee meetings through video conferencing or other audio-visual means. Accordingly, the Directors who wish to participate in the Meetings through video conferencing were permitted and the video conferencing facilities were made available to them, except in respect of restricted items which are not permitted to be transacted through the said means.

The Agenda for the Meetings of the Board and its Committees are circulated well in advance, as per the Secretarial Standards issued by the Institute of Company Secretaries of India, to the Directors to ensure sufficient time is provided to prepare for the Meetings. In the path of digitisation and with a view to ensure its commitment to Go-Green initiative of the Government, most of the times the Company circulates to its Directors, notes to Agenda for Board/ Committee Meetings through an electronic platform thereby ensuring high standards of security and confidentiality of Board papers.

### Attendance Record of Directors at Board Meetings & previous Annual General Meeting (AGM)

During the Financial Year under review, the Board met Seven (7) times and the Attendance Record of Directors in Board Meeting and AGM for the Financial Year are tabulated below:

S. No.	Name of the Directors	Board Meetings							AGM
		05.04.19	14.05.19	02.08.19	19.09.19	12.11.19	01.02.20	16.03.20	23.08.19
1.	Mr. Deepak Jain	✓	✓	✓	✓	✓	✓	✓	✓
2.	Mr. Anmol Jain	✓	✓	✓	✓	✓	✓	✓	✓
3.	Mr. Vineet Sahni	✓	✓	✓	×	✓	✓	✓	✓
4.	Mr. Tadayoshi Aoki	✓	✓	✓	×	✓	✓	✓	✓
5.	Mr. Koji Sawada	✓	✓	✓	×	✓	✓	✓	✓
6.	Mr. Toru Tanabe	×	×	📺	×	×	×	×	×
7.	Mr. Avinash Parkash Gandhi	✓	✓	✓	✓	✓	✓	✓	✓
8.	Mr. Munish Chandra Gupta	✓	✓	✓	✓	✓	✓	✓	✓
9.	Mr. Dhiraj Dhar Gupta	✓	✓	×	×	✓	✓	✓	✓
10.	Mr. Rattan Kapur	✓	✓	✓	×	✓	✓	✓	✓
11.	Mr. Rajeev Kapoor	✓	✓	×	✓	✓	✓	✓	✓
12.	Mrs. Ritika Modi	✓	×	✓	✓	✓	×	✓	×

✓ Present    × Absent

📺 Attended through Video Conferencing

### Number of Board Meetings held and the dates on which held

The Board of Directors met Seven (7) times during the Financial Year 2019-20. The intervening period between two Board Meetings was well within the maximum time gap of 120 days, as prescribed under Listing Regulations. The dates on which Board Meetings were held during the year were as under:-

S. No.	Date of Board Meeting	Board's Strength	No. of Directors Present
1.	5 April 2019	12	11
2.	14 May 2019	12	10
3.	2 August 2019	12	10
4.	19 September 2019	12	6
5.	12 November 2019	12	11
6.	1 February 2020	12	10
7.	16 March 2020	12	11

## ANNEXURE - B (Contd.)

### Meeting of Independent Director

In accordance with Section 149 (7) of Companies Act, 2013 read with Para VII (1) of Schedule IV of the Companies Act, 2013 and Regulation 25 of Listing Regulations a separate Meeting of the Independent Directors of the Company was held on 16 March, 2020, without the presence of Non-Independent Directors and Members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive, Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

### Web link where details of familiarisation program imparted to Independent Directors is disclosed

The Company periodically provides orientation and business overview to its Directors by way of detailed presentations. Such meetings/programs include briefings on the culture, values, business model, domestic and global business of the Company, the roles and responsibilities of Directors and senior executives. Besides these, the Directors are regularly updated about Company's new projects, R&D initiatives, changes in regulatory environment and strategic direction.

The Independent Directors are provided with all the documents/reports/policies sought by them for enabling a good understanding of the Company, its various operations and the industry of which is a part. The Independent Directors are also provided with regular updates on relevant statutory changes to ensure that they remain up to date on the Compliance framework.

The details of such Familiarisation Program for Independent Directors are posted on the website of the Company and the web link of the same is provided here under:

<https://www.lumaxworld.in/lumaxindustries/corporate-governance.html>

## 4. COMMITTEES OF THE BOARD

As on 31 March 2020, the Company consists of four (4) statutory committees which have been mandated under the provisions of Companies Act, 2013 and Listing Regulations. Every Committee has an important role to play within terms of its reference. The process and procedure related to the Board Meetings are also applicable and followed in the Committee Meetings. The agenda items placed before consideration by

Committees are recommended for approval in the Board Meetings.

### Audit Committee

#### Brief Description of terms of reference

The Audit Committee has been duly constituted as per Section 177 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. The Audit Committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of Audit Committee as enshrined in Part C of Schedule II of Listing Regulations is as follows:

- (i) to oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible;
- (ii) to recommend the appointment, remuneration and terms of appointment of Statutory Auditors;
- (iii) approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- (iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- (v) reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;

**ANNEXURE - B (Contd.)**

- (vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - (vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (viii) approval or any subsequent modification of transactions of the listed entity with related parties;
  - (ix) scrutiny of inter-corporate loans and investments;
  - (x) valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (xi) evaluation of internal financial controls and risk management systems;
  - (xii) reviewing, with the management, performance of Statutory and Internal auditors, adequacy of the internal control systems;
  - (xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
  - (xiv) discussion with internal auditors of any significant findings and follow up there on;
  - (xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - (xvi) discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (xviii) to review the functioning of the whistle blower mechanism;
  - (xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (xx) carrying out any other function as is mentioned in the terms of reference of the audit committee.
  - (xxi) reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- In addition, the Audit Committee shall mandatorily review the following information:
- (i) management discussion and analysis of financial condition and results of operations;
  - (ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (iii) management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - (iv) internal audit reports relating to internal control weaknesses; and
  - (v) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.
  - (vi) statement of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).
  - (vii) Any other matter with the specific permission of the Committee or referred by the Board.
- The Disclosure with regard to the change in the accounting policies & major accounting entries have been given in the Directors Report and the same is also mentioned herein the Corporate Governance Report:
- During the Financial Year 2019-2020, the Company has adopted Ind AS 116.
- The Board of Directors of the Company in its Meeting held on 20 March 2019 had approved

## ANNEXURE - B (Contd.)

the commencement of In- house manufacturing of the PCB business for its captive consumption with effect from 1 April 2019. Accordingly, in the Meeting of Board dated 5 April 2019, the Company approved acquiring of assets (including Plant & Machineries, Allied Infrastructures and Capital work in progress) for manufacturing of PCB's for ₹ 2,245.41 Lakhs and an unsold Inventory at ₹ 2,394 Lakhs from Lumax

Auto Technologies Limited. The fair values of assets (i.e. Property, plant and equipment and other intangible assets) acquired amounts to ₹ 1,267.83 Lakhs resulting to the Goodwill of ₹ 977.58 Lakhs which is attributable to synergies expected to be achieved from integrating PCB into the Company's existing business.

### Composition, Name of Members and Chairperson

As on 31 March 2020, the Audit Committee comprised of seven (7) members including five (5) Non-Executive Independent Directors. The Composition of the Audit Committee as on 31 March 2020 was as follows:

S. No.	Name	Status	Category of membership
1.	Mr. Avinash Parkash Gandhi	Chairman	Non-Executive Independent Director
2.	Mr. Munish Chandra Gupta	Member	Non-Executive Independent Director
3.	Mr. Dhiraj Dhar Gupta	Member	Non-Executive Independent Director
4.	Mr. Rattan Kapur	Member	Non-Executive Independent Director
5.	Mr. Rajeev Kapoor	Member	Non-Executive Independent Director
6.	Mr. Deepak Jain	Member	Chairman & Managing Director
7.	Mr. Tadayoshi Aoki	Member	Senior Executive Director

### Meetings and Attendance

The Audit Committee met Five (5) times during the Financial Year ended 31 March 2020. The details of Meetings held and attendances of Directors in those Meetings are tabulated as under:

S. No.	Name of the Directors	Details of Audit Committee Meetings					Number of Meetings Attended
		05.04.19	14.05.19	02.08.19	12.11.19	01.02.20	
1.	Mr. Avinash Parkash Gandhi	✓	✓	✓	✓	✓	5
2.	Mr. Munish Chandra Gupta	✓	✓	✓	✓	✓	5
3.	Mr. Dhiraj Dhar Gupta	✓	✓	×	✓	✓	4
4.	Mr. Rattan Kapur	✓	✓	✓	✓	✓	5
5.	Mr. Rajeev Kapoor	✓	✓	✓	✓	✓	5
6.	Mr. Deepak Jain	✓	✓	✓	✓	✓	5
7.	Mr. Tadayoshi Aoki	✓	✓	✓	✓	✓	5

✓ Present    × Absent

The Internal Auditors of the Company report the findings of internal audits directly to the Audit Committee. The Statutory Auditors, Finance Head are invitees to the Audit Committee Meetings as and when required. The Company Secretary acts as the Secretary to the Audit Committee.

## ANNEXURE - B (Contd.)

### Nomination And Remuneration Committee.

#### Brief Description of terms of reference

The Nomination and Remuneration Committee has been duly constituted in accordance with the Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations and its terms of reference is in compliance with the governing provisions of the Companies Act, 2013 and Listing Regulations. The role of the Nomination and Remuneration Committee is in line with those specified in Part D of the Schedule II and is as follows:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (iii) Devising a policy on diversity of Board of Directors;
- (iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- (v) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- (vi) Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- (vii) Undertake any other matters as may be prescribed by Board from time to time

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

#### Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee comprises of Three (3) Directors as its Members. All the Members of the Committee are Non-Executive Independent Directors and have sound knowledge of management practices. The Chairman of the Committee is a Non-Executive Independent Director. The composition of the Nomination and Remuneration Committee as on 31 March 2020 is given as below:

S. No.	Name of Directors	Status	Category of Membership
1.	Mr. Rattan Kapur	Chairman	Non-Executive Independent Director
2.	Mr. Avinash Parkash Gandhi	Member	Non-Executive Independent Director
3.	Mr. Dhiraj Dhar Gupta	Member	Non-Executive Independent Director

#### Meetings and Attendance

The Nomination and Remuneration Committee had met Four (4) times during the Financial Year 1 April 2019 to 31 March 2020.

The attendance of the Members in the Nomination & Remuneration Committee Meeting is as under:

S. No.	Name of the Directors	Details of Meetings Held				Number of Meetings Attended
		14.05.2019	02.08.2019	12.11.2019	01.02.2020	
1.	Mr. Rattan Kapur	✓	✓	✓	✓	4
2.	Mr. Avinash Parkash Gandhi	✓	✓	✓	✓	4
3.	Mr. Dhiraj Dhar Gupta	✓	×	✓	✓	3

✓ Present    × Absent



## ANNEXURE - B (Contd.)

### Performance evaluation of Board, Committees etc.

One of the key responsibilities endowed on Board and Nomination and Remuneration Committee is to ensure continuity of a dynamic and forward-thinking Board and Committees of Board. In order to achieve the same, a formal annual evaluation of Board, Committees and Individual Directors (including Independent Directors) as per the provisions of Companies Act, 2013 and Listing Regulations was carried out with a view to ensure that individual Directors and the Board as a whole work efficiently and effectively in achieving Company's objectives.

The overall responsibility of the said exercise laid with Nomination and Remuneration Committee.

The Independent Directors were evaluated on various performance indicators including aspects relating to:

- Ethical Standards of Integrity and probity.
- Exercises objective independent judgement in the best interests of the Company.
- Effectively assisted the Company in implementing best Corporate Governance Practices.
- Willingness to devote time and effort to understand the Company and its business.
- Adherence to applicable code of conduct and fulfillment of Director's obligations.
- Independent judgement during Board deliberations on Strategy, performance etc.
- Maintaining high level of Confidentiality.
- Interpersonal relationships with fellow Board Members and Senior Management.

### Share Transfer/Stakeholders Relationship Committee

In adherence with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of Listing Regulations the Company has constituted a Share Transfer/Stakeholders Relationship Committee to address Investors grievances, redressal mechanism and recommends measures to improve the level of Investors' services and to look into and decide matters pertaining to share transfers, duplicate share certificates and related matters. The terms of reference of the Committee, inter-alia, include the following:

- (i) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared Dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed Dividends and ensuring timely receipt of Dividend warrants/annual reports/statutory notices by the Shareholders of the Company.

### Name of Non- Executive Director heading the Committee

Mr. Dhiraj Dhar Gupta, Non- Executive Independent Director is the Chairman of Share Transfer/Stakeholders Relationship Committee. The Committee comprises of Three (3) Members and the details of composition of the Committee as on 31 March 2020 is given as below:

S. No.	Name of Directors	Status	Category of Membership
1.	Mr. Dhiraj Dhar Gupta	Chairman	Non-Executive Independent Director
2.	Mr. Deepak Jain	Member	Chairman & Managing Director
3.	Mr. Tadayoshi Aoki	Member	Senior Executive Director

### Name and Designation of Compliance Officer

Mr. Pankaj Mahendru, Company Secretary is the Compliance Officer and acts as Secretary to the Committee.

## ANNEXURE - B (Contd.)

### Status of Shareholders Complaints/Grievances Received, pending and resolved

During the Financial Year under review, the category and status of Shareholder/Investor Complaints/Grievances are as follows:

S. No.	Particulars Nature of Complaints/ Grievances	No. of Complaints			
		Opening Balance	Received	Resolved	Pending
1.	Non receipt of Share Certificate	0	11	11	0
2.	Non receipt of Dividend	0	114	114	0
3.	Non receipt of Annual Report	0	7	7	0
4.	Scores	0	6	6	0
5.	SEBI	0	0	0	0
6.	Stock Exchange	0	1	1	0

### Meetings and Attendance:

During the Financial year under review Nine (9) Meetings of Committee were held. The following is the attendance record at the Committee Meeting:

S. No.	Names of Directors	Details of Meetings Held									No. of Meetings attended
		14.05.2019	07.06.2019	02.08.2019	23.08.2019	10.10.2019	12.11.2019	12.12.2019	01.02.2020	04.03.2020	
1.	Mr. Dhiraj Dhar Gupta	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
2.	Mr. Deepak Jain	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
3.	Mr. Tadayoshi Aoki	✓	✓	✓	✓	✓	✓	✓	✓	✓	9

✓ Present

### Corporate Social Responsibility (CSR) Committee

The CSR Committee of the Board has been constituted pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The role of committee includes:

- to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act
- to recommend the amount of expenditure to be incurred on such activities
- to monitor the Corporate Social Responsibility Policy of the Company from time to time.

### Composition, Chairperson and Name of Members

The Composition of Corporate Social Responsibility Committee as on 31 March 2020 is as under:

S. No.	Name of Directors	Status	Category of Membership
1.	Mr. Munish Chandra Gupta	Chairman	Non-Executive Independent Director
2.	Mr. Avinash Parkash Gandhi	Member	Non-Executive Independent Director
3.	Mr. Deepak Jain	Member	Chairman & Managing Director
4.	Mr. Anmol Jain	Member	Joint Managing Director

**ANNEXURE - B (Contd.)**
**Meetings and Attendance**

During the Financial Year under review Two (2) Meetings of CSR Committee were held. The attendance record of Directors is as follows:

S. No.	Name of the Directors	Date of Meetings held	
		14.05.2019	19.09.2019
1	Mr. Munish Chandra Gupta	✓	✓
2.	Mr. Avinash Parkash Gandhi	✓	✓
3.	Mr. Deepak Jain	✓	✓
4.	Mr. Anmol Jain	✓	✓

✓ Present

**5. REMUNERATION OF DIRECTORS**
**All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company**

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors and Independent Directors during the Financial Year 2019-20 except for the Sitting Fees paid/payable to them for attending the meetings of the Board/Committees of Directors.

**Criteria of making payments to Non-Executive Directors**

The Criteria of making payments to Non-Executive Directors has been given on the Company's Website i.e. [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries). While deciding the payments to be made to Non- Executive Directors various factors such as Director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, etc. were taken into consideration.

The Non-Executive Directors are entitled to sitting fees for attending Meetings of the Board or Committees thereof as may be decided by the Board from time to time.

**Disclosures with respect to Remuneration**
**Remuneration paid to Executive Directors**

The details of remuneration paid to Executive Directors during the Financial Year ended 31 March 2020 are as follows:

							(₹ In Lakhs)
S. No.	Name of the Directors	Salary (₹)	Perquisites and other benefits	Statutory & Other Contribution	Commission	Total	
1.	Mr. Deepak Jain	72.00	47.53	15.84	243.00	378.37	
2.	Mr. Anmol Jain	31.20	17.51	6.86	0.00	55.57	
3.	Mr. Vineet Sahni	101.96	154.49	32.63	86.96	376.04	
4.	Mr. Tadayoshi Aoki	2.88	14.72	0.00	0.00	17.60	
5.	Mr. Koji Sawada	2.88	13.61	0.00	0.00	16.49	

**Payments made to Non-Executive Independent Directors**

Details of payments in form of Sitting Fees for attending Board Meetings and Committee Meetings paid to the Independent Directors during the Financial Year ended 31 March 2020 are as under:

S. No.	Name of the Directors	Board Meetings	Audit Committee Meetings	Nomination & Remuneration Committee Meetings	CSR Committee Meetings	Independent Directors Meeting	Total (₹ In Lacs)
1.	Mr. Avinash Parkash Gandhi	2.80	1.00	0.80	0.40	0.40	5.40
2.	Mr. Munish Chandra Gupta	2.80	1.00	NA	0.40	0.40	4.60
3.	Mr. Dhiraj Dhar Gupta	2.00	0.80	0.60	NA	0.40	3.80
4.	Mr. Rattan Kapur	2.40	1.00	0.80	NA	0.40	4.60
5.	Mr. Rajeev Kapoor	2.40	1.00	NA	NA	0.40	3.80
6.	Mrs. Ritika Modi	2.00	NA	NA	NA	0.40	2.40

NA: Not Applicable

## ANNEXURE - B (Contd.)

**Service Contracts, Notice Periods, Severance Fees**

The service contracts, Notice Periods and severance fees are not applicable to Executive Directors, Non-Executive or Independent Directors. The term and tenure of appointment of all the Directors are governed through Board / Shareholders Resolutions.

**Stock Options Details, if any:**

No stock options have been granted to any Directors during the Financial Year 2019-20.

**6. GENERAL BODY MEETINGS**

**Location, date and time of Annual General Meetings (AGM's) held during the previous three (3) years are given in as under**

Financial year	Date	Time	
2016-17	22-07-2017	10:30 A.M.	Air Force Auditorium, Subroto Park, New Delhi- 110010
2017-18	18-07-2018		
2018-19	23-08-2019		

Details of Extraordinary General Meeting (EGM) held: No EGM was held during the previous three (3) years.

**Details of Special Resolutions passed in previous three AGM's are as follows:**

**AGM held on 22 July 2017**

- Re-appointment of Mr. Eiichi Hirooka (DIN: 03570733) as Senior Executive Director for a period of 3 years.
- Appointment of Mr. Koji Sawada (DIN: 07582189) as an Executive Director for a period of 3 years.

**AGM held on 18 July 2018**

- Appointment of Mr. Tadayoshi Aoki (DIN: 08053387) as Senior Executive Director for a period of 3 years.
- Appointment of Mr. Vineet Sahni (DIN: 03616096) as Senior Executive Director for a period of 5 years.

**AGM held on 23 August 2019**

- Re-appointment of Mr. Avinash Parkash Gandhi (DIN: 00161107) as an Independent Director for a Second Term and Continuation of Directorship.
- Re-appointment of Mr. Munish Chandra Gupta (DIN: 01362556) as an Independent Director for a Second Term and Continuation of Directorship.
- Re-appointment of Mr. Dhiraj Dhar Gupta (DIN: 01089718) as an Independent Director for a Second Term.
- Re-appointment of Mr. Rattan Kapur (DIN: 00304573) as an Independent Director for a Second Term.

**Details of Special Resolution passed last year through Postal Ballot**

The details pertaining to conducting of Postal Ballot during last year and Special Resolutions passed thereat are as follows:

1. Special Resolution for continuation of Directorship of Mr. Avinash Parkash Gandhi (DIN: 00161107) (Non-Executive Independent Director) for Present Term.
2. Special Resolution for continuation of Directorship of Mr. Munish Chandra Gupta (DIN: 01362556) (Non-Executive Independent Director) for Present Term.

Date of Notice of Postal Ballot: 14 May 2019

Voting Period: 27 May 2019 (09:00 a.m.) to 25 June 2019 (05:00 p.m.)

Date of Declaration of Result: 26 June 2019

Date of Approval: 25 June 2019

A summary of the voting pattern is as follows:

No. of Votes Polled	No. of Votes in favour	No. of Votes against	% of Votes in favour on Votes Polled	% of Votes against on Votes Polled
69,69,436	68,63,013	1,06,423	98.47	1.53

**Person who conducted the Postal Ballot exercise**

Mr. Maneesh Gupta, Practicing Company Secretary, FCS No. 4982 was appointed as the Scrutinizer for conducting the Postal Ballot in accordance with the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 made thereunder in a fair and transparent manner.

**Special Resolution proposed through Postal Ballot**

There are no Special Resolutions proposed through Postal Ballot.

**Procedure of Postal Ballot**

In Compliance with the provisions of Section 110 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 made thereunder, the Company completed the dispatch of Postal Ballot notice on 25 May 2019 along with the Postal Ballot Forms and self-addressed postage pre-paid Business Reply Envelopes to the Shareholders whose names appeared in the register of shareholders/ list of beneficiaries as on cut-off date i.e. 17 May 2019. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable rules.

## ANNEXURE - B (Contd.)

The Company also provided the facility of remote e-voting to the Members to cast their votes electronically, in accordance with Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations. The Company engaged the services of KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) for the purpose of providing remote e-voting facility. The Shareholders had the option to vote either by physical ballot or e-voting.

Shareholders were advised to carefully read the instructions printed on the Postal Ballot Form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinizer on or before 05:00 P.M. (IST) on Tuesday, 25 June 2019 in case of Members desiring to exercise their votes by physical postal ballot forms. Members voting through electronic mode were requested to follow the instructions for e-voting and could vote from Monday, 27 May 2019 at 09:00 A.M. (IST) and ends on Tuesday, 25 June 2019 at 05:00 P.M. (IST).

The Scrutinizer submitted his report to the Chairman of the Company after completion of the scrutiny on 26 June 2019 and the results of the voting by means of Postal Ballot (including voting through electronic means) were announced on 26 June 2019 at 05:00 P.M. at the Registered Office of the Company. The said results were published in the newspapers within 48 hours of the declaration of the results and were also placed on the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries), besides being communicated to Stock Exchanges.

For further details on the above the Shareholders may visit <https://www.lumaxworld.in/lumaxindustries/postal-ballot.html>

### 7. MEANS OF COMMUNICATION

In compliance with Regulation 46 of the Listing Regulations, the Company's website, [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries) contains a dedicated functional segment, named 'INVESTORS' where all the information meant for the Shareholders is available, including information on Directors, shareholding pattern, quarterly reports, financial results, annual reports, press releases, details of unpaid/unclaimed Dividends and various policies of the Company.

#### **Financial Results (quarterly/half-yearly/annual), Newspapers wherein Results are normally published and Website where displayed**

Pursuant to Regulation 33 of Listing Regulations, the Company has regularly furnished within the prescribed timeline the quarterly unaudited as well as annual audited financial results to both the Stock Exchanges i.e. BSE & NSE.

Quarterly and Annual Financial Results are also published in English language national daily newspaper viz. Financial Express circulating in the whole of India and in daily newspaper published in the vernacular language viz. Jansatta in state where Registered Office of the Company is situated. The same are also made available on the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries)

#### **Presentations made to Institutional Investors or to the Analysts**

Detailed presentations are made to the investors of Company and the same are hosted on the Company's website at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries) and are disseminated on the Stock Exchanges viz. BSE and NSE

#### **Official News Releases/ Conference Calls with Investors**

All official news and media releases, invitations and transcript of the Analyst/ Investor conference call are posted on the website of the Company under Investors Tab and disseminated on the Stock Exchanges viz. BSE and NSE

#### **Annual Report**

The Annual Report containing, inter-alia, the Audited Financial Statements (Standalone & Consolidated), Board's Report, Auditors' Report, Management Discussion and Analysis (MDA) report and other important information is circulated to Shareholders and other stakeholders and is also available on the Company's website at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

#### **Stock Exchange**

The Company makes timely disclosure of prescribed information to BSE and NSE in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

#### **BSE Corporate Compliance & Listing Centre (the Listing Centre)**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

#### **NSE Electronic Application Processing System (NEAPS)**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

#### **Reminders/Correspondences with Investors**

The periodical reminders to Shareholders regarding unclaimed shares/Dividend, e-mail registrations, Notice

## ANNEXURE - B (Contd.)

of General Meetings or any other information required to be disseminated under applicable statutes are sent to them in electronic form.

### 8. GENERAL SHAREHOLDERS INFORMATION

#### Annual General Meeting

The 39th Annual General Meeting of the Company is scheduled as under:

Date :	28 August 2020
Day :	Friday
Time :	10:30 A.M.
Venue :	Through Video Conference or Other Audio Visual Means (VC/OAVM)

**Financial Year :** 1 April to 31 March

**For the Financial Year 2019-20 Results were announced on:**

Adoption of Quarterly Results Ended	Dates
30 June 2019	2 August 2019
30 September 2019	12 November 2019
31 December 2019	1 February 2020
31 March 2020 (Audited Annual Accounts)	18 June 2020

**Financial Calendar for Financial Year 2020-21 (Provisional)**

Adoption of Quarterly Results Ended	Tentative Calendar
30 June 2020	On or before 14 August 2020
30 September 2020	On or before 14 November 2020
31 December 2020	On or before 14 February 2021
31 March 2021 (Audited Annual Accounts)	On or before 30 May 2021

#### Dividend & Dividend Payment Date

During the year under review and based on the Company's performance, the Board of Directors at their meeting held on 16 March 2020, declared and paid an interim dividend of ₹ 17.50 per equity share (i.e. 175%) of face value of ₹ 10/- each.

The Interim dividend was to be paid to the Shareholders by April 13, 2020. The Company on April 12, 2020 has intimated to the Stock Exchanges that the Electronic Payment towards the said dividend via NEFT/ RTGS/ Direct Credit/NACH to the Shareholders, whose bank account details were registered with the respective Depository Participants (DP's), was made on Monday, March 30, 2020 and the shareholders to whom the dividend through non electronic mode was to be paid through issuance of Bank Warrants/Demand Drafts (DDs), there will be a delay in the receipt of Bank Warrants/DDs by the shareholders as the courier and/or postal

services in the India have been suspended or not operating due to the nation-wide lockdown announced by the Government of India on the backdrop of COVID-19 pandemic. The respective Bank Warrants/Demand Drafts (DDs) have been duly printed but could not be dispatched due to the aforesaid reason.

Further the Company has dispatched the Bank Warrants/DDs to the shareholders on June 11, 2020.

Further, Board of Directors have recommended, a final Dividend @ ₹ 6/- per equity share (i.e. 60 %) of face value of ₹ 10/- each for the Financial Year 2019-20 which was considered by the Board in its meeting held on 18 June 2020, for the approval of Shareholders in the ensuing Annual General Meeting ("AGM").

For Demat Shareholders who have opted for NECS/ECS, Dividend amount of ₹ 6/- per share will be credited directly to their respective bank accounts, wherever such facilities are available, soon after the declaration of Dividend in the AGM (subject approval of Shareholders in the ensuing Annual General Meeting). For others, Dividend Warrants/Demand Drafts will be posted on or before 25 September 2020 (tentative).

**Date of Book Closure :** Saturday, the 22 August 2020 to Friday, the 28 August 2020 (both days inclusive)

**Name and address of Stock Exchanges where Securities are listed**

Names of Stock Exchanges	Address
BSE Limited	Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

#### Stock Codes

The Company's stock codes on the above stock exchanges are as below:

<b>BSE</b>	<b>517206</b>
<b>NSE</b>	<b>LUMAXIND</b>

The ISIN of the Company is INE162B01018.

#### Annual Listing Fees

The Listing Fees for the Financial Year 2020-21 has been paid to the BSE Limited and National Stock Exchange of India Limited within stipulated time.

#### Market price data – High and Low during each month in Financial Year 2019-2020

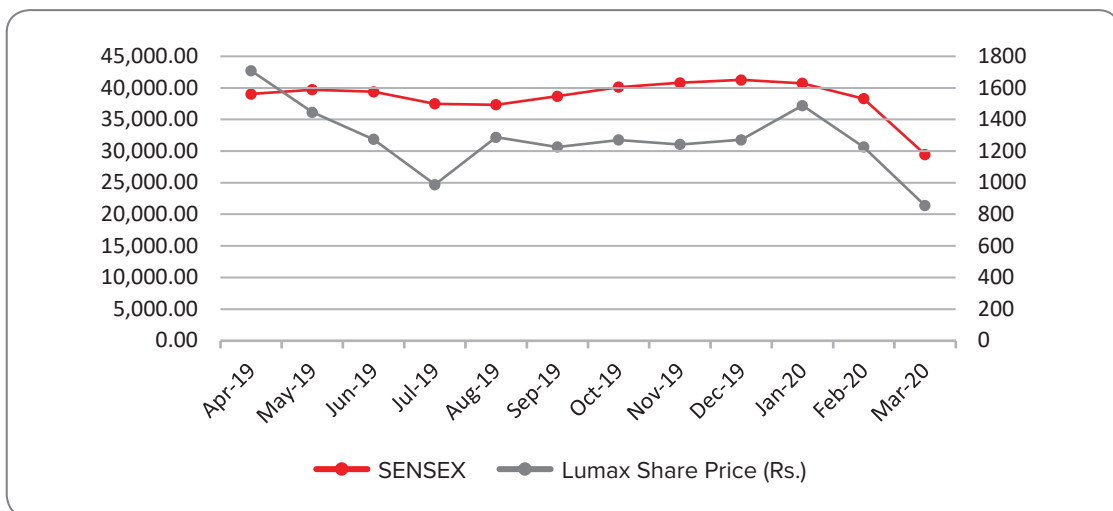
The monthly High and Low Prices and volumes of the Shares of the Company at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the Financial Year 2019-20 are as follows:

**ANNEXURE - B (Contd.)**

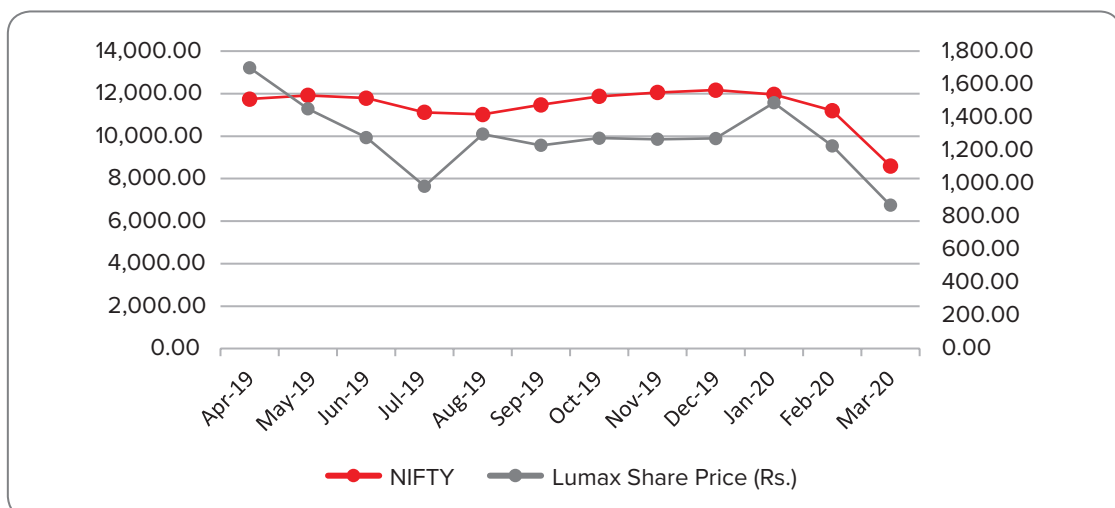
MONTH	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (Total Traded Quantity)
Apr-19	1,865.00	1,660.00	2,108	1,854.80	1,675.05	29,938
May-19	1,787.00	1,343.00	12,087	1,710.00	1,339.95	81,100
Jun-19	1,500.00	1,223.05	4,168	1,498.75	1,225.00	62,761
Jul-19	1,329.00	930.00	5,713	1,305.55	930.00	79,713
Aug-19	1,356.95	912.10	6,646	1,350.00	910.00	92,719
Sep-19	1,337.50	1,130.00	3,722	1,349.40	1,120.90	39,553
Oct-19	1,300.95	1,085.00	5,629	1,310.00	1,135.00	57,114
Nov-19	1,300.00	1,174.00	2,933	1,299.00	1,201.65	36,474
Dec-19	1,323.50	1,111.00	2,833	1,327.95	1,110.00	78,214
Jan-20	1,544.00	1,251.00	8,657	1,559.90	1,241.00	1,10,475
Feb-20	1,540.00	1,211.00	4,339	1,534.20	1,211.00	76,000
Mar-20	1,370.00	702.00	10,698	1,383.75	677.80	1,31,667

(Source: This information is compiled from the data available on the website of BSE & NSE)

**Lumax Share Price and BSE Sensex Movement**



**Lumax Share Price and NSE Nifty Movement**



## ANNEXURE - B (Contd.)

**Stock Performance in comparison to broad-based Indices from April 2019 to March 2020 is given below**

The table below represents the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the Financial Year ended 31 March 2020:

MONTH	Share price at BSE	SENSEX	Share price at NSE	NIFTY
April 2019	1709.60	39,031.55	1,698.70	11,748.15
May 2019	1445.55	39,714.20	1,451.50	11,922.80
June 2019	1274.70	39,394.64	1,277.50	11,788.85
July 2019	987.50	37,481.12	983.60	11,118.00
August 2019	1,287.30	37,332.79	1,298.35	11,023.25
September 2019	1,225.50	38,667.33	1,230.35	11,474.45
October 2019	1,270.70	40,129.05	1,274.15	11,877.45
November 2019	1,242.00	40,793.81	1,266.80	12,056.05
December 2019	1,271.35	41,253.74	1,271.80	12,168.45
January 2020	1,488.55	40,723.49	1,487.75	11,962.10
February 2020	1,226.30	38,297.29	1,227.85	11,201.75
March 2020	855.60	29,468.49	867.55	8,597.75

(Source: This information is compiled from the data available on the website of BSE & NSE)

**In case the securities are suspended from trading, the Boards' Report shall explain the reason thereof**

The Securities of the Company have not been suspended for trading at any point of time during the Financial Year ended 31 March 2020.

**Registrar to an issue and share transfer agents ("RTA")**

M/s KFin Technologies Private Limited

(Formerly known as Karvy Fintech Private Limited)

Karvy Selenium Tower-B, Plot No.31-32,

Gachibowli, Financial District, Nanakramguda,

Hyderabad-500032

Tel : 040 -67162222

Fax: 040 -23001153

Toll Free No: 1800-3454-001

E-mail : einward.ris@kfintech.com

**Share Transfer System:**

The Company has appointed M/s KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) as its RTA. The documents received from shareholders are scrutinized by the Company's RTA and all work related to share registry, both in physical form and electronic form, is handled by RTA. The communications regarding share certificates, share transfers, change of address, Dividends, etc. were addressed to the Company's RTA.

Pursuant to amendment in Regulation 40 of Listing Regulations vide Gazette notification dated 8 June, 2018, transfer of securities were to be carried out in

dematerialized form only with effect from 5 December 2018 initially. This timeline was further extended to 1 April 2019 vide notification dated 3 December 2018. Accordingly trading/transfers in equity shares of the Company through recognized Stock Exchanges can be done in dematerialized form only.

The Share Transfer Committee is authorized to approve issuance of duplicate certificates and all such issuance are completed within statutory time limit from the date of request, provided the documents meet the stipulated requirement of statutory provisions in all respects. In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him.

The total number of shares transferred/transmitted during the Financial Year 2019-2020 was 2415, which were registered and returned to the respective transferees within stipulated timelines.

**Reconciliation of Share Capital Audit**

Audits were also carried out by the Practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE and NSE. The audit confirms that the total issued / paid-up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).



**ANNEXURE - B (Contd.)**
**Distribution of Shareholding as on 31 March 2020:**

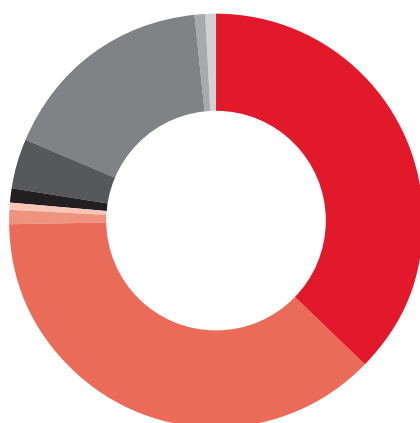
Below table shows the distribution of shareholding by number of shares held and shareholding pattern in percentage pursuant to Regulation 31 of Listing Regulations as on 31 March 2020

Range of Shares		No. of Shareholders	% of Shareholders	Amount(₹)	% of Equity Capital
1	5,000	18,635	97.80	94,45,670	10.10
5,001	10,000	208	1.09	15,20,830	1.63
10,001	20,000	105	0.55	14,47,080	1.55
20,001	30,000	26	0.14	6,30,300	0.67
30,001	40,000	18	0.09	6,51,850	0.70
40,001	50,000	13	0.07	5,91,210	0.63
50,001	1,00,000	25	0.13	18,92,310	2.02
1,00,001	& above	24	0.13	7,72,98,070	82.70
<b>Total</b>		<b>19,054*</b>	<b>100.00</b>	<b>9,34,77,320</b>	<b>100.00</b>

\*Includes Total number of Shareholders (with PAN details and without PAN details).

**Shareholding Pattern as on 31 March 2020**

S. No.	Category of Shareholders	No. of Shares held	% age of Shareholding
<b>A.</b>	<b>Promoters' Holding</b>		
<b>1.</b>	<b>Promoters</b>		
	Indian Promoters	35,05,399	37.50
	Foreign Promoters	35,05,399	37.50
	<b>Persons acting in concert</b>	-	-
<b>2.</b>	<b>SUB – TOTAL (A)</b>	<b>70,10,798</b>	<b>75.00</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
<b>3.</b>	<b>Institutional Investors</b>		
	a. Institutions/Mutual Funds/ Banks	86,630	0.93
	b. Foreign Portfolio Investors	68,016	0.73
	c. Alternative Investment Fund	84,867	0.91
	<b>SUB – TOTAL (B3)</b>	<b>2,39,513</b>	<b>2.57</b>
<b>4.</b>	<b>Others:-</b>		
	Bodies Corporate & Clearing Member	3,70,104	3.96
	Indian Public	15,82,743	16.93
	NRIs (Including Foreign Company)	68,527	0.73
	IEPF	76,047	0.81
	<b>SUB – TOTAL (B4)</b>	<b>20,97,421</b>	<b>22.43</b>
	<b>SUB –TOTAL (B) (B3+B4)</b>	<b>23,36,934</b>	<b>25.00</b>
	<b>GRAND TOTAL (A+B)</b>	<b>93,47,732</b>	<b>100.00</b>

**Graphical Presentation of Shareholding Pattern (Category-Wise) as on 31 March 2020**


- Indian Promoters **37.50**
- Foreign Promoters **37.50**
- Institutions/Mutual Funds/ Banks **0.93**
- Foreign Portfolio Investors **0.73**
- Alternative Investment Fund **0.91**
- Bodies Corporate & Clearing Member **3.96**
- Indian Public **16.93**
- NRIs (Including Foreign Company) **0.73**
- IEPF **0.81**

## ANNEXURE - B (Contd.)

### Dematerialisation & Liquidity of Shares as on 31 March 2020

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8 June 2018, amended Regulation 40 of Listing Regulations pursuant to which after 1 April 2019, transfer of securities cannot be processed unless the securities are held in the dematerialized form with a depository. In order to enable the Shareholders to hold their shares in electronic form and to facilitate scrip less trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's shares are liquid and are actively traded on Stock Exchanges.

#### Status of Dematerialisation

Particulars	No. of Shares	% of the total share capital
NSDL	86,67,602	92.73
CDSL	5,31,161	5.68
Physical Form	1,48,969	1.59
<b>TOTAL</b>	<b>93,47,732</b>	<b>100.00</b>

Particulars	No. of Shareholders	% of the Total Shareholders
NSDL	9,467	49.68
CDSL	6,360	33.38
Physical Form	3,227	16.94
<b>TOTAL</b>	<b>19,054</b>	<b>100.00</b>

#### Status of Liquidity

The number of shares of the Company traded in the Stock Exchange for the Financial Year 2019-2020 is given below:

Particulars	BSE	NSE	Total
No of shares Traded	69,533	8,75,728	9,45,261
<b>% of Total Equity</b>	<b>0.74%</b>	<b>9.37%</b>	<b>10.11%</b>

#### Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity

There are no GDRs/ ADRs/ Warrants outstanding as on 31 March 2020.

#### Commodity price risk or foreign exchange risk and hedging activities

In order to manage the Company's Foreign Exchange Exposure, the Company has in place an appropriate mechanism for management of Corporate Foreign Exchange Risk by defining its exposures, measuring them and defining appropriate actions to control this risk.

The intent of this mechanism is to minimize the Financial Statement impact of fluctuating Foreign Currency Exchange Rates. During the COVID-19 period it was deliberated across the team to mitigate the forex loss and cope with commodity price risk.

### Plant Locations of the Company as on 31 March 2020

There are total 10 locations where the manufacturing plants of the Company are located

Sr. No.	Plant Location
1	Plot No.16, Sector-18, Maruti Complex, Gurugram, Haryana
2	Plot No.6, Industrial Area, Dharuhera, District Rewari, Haryana
3	Plot No.195-195A, Sector-4, Phase-II, Bawal, Distt. Rewari, Haryana.
4	Plot No. 51, Sector-11, IIE, Pant Nagar, Distt. Udham Singh Nagar, Uttarakhand.
5	Plot No. 5, Industrial Park-II, Village Salempur Mehdoon, Haridwar, Uttarakhand
6	D2-43/2, M.I.D.C. Industrial Area, Chinchwad, Pune, Maharashtra
7	608-609, Chakan Talegaon Road, Mahalunge Ingle, Chakan, Pune, Maharashtra
8	Plot No. D-1, Vendors Park, Sanand, Distt. Ahmedabad, Gujarat
9	Plot No.69-70 A, Phase-II, Bidadi Industrial Area, Sector-2, Bengaluru, Karnataka
10	Plot No. 91-B, Sector-5, IMT Manesar, Gurugram-122050, Haryana

#### CONTACT DETAILS FOR CORRESPONDENCES

##### Information for Corporate & Institutional Investors and Analyst Information

Mr. Shruti Kant Rustagi

Chief Financial Officer

Plot No. 878, Udyog Vihar, Phase V, Gurugram-122016, Haryana

Ph. No. +91124 4760000

Email: [shrutikant.rustagi@lumaxmail.com](mailto:shrutikant.rustagi@lumaxmail.com)

##### Information for Retail Investors

Mr. Pankaj Mahendru

Company Secretary & Compliance Officer

Plot No. 878, Udyog Vihar, Phase V, Gurugram-122016, Haryana

Ph. No. +91124 4760000

Email(s): [pankaj.mahendru@lumaxmail.com](mailto:pankaj.mahendru@lumaxmail.com)

[lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com)

##### Registrar and Share Transfer Agent

M/s KFin Technologies Private Limited

Formerly known as Karvy Fintech Private Limited

Unit: Lumax Industries Limited

Karvy Selenium Tower-B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032

Tel: 040 -67162222 / Fax: 040 -23001153

Toll Free No: 1800-3454-001

Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Contact Person: Mr. Rajeev Kumar

Email: [rajeev.kr@kfintech.com](mailto:rajeev.kr@kfintech.com)

## ANNEXURE - B (Contd.)

**Credit Ratings obtained by the Company and any revisions thereto during the Financial Year, for all debt instrument or any fixed deposit programme or any scheme or proposal of the involving mobilisation of funds, whether in India or abroad**

During the year under review, the Company had obtained the Credit Ratings from ICRA which is as follows:

1. Long Term Rating- ICRA A+
2. Short Term Rating- ICRA A1+

The Company has issued Commercial papers during the year for which ICRA has assigned A1+ rating. The Company does not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the Financial Year ended 31 March 2020. There were no revision/changes in the abovesaid ratings issued by ICRA.

### 9. OTHER DISCLOSURES

**Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of Company at large**

There were no transactions of significant material nature that have a potential conflict with the interest of Company at large. During the Financial Year 2019-20 all the transactions entered into were in the normal course of business and at arms-length basis. The said transactions are reported as the Related Party Transactions in the Annual Financial Statements.

However, as per Regulation 23 of Listing Regulations, the Related Party Transactions which fall under the definition of 'Materiality' have been disclosed in the **Annexure - D** i.e. **AOC-2** which forms part of Boards' Report. The Audit Committee is briefed with all Related Party transactions (material & non-material) undertaken by the Company on quarterly basis.

**Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

There has been no non-compliances and no penalties/strictures have been imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

**Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee**

Under the Vigil Mechanism, the Company has provided a platform to Directors and employees to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company/Group which have a negative bearing on the organisation either financially or otherwise.

The Company has a robust Whistle Blower Policy to enable its Directors and employees to voice their concerns to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Company promotes a favourable environment for employees to have an open access to the respective functional Heads, Executive Directors, Chairman and Managing Director, so as to ensure ethical and fair conduct of the business of the Company.

The said Policy was suitably amended to include reporting of instances relating to leak of Unpublished Price Sensitive Information (UPSI) and the same was adopted with effect from 01 April 2019.

No persons were denied access to the Audit Committee of the Company with regards to the above.

**Details of compliance with mandatory requirements under SEBI (Listing Regulations & Disclosure Requirements), Regulations, 2015 and adoption of non- mandatory requirements**

The Company has fully and adequately complied with all the mandatory requirements of the Listing Regulations.

**Adoption of Non- mandatory Requirements**

In adherence with Regulation 27 (1) of Listing Regulations, the Company has voluntarily complied with following non-mandatory requirements:

- (i) During the year under review, there is no Audit qualifications on the Company's Financial Results. The Company continues to adopt best practices to ensure regime of Unmodified Opinion.
- (ii) The Internal Auditors have direct access to the Audit Committee and the Internal Auditors presents their Audit Observations to the Audit Committee of Board.

**ANNEXURE - B (Contd.)****Web link where policy for determining 'material' subsidiaries is disclosed**

The Company does not have any material non-listed Indian Subsidiary Company in terms of Regulation 16 of the Listing Regulations hence no disclosure is required to be reported under this heading.

**Web link where policy on dealing with Related Party Transactions is disclosed**

The Board approved Policy on Related Party Transactions can be accessed on <https://www.lumaxworld.in/lumaxindustries/pdf/related-party-transaction-policy.pdf>.

**Disclosure of commodity price risks, foreign exchange risk and commodity hedging activities**

In order to manage the Company's Foreign Exchange Exposure, the Company has in place an appropriate mechanism for management of Corporate Foreign Exchange Risk by defining its exposures, measuring them and defining appropriate actions to control this risk.

The intent of this mechanism is to minimize the Financial Statement impact of fluctuating Foreign Currency Exchange Rates. During the COVID-19 period it was deliberated across the team to mitigate the forex loss and cope with commodity price risk.

**Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement during the Financial Year ended 31 March 2020.

**Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority**

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Maneesh Gupta (C.P. No. 4982) Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority, was placed before the Board of Directors at their meeting held on 18 June 2020. The same is reproduced as below:

**ANNEXURE - B (Contd.)****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to clause 10 of Part C of Schedule V read with Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

**Lumax Industries Limited**

2nd Floor, Harbans Bhawan-II, Commercial Complex,  
Nangal Raya, New Delhi-110046

I/We have examined the relevant records, forms, returns and disclosures received from the Directors of Lumax Industries Limited having CIN L74899DL1981PLC012804 and having registered office at 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31 March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 03 June 2020

**Sd/-**  
**Maneesh Gupta**  
FCS No.: 4982  
CP No.: 2945  
UDIN: F004982B000312850

## ANNEXURE - B (Contd.)

Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons thereof

There has been no such incidence where the Board has not accepted the recommendation of any of its Committee during the Year under review.

**Total fees for all services paid by the Company to the Statutory Auditors**

During the Year under review, a total fee of ₹ 48,56,040/- (Rupees Forty-Eight Lac Fifty-Six Thousand and Forty) was paid by the Company for all the services provided by Statutory Auditor. The break up of same is tabulated as under:

(₹ In Lakhs)		
S. No.	Particulars	Fees Paid
1.	Statutory Audit	24.50
2.	Limited Review	10.50
3.	Tax Audit	3.00
4.	Out of Pocket Expenses	5.46
5.	Other Certification	5.10
	<b>TOTAL</b>	<b>48.56</b>

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the Financial Year 2019-20 are as under:

S. No.	Particulars	Number of Complaints
1.	Number of Complaints filed during the Financial Year	0
2.	Number of Complaints disposed of during the Financial Year	0
3.	Number of Complaints pending as on end of the Financial Year	0

**10. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB PARAS (2) TO (10) ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED**

The Company is fully compliant with all the requirements of Corporate Governance Report as stated in sub paras (2) to (10) of Schedule V of Listing Regulations.

**11. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED**

(i) **The Board:** The Chairperson of the Company is of Executive category, hence the requirement of maintaining a Chairperson's office at the Company's expense reimbursement of expenses incurred in performance of his duties does not apply.

(ii) **Shareholder Rights:** Quarterly Financial Statements are published in newspapers and uploaded on Company's website to be accessible by Shareholders.

(iii) **Modified opinion(s) in audit report:** During the year under review, there is no Audit qualifications on the Company's Financial Results. The Company continues to adopt best practices to ensure regime of Unmodified Opinion.

(iv) **Reporting of Internal Auditor:** M/s Grant Thornton India, LLP are the Internal Auditors of the Company. The Internal Auditors have direct access to the Audit Committee and Internal Auditors presents their Audit Observations to the Audit Committee of Board.

**12. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46**

The Company has complied with all the requirements of Corporate Governance as follows:-

- Regulations 17 to 27
- Clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule.

**13. DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

The Company has adopted a Code of Conduct for its Board and Senior Employees as per Listing Regulations and the same is available at the Company's website. Also the Code of Conduct for Board of Directors and Senior Management in terms of Regulation 17(5) of Listing Regulations have been reviewed and revised by the Board of Directors in their Meeting held on 18 June, 2020. All Members of the Board and Senior Management

**ANNEXURE - B (Contd.)**

Personnel have affirmed compliance with the said Code of Conduct for the Financial Year 2019- 20. A declaration to that effect, signed by the CEO & Senior Executive Director forms part of this Report. The Code of Conduct is also available on the website of Company under the web link <https://www.lumaxworld.in/lumaxindustries/corporate-governance.html>.

**14. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

The Compliance Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance forms part of this Report.

**15. DISCLOSURES RELATED TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, the Company reports the following details in respect of the equity shares lying in the suspense account:

Particulars	No. of Share-holders	No. of Equity Shares
Aggregate number of Shareholders and outstanding shares at the beginning of the year i.e. as on 1 April 2019	142	4,353
Number of Shareholders who approached for issue/transfer of Shares during the year 2019-20	27	669
Number of Shareholders to whom shares were issued/ transferred	-	-
Transfer to IEPF	27	669
Aggregate number of Shareholders and the Outstanding shares lying at the end of the year i.e. 31 March 2020	115	3684

All the corporate benefit against those shares like bonus shares, split, Dividend etc if any declared, would also be transferred to unclaimed suspense account of the Company. The voting rights on the 3,684 shares shall remain frozen till the rightful owner of such shares claims the shares.

**16. UNCLAIMED/UNPAID DIVIDENDS AND SHARES**

Pursuant to the provisions of Section 124 & 125 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Dividend which remains

unclaimed/unpaid for a period of 7 years from the date of transfer shall be transferred to Investor Education and Protection Fund (IEPF) Authority. Further, all corresponding shares in respect of above said Dividend shall also be transferred to the Demat Account of IEPF Authority.

The Company had sent notices to all Shareholders whose shares were due to be transferred to IEPF and the newspaper advertisement with respect to same was also published. During the Financial Year 2019-20 ₹7,53,282/- of unpaid/unclaimed Dividends and 5,945 shares were transferred to the IEPF Authority.

Further, the Unclaimed Dividend for the Financial Year 2012-13 shall become transferable to the Investor Education & Protection Fund (IEPF) by September 04, 2020. The Company has also issued a notice in the newspapers and has also issued the Letters to the concerned Shareholders, whose Dividend is lying in the unpaid dividend account and also the shares are liable to be transferred to IEPF, in compliance with the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), as amended from time to time Members who have not encashed their Dividend for the Financial year 2012-13 and onwards are therefore, requested to make their claims to the Company immediately.

The Company has appointed Mr. Pankaj Mahendru as Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company

**17. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS**

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Code of Conduct) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. SEBI has notified several amendments pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from 1 April 2019.

The Board at their meeting held on 20 March, 2019, approved formulation/amendments to the aforesaid Code of Conduct including the following:

1. Policy for determination of 'legitimate purposes'.
2. Policy for inquiry in case of Unpublished Price Sensitive Information (UPSI)
3. Whistle Blower Policy to enable reporting in case of leak of UPSI

## ANNEXURE - B (Contd.)

The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons, have been uploaded on website of the Company and can be accessed through the following link [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries) under Investor Section.

**18. CEO/CFO CERTIFICATE**

The CEO & Senior Executive Director, Mr. Vineet Sahni and the Chief Financial Officer, Mr. Shruti Kant Rustagi have furnished the requisite certificate to the Board of Directors pursuant to Regulation 17(8) of the Listing Regulations which forms part of this Report.

**19. OTHER IMPORTANT INFORMATION FOR SHAREHOLDERS****Nomination of Shares**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2015 are requested to submit to the Company nomination in the prescribed Form SH-13 for this purpose.

**Updation of Shareholders Details**

- (i) Shareholders holding shares in physical form are requested to notify the changes to the Company/its RTA, promptly by a written and duly signed request and Shareholders holding shares in electronic form are requested to send their instructions directly to their Depository Participants (DPs).
- (ii) Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate possibility of difference in signature at a later date.
- (iii) Non-resident shareholders are requested to immediately notify the:
  - Indian address for sending all communications, if not provided so far;
  - Change in their residential status on return to India for permanent settlement;
  - Particulars of their Non-Resident Rupee Account, whether repatriable or not, with a bank in India, if not furnished earlier.

**Mandatory Requirement of PAN and Bank Details**

Pursuant to SEBI circular dated 20 April 2018, the Company has sent a letters/e-mails through its RTA along with KYC form followed by several reminders to the Shareholders requesting them to submit their PAN

and Bank Account details for updation of their data in Company records. Accordingly, Shareholders holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Shareholders holding shares in physical form should submit their PAN to the Company.

Shareholders holding shares in physical form are mandatorily required to furnish self- attested copy of PAN in the following cases:

- Legal Heirs'/Nominees' PAN Cards for transmission of shares
- Surviving joint holder's PAN for deletion of name of the deceased Shareholder;
- Shareholder's PAN Card for dematerialisation of shares;
- Shareholder's and surety's PAN for issuance of duplicate share certificate;
- Shareholder's and Nominee's PAN Card for registration of nomination of shares.

**Mandatory transfer/transmission/transposition of shares in dematerialized mode**

Pursuant to amended Regulation 40 of Listing Regulations, transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository with effect from 1 April 2019. Any investor who is desirous of transferring shares (which are held in physical form) after 1 April 2019 can do so only after the shares are dematerialized. However, the said amendment is not applicable for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

The above said information about transfer of shares in demat mode was intimated to the Shareholders who are holding shares of the Company in physical mode.

**Procedure for obtaining the Annual Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:**

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:



## ANNEXURE - B (Contd.)

1. Those shareholders who have registered/not registered their mail address and mobile no.s including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited in case the shares held in physical form.
2. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by sending a request to KFin Technologies Private Limited (formerly Karvy Fintech Private Limited), Registrar and Share Transfer Agent at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) and also to [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com).

In case shares are held in demat mode, Please contact your DP and register your e-mail address in your demat account, as per the process advised by your DP.

3. The Annual Report and Notice of AGM can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the same is

also available on the Company's website i.e. [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries) and is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

### SCORES- SEBI Complaints Redress System

SEBI vide its Circular dated 26 March 2018 has streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at: [https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redress-mechanism-new-policy-measures\\_38481.html](https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redress-mechanism-new-policy-measures_38481.html)

The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of their complaints.

### 20. COMPLIANCE OFFICER OF THE COMPANY

Mr. Pankaj Mahendru, Company Secretary is the Compliance Officer of the Company. He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters.

**CERTIFICATE OF COMPLIANCE OF CODE OF CONDUCT BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT  
PERSONNEL**

I, Vineet Sahni, CEO & Senior Executive Director of the Company hereby certify that the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct of the Company for the Financial Year 2019-20.

Place: Gurugram  
Date: 18 June 2020

**Sd/-**  
**Vineet Sahni**  
CEO & Senior Executive Director

**CEO AND CFO CERTIFICATE**

[Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

- a. We certify to the Board that we have reviewed Financial Statements and Cash Flow Statement for the year ended 31 March 2020 and that to the best of our knowledge and belief;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies, if any.
- d. We have indicated to the Auditors and the Audit Committee
- (i) significant changes in internal control over financial reporting during the year, if any;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
- (iii) There were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sd/-**  
**Shruti Kant Rustagi**  
Chief Financial Officer  
Place: New Delhi  
Date: 18 June 2020

**Sd/-**  
**Vineet Sahni**  
CEO & Senior Executive Director  
Place: Gurugram  
Date: 18 June 2020

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of **Lumax Industries Limited**

1. This report is issued in accordance with our engagement letter dated 1 June 2020.
2. We have examined the compliance of conditions of Corporate Governance by **Lumax Industries Limited** ('the Company') for the year ended 31 March 2020 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with the Stock exchanges.

### Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the conditions of Corporate Governance, as stipulated in the Listing Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the said conditions.

### Auditor's Responsibility

4. Our examination is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance, as stipulated in the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to report whether the Company has complied with the conditions of Corporate Governance, as stipulated in Listing Regulations, in respect of the year ended 31 March 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us and based on the representations provided by the Management, we report that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations in respect of the year ended 31 March 2020.
9. We state that our report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which Management has conducted the affairs of the Company.

**Restriction on Use**

10. The report is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Associates LLP**  
Chartered Accountants  
Firm Registration No. : 116231W/W-100024

**Manish Kapoor**  
Partner  
Membership No. 510688  
ICAI UDIN: 20510688AAAAA07992

Place: Gurugram  
Date: 18 June 2020

## ANNEXURE - C

# Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees

### 1. INTRODUCTION AND REGULATORY FRAMEWORK

This Nomination and Remuneration Policy ("Policy") of Lumax Industries Limited ("Lumax" or "Company") has been formulated under the requirements of applicable laws viz. Section 178 of Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

The Company believes that human resources as an asset are invaluable and play an integral part in the growth and success of the Company. The Company also acknowledges that a Board with diversified expertise and experience, adequate mix of Executive and Independent Directors, provides the desired vision, governance structure and mission to the Company in order to enable it to achieve its goals.

This Policy on the appointment and remuneration of Directors including Independent Directors, Key Managerial Personnel (KMP), Senior Management and other employees provides a referendum based on which the Human Resource Management Team plans and strategies their recruitment plans for the strategic growth of the Company.

The Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

### 2. Objective

The objective of this Policy are as follows:

- laying down a framework in relation to appointment, remuneration and removal of Directors, KMP and other employees
- creating a transparent system of determining the appropriate level of remuneration throughout all career levels and roles of the Company
- Motivate the directors, Key Managerial personnel and other employees, to perform to their maximum potential
- Ensure consistency in remuneration and benefits throughout the Company
- Align the performance of the business with the performance of key individuals and teams within the Company.
- Allow the Company to compete in each relevant employment market
- Development and retaining of talent

### 3. Constitution of Nomination and Remuneration Committee

In line with the requirements of the Act and Listing Regulations, the Board of Directors has constituted the "Nomination and Remuneration Committee".

The Committee shall at all times (unless stipulated otherwise by law) have at least 3 non-executive directors, out of which one-half shall be independent directors. If the chairperson of the company appointed as a member of the Committee, he shall not chair such Committee. The Board has authority to reconstitute this Committee from time to time.

Presently, the Nomination and Remuneration Committee comprises of following Members:

S. No.	Name	Category
1	Mr. Rattan Kapur	Chairman (Non- Executive Independent Director)
2	Mr. Avinash Parkash Gandhi	Member (Non- Executive Independent Director)
3	Mr. Dhiraj Dhar Gupta	Member (Non- Executive Independent Director)

### 4. Role of Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall endeavor to perform its role as prescribed u/s 178(4) of the Act and Regulation 19 of Listing Regulations read with Para A of Part D of Schedule II of the Listing Regulations which is summarised hereunder:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the

## ANNEXURE - C (Contd.)

basis of the report of performance evaluation of independent directors.

- recommend to the board, all remuneration, in whatever form, payable to senior management.
- specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

In formulation of the Policy as enumerated above, the Nomination and Remuneration Committee shall ensure to take into account the following principles:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and performance incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

### 5. Appointment/ Nomination of Directors

#### General Criteria

- a) The Board shall comprise of optimum number of Directors as is necessary to effectively manage the affairs of the Company. Subject to a minimum of 3 and maximum of 15, the Board shall have an appropriate combination of Executive, Non-Executive, Independent and Woman Directors.
- b) The Nomination and Remuneration Committee shall be responsible for identifying suitable candidate for appointment as Director of the Company. While evaluating a person for appointment / re-appointment as Director, the Committee shall consider and evaluate including but not limited to background and qualifications, knowledge, skills, abilities, professional experience and functional expertise, personal accomplishment, age, experience of automobile/auto component industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

- c) The proposed candidate shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research and development, technical operations, corporate governance or such other areas related to the Company's business as determined by the Nomination and Remuneration Committee. The proposed candidate shall not be discriminated on the basis of race, religion, nationality, sex, disability, or any other basis prohibited by law.
- d) The proposed candidate shall understand and endeavor to balance the interests of shareholders and/ or other stakeholders and put the interests of the company or organisation above self-interest. He/she has demonstrated a commitment to transparency and disclosure.

#### Managing Directors or Whole Time Directors

The Board based on the recommendation of the Nomination and Remuneration Committee shall be responsible for identifying suitable candidate for the position of Managing Director/Whole-time Director. The terms and conditions of the appointment shall be in accordance with the provisions of Act and Listing Regulations.

#### Independent Directors

Before recommending a nominee's candidature to the Board for being appointed as an Independent Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors:

- a) An Individual should fall within the purview of definition and criteria of "independence" as set out in Section 149 of the Act, the Listing Regulations and other applicable laws.
- b) is a person of integrity and possesses relevant expertise and experience;
- c) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- d) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- e) Has attained minimum age of 25 years.
- f) Does not hold directorship in more than seven listed entities.
- g) Does not hold directorship in more than three listed entities if serving as a whole- time director in any listed entity.

## ANNEXURE - C (Contd.)

### 6. Remuneration of Directors

The Company shall strive to have a remuneration structure which should be reasonable and sufficient in order to justify the position and responsibility and to retain the Directors. The relationship of remuneration to performance should be clear and should meet appropriate performance benchmarks. The Committee shall be responsible for reviewing and making recommendations to the Board on Remuneration of Executive Directors and Non- Executive/ Independent Directors which shall be done in accordance with applicable law and amendments thereof.

#### Managing Directors or Whole Time Directors

- a) The Committee shall determine remuneration structure for Managing Directors/ Whole Time Directors taking into account factors it deems relevant, including but not limited to market scenario, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and Government/other guidelines.
  - b) The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
  - c) Any changes to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.
  - d) Where any insurance is taken by the Company on behalf of its Directors for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
  - e) If, during any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Executive/ Whole-time Director(s) in accordance with the provisions of Schedule V of the Companies Act, 2013.
- Sitting fees for participation in the Board and other meetings
  - Commission as approved by the Shareholders of the Company
  - Reimbursement of expenses in connection with participation in the Board and other meetings.

The Independent Directors shall not be entitled to any stock options. Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to independent directors. Provided that the amount of such fees shall not exceed the maximum permissible under the Companies Act, 2013.

### 7. Appointment of Key Managerial Personnel and Senior Management Personnel (Not being Director)

The Executive Management Team (Key Managerial Personnel and Senior Management Personnel) is responsible for managing the Company's core business operations as a whole and management of day to day affairs of the Company.

Pursuant to the provisions of Section 2(51) of the Act, the Key Managerial Personnel (KMP) with reference to the Company means:

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-Time Director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and
- (vi) such other officer as may be prescribed.

Pursuant to the provisions of Regulation 16(d) of the Listing Regulations, the Senior Management Personnel with reference to the Company means:

"Officers/personnel of the listed entity who are Members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/ Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer."

#### Non- Executive Directors/Independent Directors:

The Non- Executive Directors or the Independent Directors may receive remuneration by way of:

## ANNEXURE - C (Contd.)

The nomination and appointment of KMP and Senior Management Personnel (Not being Director) shall be governed in accordance with following guidelines:

- a) The Nomination and Remuneration Committee shall be responsible for identifying suitable candidate for the position of Key Managerial Personnel i.e. Chief Financial Officer, Company Secretary, and other Senior Management Personnel;
- b) The appointment of Key Managerial Personnel and Senior Management Personnel shall be approved by the Board on recommendation of the Nomination and Remuneration Committee;
- c) While evaluating a person for appointment / re-appointment in a senior management position, the management shall consider various factors including individual's background, core competencies, skills, attributes, personal traits (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company;
- d) The KMP or Senior Management Personnel on its appointment shall not hold office or place of office in addition to the Company and shall not engage in business activity which might detrimentally conflict with the interest of the Company.

### 8. Remuneration of Key Managerial Personnel and Senior Management Personnel (Not being Director)

The remuneration of Key Managerial Personnel and Senior Management Personnel (Not being Director), at the time of appointment shall be decided by the Committee and recommended to the Board.

The remuneration of Key Managerial Personnel, Senior Management Personnel of the Company (not being director) shall comprise of one or more of the following components which shall be decided by Company's Human Resources Department:

1. Fixed Pay
2. House Rent Allowance
3. Perquisites and Allowances
4. Re-imbursment Medical Expenses
5. Contribution to P.F.
6. Such other allowances, benefits and perquisites as may be decided.

The KMP and Senior Management Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Thereafter, the remuneration shall be determined within the appropriate grade and is based on an individual's experience, skill, competencies and knowledge relevant to the job and an individual's performance and potential contribution to the Company.

The decision on revision in remuneration and annual increments on remuneration of KMP and Senior Management Personnel shall be decided by the Chief Executive Officer and Senior Executive Director in consultation with Human Resources Department within the overall framework of compensation and appraisal policy of the Company.

### 9. Appointment and Remuneration of Other Employees.

The appointment of other employees shall be made on the basis of the experience, qualification, expertise of the individual as well as the roles and responsibilities required for the position and shall be approved by the Human Resource Department. The remuneration for other employees would be as per the appraisal and compensation policy of the Company, as revised through the annual review process from time to time and approved by the Chief Executive Officer & Senior Executive Director in consultation with the Head of Human Resources Department.

### 10. Term / Tenure

#### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive/ Whole Time Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

#### b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the shareholders of the Company and disclosure of such appointment in Boards Report. The re-appointment / extension of term of the Director shall be on the basis of their performance evaluation.

No Independent Director shall hold office for more than two consecutive terms, but such



## ANNEXURE - C (Contd.)

Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

### 11. Evaluation of the Performance of the Board of Directors

Section 178(2) of the Act casts upon the Nomination and Remuneration Committee, the responsibility to specify the manner for effective evaluation of Performance of Board, its committees and Individual Directors. This evaluation process aims to ensure that individual Directors and the Board of Directors of the Company as a whole, work efficiently and effectively towards achieving Company's objectives. This evaluation forms part of this Policy and aims at establishing a procedure for the Board to conduct periodic evaluation of Members and of its committees. In deciding the methodology to be adopted for performance evaluation, the Committee/ Board may resort to below mentioned procedures:

#### Internal Evaluation:

In case of internal evaluation, the Committee is responsible for managing both the process as well as the content. The performance may generally be evaluated by a standard questionnaire. The specific issues and questions that should be considered in a performance evaluation of the entire Board, Independent Directors, Non-Independent Directors, Committees can be determined by the Committee from time to time.

#### External Evaluation:

External evaluation may be externally facilitated. Externally facilitated evaluations are undertaken with the assistance of an external expert. However, the company is not adopting this method at this initial stage of implementation.

### 12. Frequency of Board Evaluation

Section 134(3)(p) of the Act provides that there has to be a formal annual evaluation of Board of its own performance and that of its committees and individual directors. The Company may undertake annual evaluation either in accordance with calendar year or financial year, as there is no clarity on this. Ideally, the same should be as per financial year.

### 13. Disclosure

The policy shall be disclosed in the Board Report, Annual Report, website and such other places as may be required by the Act and rules framed thereunder, Equity Listing Agreement entered into with the stock exchanges (including any statutory modification(s) or reenactment thereof) and such other laws for the time being in force.

### 14. Administration, Review and Amendment of the Policy

The Nomination & Remuneration Committee shall monitor and periodically review the Policy and recommend the necessary changes to the Board for its approval. The Head of Human resources Department and the Company Secretary are jointly authorised to amend the policy to give effect to any changes/amendments notified by Ministry of Corporate Affairs or the Securities and Exchange Board of India. The amended policy shall be placed before the Board for noting and ratification. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

### 15. Clarification

In case of any clarification, any person may contact the Chief Compliance Officer & the Company Secretary at the Corporate Office

# FORM NO. AOC-2

## ANNEXURE - D

**Form for Disclosure of Particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain Arm's Length Transactions under third proviso thereto**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1.	Details of contracts or arrangements or transactions not at arm's length basis	
(a)	Name(s) of the Related Party and nature of relationship	Not Applicable (All the transactions were at arm's length basis)
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in General Meeting as required under first proviso to section 188	

2.	Details of material contracts or arrangement or transactions at arm's length basis	
(a)	Name(s) of Related Party and nature of relationship	Lumax Auto Technologies Limited
(b)	Nature of contracts/arrangements/transactions	purchase/sale of raw materials, finished goods, sale, purchase, transfer or receipt of products, goods, materials, assets or availing or rendering of services, Rent/ Leasing Transactions & Rent Deposits, Reimbursement of Expenses etc.
(c)	Duration of the contracts/arrangements/transactions	1 April 2019 to 31 March 2020
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 19,709.07 Lakhs
(e)	Date(s) of approval by the Board	01 February 2020
(f)	Amount paid as advances, if any	Nil

**For and on behalf of the Board of Directors**  
**Lumax Industries Limited**

Place : New Delhi  
Dated : 18.06.2020

**Sd/-**  
**Deepak Jain**  
Chairman & Managing Director  
DIN : 00004972

## ANNEXURE - E

### Statement of Disclosure of Remuneration pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A. Ratio of the Remuneration of each Executive Director to the Median Remuneration of the Employees of the Company for the Financial Year 2019-20 and the Percentage increase in Remuneration of Managing Directors, other Executive Directors, Chief Financial Officer and Company Secretary during the Financial Year 2019-20.

S. No.	Name of the Executive Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all Employees	% increase/(Decrease) in Remuneration during the Financial Year 2019-20
1.	Mr. Deepak Jain	Chairman & Managing Director	88.28	(28.43)
2.	Mr. Anmol Jain	Joint Managing Director	12.97	(70.76)
3.	Mr. Vineet Sahni	CEO & Senior Executive Director	87.74	(2.84)
4.	Mr. Tadayoshi Aoki	Senior Executive Director	4.11	8.98
5.	Mr. Koji Sawada	Executive Director	3.85	4.63
6.	Mr. Shruti Kant Rustagi	Chief Financial Officer	NA	4.50
7.	Ms. Ankita Gupta#	Company Secretary	NA	NA
8.	Mr. Pankaj Mahendru*	Company Secretary	NA	NA

- B. There is increase in the Median Remuneration of Employees for the Financial Year 2019-20 by 14.29 %.
- C. The number of Permanent Employees on the rolls of the Company as on 31 March 2020 was 2,270.
- D. The Average Percentage increase in the salaries of the employees other than the Managerial Personnel for the Financial Year was 6.11 % whereas the decrease in the Managerial remuneration was 25.81%. The remuneration components in case of Chairman and Managing Director, Joint Managing Director and CEO & Senior Executive Director includes Commission paid which is linked with the profitability of the Company.
- E. Affirmation that the remuneration is as per the Remuneration policy of the Company:  
The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.
- F. The details of Top Ten Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as an Exhibit to this annexure.
- G. The Statement containing particulars of Employees who if employed throughout the year or part thereof, were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Chairman and Managing Director or Joint Managing Director or CEO and Whole-Time Director or Whole time Director and holds by himself or along with his spouse and dependent children, not less than two percent of the Equity Shares of the company - Not Applicable.
- H. There were no employees who being employed throughout Financial Year were in receipt of remuneration not less than one crore and two lakh rupees except Mr. Deepak Jain, Mr. Anmol Jain and Mr. Vineet Sahni and the details are provided in the Exhibit to this Annexure.
- I. There were no employees who being employed for a part of Financial Year were in receipt of remuneration not less than eight lakh and fifty thousand rupees per month.

#### Notes:

- The Ratio of remuneration of each Director to the Median remuneration of the Employees is provided only for those Directors who have drawn remuneration from the Company for the complete Financial Year 2019-20.
  - The % increase of remuneration is provided for only those Directors, Chief Financial Officer and Company Secretary who have drawn remuneration from the Company for the complete Financial Year 2019-20 and Financial Year 2018-19.
- # Ms. Ankita Gupta had resigned w.e.f. 14 August, 2019. Hence, no comparable figure is available for Financial Year 2019-20.
- \* Mr. Pankaj Mahendru was appointed as a Senior Manager in the Company w.e.f. 23rd October, 2019 and was appointed as a Company Secretary of the Company w.e.f. 12th November 2019. Hence, no comparable figure is available for Financial Year 2019-20.

## Exhibit to Annexure - E

## Details of Top 10 Employees in terms of remuneration drawn during the Financial Year 2019-20

Name of the Employee	Designation	Remuneration received (Rs. in Lakhs)	Nature of Employment whether Contractual or otherwise	Qualifications and experience of the Employee	Date of Commencement of Employment	Age	Last employment held by such Employee	The Number & percentage of equity shares held by the employee in the Company	Whether any such employee is a relative of any Director/ Manager of the Company
Deepak Jain	Chairman & Managing Director	378.37	Contractual	B.B.A. from Illinois Institute of Technology USA. Experience: 25 Years	1 December 1996	45	-	11,72,031 12.54	Brother of Mr. Anmol Jain
Anmol Jain	Joint Managing Director	55.57	Contractual	B.B.A. (Hons.) from Michigan State University, U.S.A. Experience: 20 Years	1 November 2003	41	-	11,72,031 12.54	Brother of Mr. Deepak Jain
Vineet Sahni	CEO & Senior Executive Director	376.04	Contractual	B.E. (Mechanical), P.G. Diploma in Business Management Experience: 33 Years	23 May 2013	55	Varroc Engineering Limited	2,116 0.02	No
Atul Jain	Senior Vice President	95.82	Permanent	Post Graduation Diploma in Business Management Experience: 26 Years	24 January 2015	51	Minda Industries Limited	31 0.00	No
Mohit Sehgal	Senior Vice President	83.79	Permanent	MBA Experience: 22 years	8 January 2007	45	Nestle India Limited	0	No
Shruti Kant Rustagi	Chief Financial Officer	80.98	Permanent	Chartered Accountant Experience: 24 years	27 November 2006	50	Polar Industries Limited	214 0.00	No
Dinesh Kalra	Senior Vice President	80.11	Permanent	B.E. (Mechanical) Experience: 31 Years	9 March 2015	52	Minda Industries Limited	0	No
PSVS Raju	Senior Vice President	79.83	Permanent	Master Diploma in Business Administration (Financial Management) Experience: 25 Years	14 February 2008	52	Caparo Engineering (I) Pvt. Ltd.	470 0.00	No
Subhash Chandra Saraswat	Senior Vice President	72.67	Permanent	Diploma in ME and PE with specialization in Production Engineering Experience: 23 Years	24 January 2015	50	Minda Industries Limited	0	No
Anup Gupta *	Vice President	54.28	Permanent	Post Graduate Diploma in Business Administration Experience: 33 Years	17 May 2017	54	Minda Corporation Ltd.	0	No
Himanshu Sharma	General Manager	48.36	Permanent	B.E. (Production Engineering) Experience: 23 Years	4 January 2016	48	Jai Bharat Maruti Limited	58 0.00	No

**Notes:**

\* Mr. Anup Gupta had resigned w.e.f. 21 March 2020.

• None of the above Employee is related to any Director except Mr. Deepak Jain, Chairman and Managing Director & Mr. Anmol Jain, Joint Managing Director are related as brothers.

## ANNEXURE - F

# SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Lumax Industries Limited**  
2nd Floor, Harbans Bhawan-II,  
Commercial Complex,  
Nangal Raya, New Delhi-110 046

We were appointed by the Board of Directors of Lumax Industries Limited (hereinafter called the Company) to conduct Secretarial Audit for the financial year of the Company ended 31 March 2020.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

#### Management's Responsibility for Secretarial Compliances

The Company's management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

#### Auditors Responsibility

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

The secretarial audit report is neither an assurance to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

#### Opinion

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable to the Company during the year under review;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable to the Company during the year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable to the Company during the year under review;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable to the Company;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the Company during the year under review; and

## ANNEXURE - F (Contd.)

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable to the Company during the year under review;
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended 31 March 2020, complied with the aforesaid laws, material compliances are listed in the Annexure attached to this report.

Based on information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the financial year under review.
2. Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda

were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. The Company has proper Board processes.

Based on the compliances mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on records by the Board of Directors at their meeting(s), we are of the opinion that the management has:

- a) adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- b) Complied with the following laws applicable to the Company:
  - (i) Factories Act, 1948
  - (ii) Standing Order Act, 1946
  - (iii) The Industries (Development and Regulation) Act, 1951
  - (iv) The Contract Labour (Regulation and Abolition) Act, 1970,
  - (v) The Child Labour (Prohibition and Regulation) Act, 1986,
  - (vi) The Workmen's Compensation Act, 1923,
  - (vii) The Environment (Protection) Act, 1986,

Place : New Delhi  
Date : 03 June 2020

Sd/-  
**Maneesh Gupta**

FCS No. 4982

C P No. 2945

UDIN: F004982B000312597

**ANNEXURE - F (Contd.)**

**ANNEXURE TO SECRETARIAL AUDIT REPORT**

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has during the financial year under review, complied with the provisions of the Acts, Rules made thereunder and the Memorandum and Articles of Association of the Company with regard to:

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts and Registered Office and publication of name of the Company;
3. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, NCLT or such other authorities;
4. Service of documents by the Company on its Members, Directors, Stock Exchanges, Auditors and Registrar of Companies;
5. Constitution of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Share Transfer/ Stakeholders Relationship Committee, Corporate Social Responsibility Committee;
6. Appointment, re-appointment and Retirement of Directors including Managing Director and Executive Directors and payment of remuneration to them;
7. Disclosure of interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interest in other entities by Directors;
8. Disclosure requirements in respect to their eligibility for appointment, declaration of their independence, compliance with code of conduct for Directors and Senior Management Personnel;
9. Established a policy on related party transactions. All transactions with related parties were in the ordinary course of business and on arms-length basis and were placed before the Audit Committee periodically;
10. Established a vigil mechanism and providing to complainants, if any, unhindered access to the Chairman of the Audit Committee.
11. Constituted the Corporate Social Responsibility Committee formulating and adopting Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company;
12. Appointment of persons as Key Managerial Personnel;
13. Appointment and remuneration of Statutory Auditor and Cost Auditor;
14. Appointment of Internal Auditor;
15. Notice of meetings of the Board and Committee thereof;
16. Minutes of meetings of the Board and Committees thereof including passing of resolutions by circulations;
17. Notice convening annual general meeting held on 23 August 2019 and holding of the meeting on that date;
18. Minutes of General meeting;
19. Approval of Members, Board of Directors, Committee of Directors and government authorities, wherever required;
20. Form of Balance Sheet as at 31 March 2019 as prescribed under the Companies Act, 2013;
21. Report of the Board of Directors for the financial year ended 31 March 2019;
22. Borrowings and registration of charges;

Sd/-

**Maneesh Gupta**

FCS No. 4982

C P No. 2945

UDIN: F004982B000312597

Place : New Delhi

Date : 03 June 2020

# Annual Report on CSR

## ANNEXURE - G

For the Financial Year ended 31 March 2020

[Pursuant to Rule 8 & 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company through its CSR initiatives is committed to enhance the social and economic development of communities and geographical areas, particularly in the vicinity of the manufacturing locations. This will include education, skill building for livelihood of people, health and social welfare etc., particularly targeting at disadvantaged sections of society. CSR activities at Lumax are carried out through Lumax Charitable Foundation.

The Company has framed a CSR Policy in compliance with the provisions of The Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <http://www.lumaxworld.in/lumaxindustries/pdf/corporate-social-responsibility-policy.pdf>.

**2. The Composition of the CSR Committee**

S. No.	Name	Category	Designation
1.	Mr. Munish Chandra Gupta	Independent Director	Chairman
2.	Mr. Avinash Parkash Gandhi	Independent Director	Member
3.	Mr. Deepak Jain	Chairman & Managing Director	Member
4.	Mr. Anmol Jain	Joint Managing Director	Member

**3. Net Profit for last three Financial Years:**

Year	2016-17	2017-18	2018-19
Net Profits (₹ in Lakhs)	5,280.28	8,258.39	8,673.45

**Average Profit for last 3 years:** ₹ 7,404.04 Lakhs

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 148.08 Lakhs

**5. Details of CSR spent during the Financial Year:**

- (a) Total amount spent for the Financial Year: ₹ 163.21 Lakhs  
 (b) Amount unspent, if any: Nil  
 (c) Manner in which the amount spent during the Financial Year is detailed below.

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local area or Other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
					Sub heads: 1. Direct expenditure on projects or programs 2. Overheads			
(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
1	Education and healthcare for under-privileged	a) Education b) Health	Manufacturing sites of the Company 1. Gurugram, Haryana 2. Dharuhera, Haryana 3. Pantnagar, Uttarakhand 4. Bengaluru, Karnataka 5. Pune, Maharashtra 6. Sanand, Gujarat	a) 117.93 b) 46.07	a) 132.99 b) 30.22		438.99	Spent through the CSR arm of the Company namely Lumax Charitable Foundation
<b>TOTAL</b>				<b>164.00</b>	<b>163.21</b>		<b>438.99</b>	

The Company has also spent ₹ 2.30 Lakhs on education of employees' children / onetime expenses, which as per the Company is CSR. However, these expenses are not classifiable as CSR expenditure in terms of The Companies Act, 2013 and Rules made thereunder and therefore the same are not included in the above details of CSR expenditure.

**6. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in Compliance with the CSR objectives and Policy of the Company.**

Sd/-

**Deepak Jain**

Chairman & Managing Director

Dated: 18 June 2020

Sd/-

**Munish Chandra Gupta**

Chairman - CSR Committee



## ANNEXURE - H

### Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 for the year ended 31 March 2020)

#### (A) CONSERVATION OF ENERGY

Energy conservation plays a significant role of lessening climate change. It helps the replacement of non-renewable resources with renewable energy. Energy conservation is often the most inexpensive solution to energy shortages, and it is more environmentally kind alternative to increased energy production. Energy conservation can result in increased financial capital, environmental quality, national security, personal security and human comfort. The Company being direct consumer of energy, through its persistent efforts has always endeavored to conserve energy by reducing energy costs thereby promoting economic security.

#### (i) Some of the key Steps taken and their impact on conservation of energy are as below:

##### a. Energy conservation by improving over all efficiency of equipments like:

##### 1. Reducing energy consumption of chiller network system

- i) Optimization of running hours by analysing the network and weather conditions.
- ii) Replacement of inefficient chiller system with energy efficient chiller system.
- iii) Reducing chiller consumption by interconnection of chillers so as in winters the process requirement can be fulfilled with low capacity chiller also.

##### 2. Reduction of Energy consumption in compressed air network

- i) Replacement of inefficient compressor with energy efficient compressor
- ii) Replacement of old GI compressed air pipe line with aluminium pipe line
- iii) Reducing energy consumption by reducing overall pressure reduction at generation side.
- iv) Reducing cfm requirement by replacing inefficient conventional pneumatic guns with energy efficient pneumatic guns
- v) Reducing energy consumption by redesigning of compressor room so that

intake temperature of air at suction side should be equal to ambient temperature.

- vi) Installation of variable frequency drives on compressor thereby reducing the unload power consumption of compressor.
- vii) Reducing overall compressor energy by using less capacity compressors on non production days.

##### 3. Reducing energy consumption of pumping system

- i) Replacement of inefficient pumps with energy efficient pumps.
- ii) Reducing pumping cost with the installation of variable frequency drives on pumps so as to reduce the pumping volume wherever higher capacity pumps are being operated.
- iii) Modification of process pump pipe network to reduce the friction loss thereby reducing overall pumping cost of system.

##### 4. Reducing energy cost by decreasing energy bill

- i) Reducing fixed charges by reducing the contract demand with analysis of overall demand consumption around the year
- ii) Reducing the usage of Diesel Genset by switching to independent feeders which have less power cuts
- iii) Reducing DG operational charges by using biodiesel in DG's which is cheaper in comparison to diesel.
- iv) Reducing overall energy charges by improving power factor at main incomer side with the implementation of Automatic Power Factor Control (APFC) panels.
- v) Offtake cheaper power through power trading in plants wherever applicable.

## ANNEXURE - H (Contd.)

### 5. Reduction in Energy consumption of process by reducing the radiation losses

The Company has insulated the equipments with higher surface temperatures such as:

- i) Injection Molding Machine barrel insulation
- ii) Injection Molding Machine Hopper Insulation
- iii) Metallizing machine diffusion pump insulation
- iv) Heter zone of base coat oven

### 6. Reduction in Energy consumption of Cooling Tower

- i) Reducing energy consumption of cooling tower by replacement of CI fan with FRP fan
- ii) Improving overall effectiveness of CT fan by replacement of old cooling tower fins.

### 7. Reduction in Energy consumption of Motor system

- i) Replacement of conventional motors with energy efficient motors.
- iii) Replacement of higher capacity motors with lower capacities motor with load analysis of motor.

### 8. Implementation of Energy Monitoring System

The Company had implemented Online Cloud & local monitoring server based Energy Monitoring System for its Plants for continual monitoring of Specific Energy Consumption of Process & Machine.

#### (ii) Plans Formulated for Conservation of Energy

##### a. Steps taken by the Company for utilizing roof top for generation of energy through a renewable source of energy

The Company has installed roof top Solar panels in following plants:

S. No.	Plant	Capacity (kW)	Mode of Implementation
1	Sanand	250	Capex
2	Bawal	750	Capex
3	Dharuhera	713	Opex
4	Pantnagar	526	Opex
5	Chakan	602	Opex
	<b>Total</b>	<b>2841</b>	

After implementation of the above, the Company has achieved per unit savings from ₹ 1.5 to ₹ 6.5 per unit at different locations considering the mode of implementation and capacity.

##### b. Steps taken by the Company for alternate cheaper source of energy through a long term group captive generation

The Company is in discussion with various power producers who are physically present and have set up/under final stage of completion of their plant for renewable energy for Haryana and Karnataka region that will fetch the Company huge amount of savings in energy cost and reduce carbon footprint.

#### (iii) Energy Management System (EnMS) ISO-50001

The Company has already obtained Energy Management System (EnMS) ISO-50001 for one of its plant located at Bawal and planning to get certified for all the plants.

#### (iv) Energy Monitoring System

As per the objective of the Company for continuous improvement on each process and monitor real time data base to avoid any resource loss we have installed energy monitoring systems in plants of Bawal, Dharuhera, Chakan, Bangalore and have planned to completely connect all plants with this cloud based central monitoring system.

#### (B) TECHNOLOGY ABSORPTION:

##### (i) The efforts made towards technology absorption

- a. In house design and development of Class C LED Head Lamp with Single chip LED (First time in India) for 2W
- b. In house design to meet the optical requirement of LED Light curtain Technology for Position function of 2W in a remarkable time period. (First time in India)
- c. In house design of very small LED Head Lamp for 2W to meet the Low Beam and High Beam.
- d. In house design and development for smallest 2W Tail Lamp with LED (06 LED are for Tail & Stop both Functions)
- e. In house design of LED Winker Lamp with very small size for 2W
- f. Full LED Headlamp for SUV designed inhouse with Sequential Turn Technology.
- g. Inhouse Design of LED Front Fog lamp with DRL/ Position. Front fog Lamp is with Projector Lens.
- h. Inhouse design of Full LED Tail Lamp with Sequential Turn.
- i. Inhouse design of smallest lamp having Rear Fog + Reflex Reflector and LED Backup lamp.
- j. LED High Mount Stop Lamp designed with integrated Rear Washer Nozzle.

## ANNEXURE - H (Contd.)

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:**

- a. Self-Reliance in Technology- The Design team aligned with customer right from the concept stage to provide end to end solution. This move of the Company turned it into a Solution Provider from Product Supplier.
- b. The future of lighting is LED and Lumax being a leader in Automotive Lighting has already built an edge over its competitors to provide new technology products to the customers with the

support of its Technical & financial Collaborator, Stanley Japan.

- c. The Engineers of the Company are being trained in Stanley Japan which shall prove to be beneficial for customers as well for the country with respect to localization of design as well as technology transfer in long run.
- d. Stanley, Japan continues to provide extensive support in in-house design and development activities and under its leadership two senior designers are stationed at Company. This has enabled to provide prompt technical solution to customers for their immediate needs.

**(iii) In case of Imported Technology (imported during last four years reckoned from the beginning of the Financial Year) :**

a.	<b>Technology Imported</b>	Day time running Lamp (DRL) Assembly	NIL	Light Curtain	Bi LED Projector Unit for Headlamps
b.	<b>Year of Import</b>	2016-17	2017-18	2018-19	2019-20
c.	<b>Whether the technology been fully absorbed</b>	Absorbed in 4 wheeler Head Lamps	NIL	Absorbed in 2 wheeler Position Lamps	Absorbed in Higher Variant of Vehicle model
d.	<b>If not fully absorbed, areas where absorption has not taken place, and the reason thereof</b>	This technology has the potential for being used in future models of 4 wheeler Head Lamps.	NIL	This technology, in future can be used in 2 wheeler/ 4 wheeler Lamps	Currently due to high cost it is not yet adopted in base version. Initiated for Localization.

**(iv) Research and Development (R & D)**

Automobile industry is growing at a tremendous pace with increasing demand from within the country as well as from other countries. The Company is making significant investment in Research and Development (R&D), Technology Development and innovation for achieving growth, business profitability and sustainability. To have better and advanced services to customers, Lumax had opened Design Center in Taiwan Year back.

To further strengthen its R&D capabilities, the Company is planning to have another Design office situated in Michigan, U.S.A.

**a. Specific areas in which R & D carried out by the Company.**

- Designing of BI- LED Projector Headlamp for 4 wheeler.
- Designing of LED front position lamp for 4 wheeler.
- Designing and Prototype development for a new generation sleek 4 Wheeler Headlamp
- Designing and development of LED Head Lamp & Tail Lamp for 2 Wheeler
- Designing and development of Light Front position for 2 wheeler

- Designing and development for new generation Headlamp and Tail lamp for new styled 2 Wheeler

**b. Benefits derived as a result of the above R&D**

- Complete in house designing of LED headlamp, to become self reliant.
- Strengthening in-house designing capabilities, in line with Company's strategy to become self-reliant.
- Thermal simulation done during design validation stage.

**c. Future plan of action**

Further enhancing the technology gained after working on BI-LED and LED based Lamps. Understanding the technology, especially for 4 wheelers using different HID sources for Low beam and High Beam.

- Introduction of LED for License plate lamp.
- Introduction of LED Blinker
- Introduction of head lamps with LED Projector
- Introduction of Sequential Turn in Headlamp and Tail Lamp.

## ANNEXURE - H (Contd.)

d. The Expenditure incurred on Research and Development (R&D):

(Rs in Lakhs)

Particulars	2019-20	2018-19
(i) Capital	166.48	227.96
(ii) Recurring	4,433.33	4,068.32
<b>Total</b>	<b>4,599.81</b>	<b>4,296.28</b>
(iii) Total R&D Expenditure as a percentage of Total Turnover (%)	2.87%	2.32%

(C) The Foreign Exchange earned in terms of actual inflows during the year ₹ 3,016.74 Lakhs and the Foreign Exchange outgo during the year in terms of actual outflows is ₹ 27,559.49 Lakhs.

**Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;**

Your Company is continuously striving for growth in business in the export market. During the Year under review, the following export development and promotion measures were taken:

- Discussion with CNH, Italy and India for development of LED Lamps for FES segment as a replacement and for a new platform.

- Discussions with Truck Lite, North America for development of Navistar – Halogen Head Lamp.
- Discussions with Audi to increase the share of business in small Lamps with LED applications.
- Sustaining the current business in small Lamps with Nissan Europe.
- Sustaining the current business in Head Lamps and Tail Lamps with John Deere USA.
- Development of LED Work Lamp for CNH, India for export market in Italy. Started with initial lot supplies in the Month of May 2019.
- Discussion with John Deere, USA for introduction of LED Tail Lamps as the replacement of their existing running products.
- Continuous conversation with major OEMs in Central Europe and USA to introduce Lumax brand with the target of increasing our OEM Export.

## ANNEXURE - I

### FORM NO. MGT -9

#### EXTRACT OF ANNUAL RETURN

#### For the Financial Year ended 31 March 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74899DL1981PLC012804
ii)	Registration Date	10 December 1981
iii)	Name of the Company	Lumax Industries Limited
iv)	Category/Sub-Category of the Company	Company limited by shares/ Non- Govt. Company
v)	Address of the Registered Office and contact details	2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046 Tel. +91-11 49857832 Email Id: lumaxshare@lumaxmail.com
vi)	Whether listed Company (Yes/No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s KFin Technologies Private Limited Karvy Selenium, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, India. Email id : einward.ris@kfintech.com Tel:- +91- 040 67161524

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of Main Product/Service	NIC Code of the Product/service	% Total Turnover of the Company
1	Automotive Lamp	2740	91.00 %

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	SL Lumax Limited G-15, Sipcot Industrial Park, Irungattukottai, Sriperumbudur-602 105 Tamil Nadu, India	U34300TN1997PLC048136	Associate	21.28%	2(6)

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 April 2019)				No. of Shares held at the end of the year (As on 31 March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	24,87,032	-	24,87,032	26.61	24,87,032	-	24,87,032	26.61	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	10,18,367	-	10,18,367	10.89	10,18,367	-	10,18,367	10.89	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-

ANNEXURE - I (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 April 2019)				No. of Shares held at the end of the year (As on 31 March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub-total (A) (1)</b>	<b>35,05,399</b>	-	<b>35,05,399</b>	<b>37.5</b>	<b>35,05,399</b>	-	<b>35,05,399</b>	<b>37.5</b>	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	35,05,399	-	35,05,399	37.5	35,05,399	-	35,05,399	37.5	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	35,05,399	-	35,05,399	37.5	35,05,399	-	35,05,399	37.5	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>70,10,798</b>	-	<b>70,10,798</b>	<b>75</b>	<b>70,10,798</b>	-	<b>70,10,798</b>	<b>75</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	1,91,950	1,040	1,92,990	2.06	1,68,808	1,040	1,69,848	1.82	-0.25
b) Banks / FI	3,344	2,270	5,614	0.06	1,379	270	1,649	0.02	-0.04
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors /Foreign Portfolio Investors	67,569	-	67,569	0.72	68,016	-	68,016	0.73	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>2,62,863</b>	<b>3,310</b>	<b>2,66,173</b>	<b>2.85</b>	<b>2,38,203</b>	<b>1,310</b>	<b>2,39,513</b>	<b>2.56</b>	<b>-0.29</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	4,40,449	841	4,41,290	4.72	3,63,719	835	3,64,554	3.9	-0.82
ii) Overseas	-	80	80	-	-	80	80	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	11,12,654	1,63,339	12,75,993	13.65	12,06,777	1,46,594	13,53,371	14.48	0.83
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	2,14,476	-	2,14,476	2.29	2,29,281	-	2,29,281	2.45	0.16
c) Others (specify)									
(i) NRI Repatriation	-	150	150	-	-	150	150	-	-
(ii) Non resident Indians	66,747	-	66,747	0.71	68,297	-	68,297	0.73	0.02
(iii) Clearing Members	1,829	-	1,829	0.02	5,550	-	5,550	0.06	0.04
(iv) IEPF	70,122	-	70,122	0.75	76,047	-	76,047	0.81	0.06
(v) Trusts	74	-	74	-	91	-	91	-	-
<b>Sub-total (B)(2)</b>	<b>19,06,351</b>	<b>1,64,410</b>	<b>20,70,761</b>	<b>22.15</b>	<b>19,49,762</b>	<b>1,47,659</b>	<b>20,97,421</b>	<b>22.44</b>	<b>0.29</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>21,69,214</b>	<b>1,67,720</b>	<b>23,36,934</b>	<b>25</b>	<b>21,87,965</b>	<b>1,48,969</b>	<b>23,36,934</b>	<b>25</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>91,80,012</b>	<b>1,67,720</b>	<b>93,47,732</b>	<b>100</b>	<b>91,98,763</b>	<b>1,48,969</b>	<b>93,47,732</b>	<b>100</b>	-

**ANNEXURE - I (Contd.)**
**(ii) Shareholding of Promoters**

	Category of Shareholders	Shareholding at the beginning of the Year (As on 1 April 2019)			Shareholding at the end of the Year (As on 31 March 2020)			% Change during the year
		No. of Shares	% of Total shares of the Company	% of shares Pledged / encumbered to Total shares	No. of shares	% of Total Shares of the Company	% of shares Pledged / encumbered to Total shares	
1.	Stanley Electric Co., Ltd	33,43,381	35.77	-	33,43,381	35.77	-	-
2.	Mr. Dhanesh Kumar Jain*	21,09,709	22.57	-	-	-	-	(22.57)
3.	Lumax Auto Technologies Limited	5,25,000	5.62	-	5,25,000	5.62	-	-
4.	Lumax Finance Private Limited	4,93,367	5.28	-	4,93,367	5.28	-	-
5.	Thai Stanley Electric Public Company Limited.	1,62,018	1.73	-	1,62,018	1.73	-	-
6.	Mr. Deepak Jain*	1,64,428	1.76	-	11,72,031	12.54	-	10.78
7.	Mr. Dhanesh Kumar Jain (HUF)	1,42,970	1.53	-	1,42,970	1.53	-	-
8.	Mr. Anmol Jain*	69,925	0.75	-	11,72,031	12.54	-	11.79
	<b>Total</b>	<b>70,10,798</b>	<b>75.00</b>	<b>-</b>	<b>70,10,798</b>	<b>75.00</b>	<b>-</b>	<b>-</b>

\* The Total number of Shares of Mr. Deepak Jain, Mr. Anmol Jain has increased and Shares of Mr. Dhanesh Kumar Jain has decreased due to Inter-se Transfer of Shares (by way of gift) between Promoter/ Promoter Group received under Regulation 10(1)(a)(i) & 10(1)(a)(ii) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**(iii) Change in Promoter's Shareholding**

	Particulars	Date	Shareholding at the beginning of the Year (As on 1 April 2019)		Cumulative Shareholding during the Financial Year 2019-20	
			No. of shares	% of Total shares	No. of shares	% of Total shares
<b>1.</b>	<b>Mr. Dhanesh Kumar Jain*</b>					
	At the beginning of the Year		21,09,709	22.57	-	-
	Increase/Decrease in the shareholding during the Year	28 June 2019	(21,09,709)	22.57	-	-
	At the end of the Year		-	-	-	-
<b>2.</b>	<b>Mr. Deepak Jain*</b>					
	At the beginning of the Year		1,64,428	1.76	-	-
	Increase/Decrease in the shareholding during the Year	28 June 2019	10,07,603	10.78	-	-
	At the end of the Year		-	-	11,72,031	12.54
<b>3.</b>	<b>Anmol Jain*</b>					
	At the beginning of the Year		69,925	0.75	-	-
	Increase/Decrease in the shareholding during the Year	28 June 2019	11,02,106	11.79	-	-
	At the end of the Year		-	-	11,72,031	12.54

\* The Total number of Shares of Mr. Deepak Jain, Mr. Anmol Jain has increased and Shares of Mr. Dhanesh Kumar Jain has decreased due to Inter-se Transfer of Shares (by way of gift) between Promoter/ Promoter Group received under Regulation 10(1)(a)(i) & 10(1)(a)(ii) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**ANNEXURE - I (Contd.)**

**(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

	Shareholder's Name	Shareholding at the beginning of the Year (1 April 2019)		Cumulative Shareholding during the Financial Year 2019-20	
		No. of shares	% of Total share capital of the Company	No. of shares	% of Total share capital of the Company
<b>1</b>	<b>Param Capital Research Pvt. Ltd.</b>				
	At the beginning of the year	2,00,000	2.14		
	Increase/Decrease in Shareholding during the year	-	-	-	-
	06-Mar-20	1,60,000	1.71	3,60,000	3.85
	06-Mar-20	-1,60,000	1.71	2,00,000	2.14
	At the end of the Year			2,00,000	2.14
<b>2</b>	<b>Vanaja Sundar Iyer</b>				
	At the beginning of the Year	84,277	0.9	-	-
	Increase/Decrease in Shareholding during the Year	-	-	-	-
	18-Oct-19	-2,732	0.03	81,545	0.87
	25-Oct-19	-419	0	81,126	0.87
	01-Nov-19	-3361	0.04	77,765	0.83
	27-Dec-19	-21294	0.23	56,471	0.6
	31-Dec-19	-3668	0.04	52,803	0.56
	10-Jan-20	-2145	0.02	50,658	0.54
	17-Jan-20	-17730	0.19	32,928	0.35
	31-Jan-20	-1445	0.02	31,483	0.34
	07-Feb-20	-8335	0.09	23,148	0.25
	14-Feb-20	-1595	0.02	21,553	0.23
	21-Feb-20	-2484	0.03	19,069	0.2
	28-Feb-20	-774	0.01	18,295	0.2
	06-Mar-20	-1168	0.01	17,127	0.18
	13-Mar-20	-10588	0.11	6,539	0.07
	27-Mar-20	-6539	0.07	0	0
	At the end of the Year			0	0
<b>3</b>	<b>Indgrowth Capital Fund I</b>				
	At the beginning of the Year	83,696	0.9		
	Increase/Decrease in shareholding during the Year				
	27-Sep-19	102	0	83,798	0.9
	30-Sep-19	412	0	84,210	0.9
	04-Oct-19	578	0.01	84,788	0.91
	11-Oct-19	447	0	85,235	0.91
	18-Oct-19	101	0	85,336	0.91
	06-Dec-19	-2,032	0.02	83,304	0.89
	13-Dec-19	-3,500	0.04	79,804	0.85
	20-Dec-19	-900	0.01	78,904	0.84
	28-Feb-20	-1,540	0.02	77,364	0.83
	06-Mar-20	638	0.01	78,002	0.83
	13-Mar-20	-1,168	0.01	76,834	0.82
	At the end of the Year			76,834	0.82



**ANNEXURE - I (Contd.)**

	Shareholder's Name	Shareholding at the beginning of the Year (1 April 2019)		Cumulative Shareholding during the Financial Year 2019-20	
		No. of shares	% of Total share capital of the Company	No. of shares	% of Total share capital of the Company
<b>4</b>	<b>IIFL Securities Limited</b>				
	At the beginning of the Year	81,970	0.88		
	Increase/Decrease in the shareholding during the Year				
	12-Apr-19	21	0	81,991	0.88
	19-Apr-19	-21	0	81,970	0.88
	26-Apr-19	3	0	81,973	0.88
	03-May-19	32	0	82,005	0.88
	10-May-19	-35	0	81,970	0.88
	24-May-19	15	0	81,985	0.88
	31-May-19	-15	0	81,970	0.88
	14-Jun-19	-81,960	0.88	10	0
	05-Jul-19	4	0	14	0
	05-Jul-19	-10	0	4	0
	12-Jul-19	-4	0	0	0
	26-Jul-19	1	0	1	0
	02-Aug-19	-1	0	0	0
	09-Aug-19	59	0	59	0
	16-Aug-19	-34	0	25	0
	23-Aug-19	5	0	30	0
	30-Aug-19	-5	0	25	0
	06-Sep-19	-25	0	0	0
	13-Sep-19	20	0	20	0
	20-Sep-19	-18	0	2	0
	27-Sep-19	-2	0	0	0
	25-Oct-19	3	0	3	0
	01-Nov-19	1	0	4	0
	08-Nov-19	6	0	10	0
	15-Nov-19	-10	0	0	0
	22-Nov-19	2	0	2	0
	29-Nov-19	35	0	37	0
	06-Dec-19	-37	0	0	0
	20-Dec-19	10	0	10	0
	27-Dec-19	-7	0	3	0
	31-Dec-19	-3	0	0	0
	10-Jan-20	10	0	10	0
	17-Jan-20	-10	0	0	0
	31-Jan-20	4	0	4	0
	14-Feb-20	38	0	42	0
	21-Feb-20	-42	0	0	0
	20-Mar-20	100	0	100	0
	27-Mar-20	-88	0	12	0
	31-Mar-20	8	0	20	0
	At the end of the Year			20	0

ANNEXURE - I (Contd.)

	Shareholder's Name	Shareholding at the beginning of the Year (1 April 2019)		Cumulative Shareholding during the Financial Year 2019-20	
		No. of shares	% of Total share capital of the Company	No. of shares	% of Total share capital of the Company
<b>5</b>	<b>Union Multi Cap Fund</b>				
	At the beginning of the Year	71,417	0.76		
	Increase/Decrease in the shareholding during the Year				
	02-Aug-19	1,973	0.02	73,390	0.79
	09-Aug-19	1,125	0.01	74,515	0.8
	16-Aug-19	2,265	0.02	76,780	0.82
	23-Aug-19	50	0	76,830	0.82
	30-Aug-19	1,056	0.01	77,886	0.83
	22-Nov-19	1,463	0.02	79,349	0.85
	03-Jan-20	-89	0	79,260	0.85
	10-Jan-20	2,180	0.02	81,440	0.87
	14-Feb-20	1,871	0.02	83,311	0.89
	At the end of the Year			83,311	0.89
<b>6</b>	<b>Investor Education and Protection Fund Authority</b>				
	At the beginning of the Year	70,122	0.75		
	Increase/Decrease in the shareholding during the Year				
	11-Oct-19	5,893	0.06	76,015	0.81
	18-Oct-19	52	0	76,067	0.81
	24-Jan-20	-20	0	76,047	0.81
	At the end of the Year			76,047	0.81
<b>7</b>	<b>D Srimathi</b>				
	At the beginning of the Year	42,967	0.46		
	Increase/Decrease in the shareholding during the Year				
	At the end of the Year			42,967	0.46
<b>8</b>	<b>BOI AXA Trustee Services Pvt. Ltd.</b>				
	At the beginning of the Year	36,207	0.39		
	Increase/Decrease in the shareholding during the Year				
	17-May-19	-1,896	0.02	34,311	0.37
	24-May-19	-101	0	34,210	0.37
	31-May-19	-4,481	0.05	29,729	0.32
	26-Jul-19	-3,793	0.04	25,936	0.28
	16-Aug-19	-3,691	0.04	22,245	0.24
	23-Aug-19	-5,000	0.05	17,245	0.18
	13-Sep-19	-1,290	0.01	15,955	0.17
	20-Sep-19	-449	0	15,506	0.17
	27-Sep-19	-848	0.01	14,658	0.16
	30-Sep-19	-3,449	0.04	11,209	0.12
	11-Oct-19	-2,728	0.03	8,481	0.09
	18-Oct-19	-1,812	0.02	6,669	0.07
	25-Oct-19	-981	0.01	5,688	0.06
	08-Nov-19	-1,068	0.01	4,620	0.05
	15-Nov-19	-1,687	0.02	2,933	0.03
	22-Nov-19	-2,933	0.03	0	0
	At the end of the Year			0	0

**ANNEXURE - I (Contd.)**

	Shareholder's Name	Shareholding at the beginning of the Year (1 April 2019)		Cumulative Shareholding during the Financial Year 2019-20	
		No. of shares	% of Total share capital of the Company	No. of shares	% of Total share capital of the Company
<b>9</b>	<b>Premier Investment Fund Limited</b>				
	At the beginning of the Year	31,050	0.33		
	Increase/Decrease in the shareholding during the Year	Nil			
	At the end of the Year			31,050	0.33
<b>10</b>	<b>Prabhas Dhanuka</b>				
	At the beginning of the Year	20,000	0.21		
	Increase/Decrease in the shareholding during the Year	Nil			
	At the end of the Year			20,000	0.21

**(v) Shareholding of Directors and Key Managerial Personnel:**

	Shareholder's Name	Shareholding at the beginning of the Year. (1 April 2019)		Cumulative Shareholding during the Financial Year 2019-20	
		No. of shares	% of Total share capital of the Company	No. of shares	% of Total share capital of the Company
<b>A.</b>	<b>Directors</b>				
<b>1.</b>	<b>Mr. Deepak Jain</b>				
	At the beginning of the year	<b>1,64,428</b>	<b>1.76</b>		
	Increase/Decrease in the shareholding during the year	10,07,603	10.78		
	At the end of the year			<b>11,72,031</b>	<b>12.54</b>
<b>2.</b>	<b>Mr. Anmol Jain</b>				
	At the beginning of the year	<b>69,925</b>	<b>0.75</b>		
	Increase/Decrease in the shareholding during the year	11,02,106	11.79		
	At the end of the year			<b>11,72,031</b>	<b>12.54</b>
<b>3.</b>	<b>Mr. Vineet Sahni</b>				
	At the beginning of the year	<b>1250</b>	<b>0.01</b>		
	Increase/Decrease in the shareholding during the year	866	0.01		
	At the end of the year			<b>2116</b>	<b>0.02</b>
	<b>Key Managerial personnel</b>				
<b>4.</b>	<b>Mr. Shruti Kant Rustagi</b>				
	At the beginning of the Year	<b>214</b>	<b>0.00</b>		
	Increase/Decrease in the shareholding during the Year	-	-		
	At the end of the Year			<b>214</b>	<b>0.00</b>

Note: Mr. Tadayoshi Aoki (Senior Executive Director), Mr. Koji Sawada (Executive Director), Mr. Toru Tanabe (Non- Executive Director) and Independent Directors viz. Mr. Avinash Parkash Gandhi, Mr. Rattan Kapur, Mr. Munish Chandra Gupta, Mr. Dhiraj Dhar Gupta, Mr. Rajeev Kapoor, Mrs. Ritika Modi and Mr. Pankaj Mahendru, Company Secretary did not hold any shares of the Company during the Financial Year 2019-20.

ANNEXURE - I (Contd.)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year:</b>				
i) Principal Amount	3,623.75	10,343.94	-	13,967.69
ii) Interest due but not paid	3.00	10.25	-	13.25
iii) Interest accrued but not due	-	36.25	-	36.25
<b>Total (i+ii+iii)</b>	<b>3,626.75</b>	<b>10,390.44</b>	<b>-</b>	<b>14,017.19</b>
<b>Change in Indebtedness during the Financial Year:</b>				
Addition	20,679.92	-	-	20,679.92
Reduction	-	(2,650.84)	-	(2,650.84)
<b>Net Change</b>	<b>20,679.92</b>	<b>(2,650.84)</b>	<b>-</b>	<b>18,029.08</b>
<b>Indebtedness at the end of the Financial Year:</b>				
i) Principal Amount	24,188.85	7,668.13	-	31,856.98
ii) Interest due but not paid	117.82	31.85	-	149.67
iii) Interest accrued but not due	-	39.62	-	39.62
<b>Total (i+ii+iii)</b>	<b>24,306.67</b>	<b>7,739.60</b>	<b>-</b>	<b>32,046.27</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Mr. Deepak Jain (Chairman & Managing Director)	Mr. Anmol Jain (Joint Managing Director)	Mr. Vineet Sahni (CEO & Senior Executive Director)	Mr. Tadayoshi Aoki (Senior Executive Director)	Mr. Koji Sawada (Executive Director)	
1	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	108.05	47.90	247.03	17.20	16.09	436.27
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	18.68	3.92	19.62	0.40	0.40	43.02
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4	Commission						
	- as % of profit	243.00	-	86.96	-	-	329.96
	- others, specify						
5.	Others, please specify*	8.64	3.74	22.43	-	-	34.81
	<b>Total (A)</b>	<b>378.37</b>	<b>55.57</b>	<b>376.05</b>	<b>17.60</b>	<b>16.49</b>	<b>844.08</b>
	Ceiling as per the Act	(Being 10% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)					

\* Others includes Contribution to EPF, FPF, NPS & LWF.

**ANNEXURE - I (Contd.)**
**(ii) Remuneration to other Directors:**

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Toru Tanabe	Mr. Avinash Parkash Gandhi	Mr. Munish Chandra Gupta	Mr. Rattan Kapur	Mr. Dhiraj Dhar Gupta	Mr. Rajeev Kapoor	Mrs. Ritika Modi	
1.	Independent Directors								
	• Fee for attending board / committee meetings	-	5.40	4.60	4.60	3.80	3.80	2.40	24.60
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	<b>5.40</b>	<b>4.60</b>	<b>4.60</b>	<b>3.80</b>	<b>3.80</b>	<b>2.40</b>	<b>24.60</b>
2.	Other Non-Executive Directors								
	• Fee for attending board / committee meetings	-	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	<b>5.40</b>	<b>4.60</b>	<b>4.60</b>	<b>3.80</b>	<b>3.80</b>	<b>2.40</b>	<b>24.60</b>
	<b>Total Managerial Remuneration* (A+B)</b>								<b>868.68</b>

\*Total remuneration to Managing Directors, Whole Time Directors and Other Directors (being the Total of A and B)

**(iii) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:**

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount	
		Ms. Ankita Gupta (Company Secretary)@	Mr. Pankaj Mahendru (Company Secretary)#	Mr. Shruti Kant Rustagi (Chief Financial Officer)		
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		2.46	7.27	75.75	85.48
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961		-	0.07	1.83	1.90
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961					
2.	Stock Option		-		-	-
3.	Sweat Equity		-		-	-
4.	Commission					
	- as % of profit		-		-	-
	- others, specify					
5.	Others, please specify *		-	0.32	3.40	3.72
	<b>Total (A)</b>		<b>2.46</b>	<b>7.66</b>	<b>80.98</b>	<b>91.10</b>

\* Others includes Contribution to EPF, PPF, NPS &amp; LWF.

@Ms. Ankita Gupta had resigned w.e.f. 14th August 2019.

#Mr. Pankaj Mahendru was appointed as a Senior Manager in the Company w.e.f. 23rd October, 2019 and was appointed as a Company Secretary of the Company w.e.f. 12th November 2019.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

 Against the Company, Directors and other Officers in Default under the Companies Act, 2013: **NONE**

# BUSINESS RESPONSIBILITY REPORT

## Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L74899DL1981PLC012804
2.	Name of the Company	Lumax Industries Limited
3.	Registered address	2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046 Tel. +91-11 49857832
4.	Website	www.lumaxworld.in/lumaxindustries
5.	E-mail id	lumaxshare@lumaxmail.com
6.	Financial Year reported	2019-2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Automotive Lamp Activity Code: 2740
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Head Lamp, Tail Lamp & other Auxiliary lamps (Fog Lamp, High Mount Stop Tail Lamp)
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	Company has One Design Centre in Taiwan Company has 10 Manufacturing Plants in India at below mentioned locations: <ul style="list-style-type: none"> <li>• Gurugram, Dharuhera, Manesar, Bawal (Haryana)</li> <li>• Pant Nagar, Haridwar (Uttarakhand)</li> <li>• Chinchwad, Chakan (Pune, Maharashtra)</li> <li>• Bengaluru (Karnataka)</li> <li>• Sanand (Gujarat)</li> </ul> Besides, Company has two R&D locations (Gurugram, Haryana & Chakan, Pune)
10.	Markets served by the Company – Local/State/National/International	Local/State/National/International markets.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY (Standalone)

(₹ in Lakhs)

Financial Details of the Company		2019-20	2018-19
1.	Equity Share Capital	934.77	934.77
2.	Total Turnover		
	a) Revenue from operations	1,60,158.72	1,85,145.00
	b) Other Income	966.19	2,551.88
3.	Total Profit after taxes	7,230.69	10,740.00

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)  
**₹ 163.21 Lakhs have been spent during financial year 2019-20 which is more than 2% of average profits of previous three years of the Company.**
5. List of activities in which expenditure in 4 above has been incurred:-  
**Education and Health**

## SECTION C: Other details

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	N.A.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%	The Company encourages its other stakeholders i.e. suppliers, distributors etc. in the value chain to participate in its BR initiatives, however it does not track the actual participation.

**BUSINESS RESPONSIBILITY REPORT (Contd.)**
**SECTION D: BR INFORMATION**
**1. Details of Director/Directors responsible for BR**
**(a) Details of the Director/Director responsible for implementation of the BR policy/policies**

1. DIN Number: 03616096
2. Name: Mr. Vineet Sahni
3. Designation: CEO and Senior Executive Director

**(b) Details of the BR head**

Sr. No.	Particulars	Details
1	DIN	03616096
2	Name	Mr. Vineet Sahni
3	Designation	CEO and Senior Executive Director
4	Telephone Number	0124-4760000
5	Email id	lumaxshare@lumaxmail.com

**Principle-wise (as per NVGs) BR Policy/policies**

<b>Principle 1</b> Business should conduct and govern themselves with Ethics, Transparency and Accountability	<b>Principle 2</b> Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<b>Principle 3</b> Business should promote the well-being of all employees
<b>Principle 4</b> Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	<b>Principle 5</b> Businesses should respect and promote human rights	<b>Principle 6</b> Business should respect, protect, and make efforts to restore the environment
<b>Principle 7</b> Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	<b>Principle 8</b> Business should support inclusive growth and equitable development	<b>Principle 9</b> Businesses should engage with and provide value to their customers and consumers in a responsible manner

**(a) Details of compliance (Reply in Y/N)**

Sr. No.	Questions	Ethics Transparency & Accountability	Product Lifecycle Sustainability	Well being of employees	Stakeholder engagement	Human Rights	Preservation of Environment	Responsible advocacy	Inclusive growth and Equitable development	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**BUSINESS RESPONSIBILITY REPORT (Contd.)**

Sr. No.	Questions	Ethics Transparency & Accountability	Product Lifecycle Sustainability	Well being of employees	Stakeholder engagement	Human Rights	Preservation of Environment	Responsible advocacy	Inclusive growth and Equitable development	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://www.lumaxworld.in/lumaxindustries/policies.html">https://www.lumaxworld.in/lumaxindustries/policies.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR policies and its implementation are evaluated internally.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	<b>NOT APPLICABLE</b>								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									



**BUSINESS RESPONSIBILITY REPORT (Contd.)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3	The Company does not have financial or manpower resources available for the task	<b>NOT APPLICABLE</b>								
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

**3. Governance related to BR**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR Head periodically assesses the BR performance of the Company.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This BRR for the financial year 2019-20 is the first report of the Company that is published. Going forward, we shall be publishing BRR for a financial year, annually, as part of the Annual Report.

**SECTION E: PRINCIPLE-WISE PERFORMANCE**
**Principle 1**

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

All employees working in the Company are governed by the Company's policies on Ethics, Transparency and Accountability along with the Code of Conduct. The Company also has in place a Whistle Blower Policy. The Company's Code of Conduct and policy on Ethics Transparency & Accountability addresses subjects like bribery, corruption, compliance to the Company's standards of business conduct and ethics and ensures compliance with regulatory requirements.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholder	Complaints Received during FY 2019-20	Complaints Resolved during FY 2019-20	Complaints Resolved (%)
Investors	139	139	100
Whistle Blower	Nil	N.A.	N.A.

**Principle 2**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in the business of manufacturing of automotive lamps i.e. Head Lamps, Tail lamps and other auxiliary lamps. Although these products have insignificant social or environmental concern or risk, the Company follows strict adherence processes in compliance with the statutory norms.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?  
 (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company has taken/always take efforts for optimum utilization of all resources.

## BUSINESS RESPONSIBILITY REPORT (Contd.)

### 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, The Company has a procurement policy in place for purchase of goods and raw material. The Company evaluates the performance for all the vendors on the basis of Productivity, Quality, Cost, Delivery, Development, Safety and Response.

### 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company has dedicated **Supplier Quality Assurance (SQA) and Safety team** who hand hold, mentor all supplier partners and evaluate their performance periodically. The team visits their facilities, analyze quality related aspects, safety measures and create action plans jointly with the suppliers, for necessary improvement. The Company has also established **DOJO** (training centre) centre at various supplier premises as per customer requirement for continual improvement in productivity, quality and improvement in cost.

### 5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The nature of the Company's business is such that there are no significant emissions or process wastes. The Company recycle materials (< 5%) wherever possible else disposed off in compliance with applicable statutory provisions.

#### Principle 3

- Please indicate the Total number of employees. On roll – 2270, Casuals/Contractuals - 2594
- Please indicate the Total number of employees hired on temporary/contractual/casual basis - 2594
- Please indicate the Number of permanent women employees - 119
- Please indicate the Number of permanent employees with disabilities - NIL
- Do you have an employee association that is recognized by management. - YES
- What percentage of your permanent employees is members of this recognized employee association - 26%
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year - NIL

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

No.	Category	% Employees that were given safety training	% Employees that were given skill upgradation training
1	Permanent Employees	13%	26%
2	Permanent Women Employees	50%	40%
3	Casual/Temporary/Contractual Employees	88%	83%
4	Employees with Disabilities	N/A	N/A

## BUSINESS RESPONSIBILITY REPORT (Contd.)

### Principle 4

**1. Has the Company mapped its internal and external stakeholders?**

Yes.

Our stakeholders both internal and external, play a significant role in expressing our values, carrying out our mission, developing strategies, implementing processes and fostering long-term relationships.

Internal and external stakeholders include Employees, Shareholders, Investors, Customers, Regulatory bodies, Supply chain partners, CSR beneficiaries, Governments.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes, the Company has identified the disadvantaged, vulnerable & Marginalized stakeholders viz. unemployed & unskilled youth, people having limited or no access to basic education. The Company has taken initiatives to engage with the disadvantaged, vulnerable, marginalized stakeholders as per its CSR policy.

### Principle 5

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Company respect the dignity of all individuals and communities and adhere to the principles of Human Rights. The Company has adopted Code of Conduct and whistle blower policy. These policies are applicable to employees of Lumax Industries Limited. The underlining principles are communicated to all the vendors, suppliers and distributors and other key business associates of the Company, which they are expected to adhere to while dealing with the Company.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Stakeholder	Complaints Received during FY 2019-20	Complaints Resolved during FY 2019-20	Complaints Resolved (%)
Whistle Blower	Nil	N.A.	N.A.
Sexual Harassment	Nil	N.A.	N.A.

### Principle 6

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Environment Policy is applicable to the Company across all its Plants situated in India. The vendors are governed by their respective policies. Adherence to environmental laws and regulations is one of the pre-requisites for awarding a contract to any vendor.

**2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The Company has been undertaking various initiatives to address environmental issues. The emissions or waste generated by the Company are within the permissible limits specified by the Central Pollution Control Board (CPCB) and/or specific State Pollution Control Board (SPCB). Company's Certain plants are certified under ISO 14001 Standards for Environment Management Systems (EMS).

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company continues to work towards development and implementation of climate change mitigation mainly through energy saving projects (including generation of power through wind mills and solar) across the Company. However, we do not have any registration of CDM projects.

## BUSINESS RESPONSIBILITY REPORT (Contd.)

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The measures introduced by the Company for conservation of energy at its plant locations are contained in the Report on Conservation of Energy and Technology Absorption which forms part of the Board's Report.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There is no pendency for any show cause/legal notice received.

### Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of several leading Industry Associations, including:

- ACMA - Automobile Component Manufacturers Association,
- SIAM - Society of Indian Automobile Manufacturers
- CII - Confederation of Indian Industries

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company is taking up various suggestions / issues related to trade to the relevant authorities through these associations.

### Principle 8

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Lumax is committed to support various programs under India's identified Sustainable Development Goals (SDGs) In line with the SDGs, Lumax supports – Quality education & Good Health. Education as a means to uplift the level of the future generation and make them capable citizens of the country. Today, the Group is involved in providing and supporting career counselling, life-skills & soft-skills programs as also provide scholarships to bridge the education gap and limit drop out ratio of senior school students. These programs are undertaken in communities and schools in the vicinity of our plants, after assessing the needs in the community as also the schools.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Programmes are undertaken through the Corporate Social Responsibility arm of the Company namely Lumax Charitable Foundation team and implementation partners.

3. Have you done any impact assessment of your initiative?

The CSR Committee reviews the progress of the initiatives for all the projects and programmes to assess the desired outcome on the society. Since most of the projects have been done for less than 3 years, the impact study is yet not done.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

For details on Company's contribution to its CSR projects and programmes, please refer 'Annexure – G Annual Report on CSR activities', to the Board's report for FY 2019-20.

## BUSINESS RESPONSIBILITY REPORT (Contd.)

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Our initiatives are in the schools to bring about changes in the lives of the students and indirectly impacting the communities in terms of social changes and economic improvement in future. Also support preventive and curative health initiatives to ensure good health of the communities, these are able to sensitise and generate awareness amongst communities to take care of their health and make lifestyle changes.

Yes, the Company regularly monitors CSR initiatives to ensures that they are properly implemented and sustain within communities beyond our interactions.

### Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company caters to two, three, four-wheeler, commercial vehicle and off-road vehicle Original Equipment Manufacturers ("OEMs"). There is a strong mechanism defined in the Company to deal with issues and complaints reported by OEMs. OEMs communicate issues through their quality rating shared via e-mail communications, during their visits to plants or at meetings for which the corrective actions are planned to resolve and eliminate the problem(s) witnessed.

The Company also caters to retail market through its aftermarket division. The Complaints for the products sold in aftermarket can be raised through any or all of the following mode:

- Communicate the complaint at the customer care desk at local representative/ distributor.

There is no complaint which is pending attention and requisite action at Company's end.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Yes.

The Company's product are OEM specific and as per OEM requirements, the Company display product requirement of OEM. The typical information displayed on product includes details of manufacturing date, manufacturing shift and customer part number. The details other than above which are mandatory as per applicable motor vehicle law are mentioned at specified locations.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes. The Company do take the feedback from the customers with the endeavour to achieve the highest level of satisfaction and perform their operations accordingly. The Company has received various awards from different customers for meeting and exceeding their targets, which are mentioned in the annual report.

# Independent Auditor's Report

## To the Members of Lumax Industries Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Lumax Industries Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements" or "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report (Contd.)

The Key Audit Matter	How the matter was addressed in our audit
<p><b>Revenue recognition (Refer note 3(k), 24 and 44 to the financial statements)</b></p> <p>Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is recognised only to the extent that it is highly probable a significant reversal will not occur. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>The Company considers certain variable considerations such as price adjustment and discounts to be passed to customers on the basis of agreed terms, negotiations with customers/ commercial considerations, which involves significant judgement and estimates to arrive at the amount of price adjustments to be accrued for adjustment to revenue</p> <p>We have considered revenue recognition as a key audit matter on account of the qualitative and quantitative factors as mentioned above.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- assessed the appropriateness of the accounting policy for revenue recognition, including those relating to price increase/decrease and discounts as per the applicable accounting standards;</li> <li>- evaluated the design and implementation of the Company's key internal financial controls over revenue recognition including those relating to price increase/decrease and discounts and tested the operating effectiveness of such controls on selected transactions;</li> <li>- Inspected samples identified by applying statistical sampling from the underlying documents that revenue has been booked correctly and in the correct period with reference to supporting invoices, terms and conditions with customers and receipts from customers;</li> <li>- Inspected on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end to determine whether revenue was recognised in the correct period;</li> <li>- evaluated management's methodology and assumptions used in the calculations of price adjustments. Inspected, on sample basis, debit note/credit notes issued, receipts/ payment made as per approved customer contracts, agreed price adjustments passed on to the customers and evaluated completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments;</li> <li>- performed analytical procedures on current year revenue and price adjustments, based on trends and where appropriate, conducting further enquiries and testing;</li> <li>- inspected manual journals posted to revenue to identify unusual items;</li> <li>- assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard.</li> </ul>

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report (Contd.)

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Independent Auditor's Report (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm Registration No. 116231W /W-100024

**Manish Kapoor**

Partner

Membership No.: 510688

ICAI UDIN: 20510688AAAAAM8057

Place: Gurugram

Date: 18 June 2020

## Annexure A to the Independent Auditor's report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets in which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the management in the current year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and buildings included under the head "Property, plant and equipment", are held in the name of the Company as at the balance sheet date.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, inventory except stock lying with third parties and goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. Confirmations have been obtained for stock lying with third parties at the year-end. According to the information and explanations given to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. Moreover, in respect of the investments made by the Company, requirements of section 186 of the Companies Act, 2013 have been complied with.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of certain products manufactured by the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government of India under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Duty of customs, Goods and Service tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delays in few cases related to payment of Goods and Service tax, Income-tax, Provident fund and Professional tax. Further, as explained to us, the Company did not have any dues on account of Value added tax, Sales tax, Duty of excise and Service tax during the current year.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became due for payment.

**Annexure A (Contd.)**

- (b) According to the information and explanations given to us, except as stated below, there are no dues of Income tax, Sales tax, Service tax, Goods and Service tax, Duty of customs, Duty of excise and Value added tax that have not been deposited with the appropriate authorities on account of any dispute:

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Amount paid (₹ in lakhs)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Demand for disallowance of Cenvat credit in respect of outward transportation	2.31	-	2014-15	Commissioner of Excise (Appeals)
Customs Act, 1962	Demand on account of classification of certain imported goods	6.51	-	2016-17	Commissioner of customs (Appeals)
Customs Act, 1962	Demand for wrongful availment of duty drawback.	1.16	-	2015-16	Commissioner of customs (Appeals)
Central Excise Act, 1956	Demand for short payment of excise duty for non-inclusion of designs/ drawings provided by the Customer.	518.66	-	2013-14 to 2017- 18	Director General of GST Intelligence
Central Excise Act, 1956	Demand for short payment of excise duty for non-inclusion of designs/ drawings provided by the Customer.	719.15	-	2013-14 to 2018- 19	Director General of GST Intelligence
Income tax Act, 1961	Demand for disallowance of loyalty incentives	8.47	-	AY 2011-12	Commissioner of Income-tax (Appeals)
Income tax Act, 1961	Demand for disallowance of loyalty incentives	77.27	-	AY 2012-13 to AY 2017- 18	Assistant Commissioner of Income-tax
Income tax Act, 1961	Demand for disallowance of loyalty incentives and under valuation of Inventory	3,083.70	221.9	AY 2018-19	Assistant Commissioner of Income-tax
Central Sales Tax Act, 1961	Demand against non submission of various Forms	44.94	-	2015-16 to 2017- 18	Assessing officer
Central Sales Tax Act, 1961	Demand against non submission of various Forms	20.23	-	2001-02	Joint Commissioner of Sales tax (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, the Company has availed the moratorium as prescribed by Reserve Bank of India and accordingly, has not defaulted in repayment of dues to banks or financial institutions. The Company did not have any loans or borrowings from government or any dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further, in our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.

**Annexure A (Contd.)**

- (xiii) According to information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm Registration No. 116231W /W-100024

**Manish Kapoor**

Partner

Membership No.: 510688

ICAI UDIN: 20510688AAAAAM8057

Place: Gurugram

Date: 18 June 2020

## **Annexure B** to the Independent Auditors' report on the standalone financial statements of Lumax Industries Limited for the year ended 31 March 2020

### **Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Opinion**

We have audited the internal financial controls with reference to the standalone financial statements of Lumax Industries Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Director's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

#### **Meaning of Internal Financial controls with Reference to the standalone financial statements**

A company's internal financial controls with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the standalone financial statements include those policies and procedures

## Annexure B (Contd.)

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the the standalone financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to the standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm Registration No. 116231W /W-100024

**Manish Kapoor**

Partner

Membership No.: 510688

ICAI UDIN: 20510688AAAAAM8057

Place: Gurugram

Date: 18 June 2020

# Standalone Balance Sheet

## as at 31 March 2020

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4A	61,261.53	54,412.30
Capital work-in-progress	4B	3,216.74	4,899.83
Right of use assets	4C	2,375.43	-
Investment property	5	72.13	72.13
Goodwill	4E	977.58	-
Other intangible assets	4D	580.51	460.75
Intangible assets under development	4F	2.06	78.82
Financial assets			
Investments	6	514.74	514.74
Loans	7	690.64	538.44
Others	8	164.19	227.37
Non current tax assets (net)	12	745.04	517.13
Deferred tax assets (net)	23	14.11	-
Other non-current assets	13	6,330.50	3,198.76
<b>Total non-current assets</b>		<b>76,945.20</b>	<b>64,920.27</b>
<b>Current assets</b>			
Inventories	14	17,917.82	20,414.73
Financial assets			
Investments	6	10.51	13.93
Trade receivables	9	17,321.45	22,101.18
Cash and cash equivalents	10	795.00	201.33
Bank balances other than above	10	3,000.65	23.13
Loans	7	98.27	99.39
Derivatives	11	237.34	-
Others	8	1,030.14	1,062.30
Other current assets	13	2,468.25	2,574.58
<b>Total current assets</b>		<b>42,879.43</b>	<b>46,490.57</b>
<b>TOTAL ASSETS</b>		<b>1,19,824.63</b>	<b>1,11,410.84</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	934.77	934.77
Other equity	16	37,509.61	36,289.62
<b>Total equity</b>		<b>38,444.38</b>	<b>37,224.39</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial liabilities			
Borrowings	17	2,638.19	93.63
Lease liability	18	2,796.22	-
Provisions	22	2,838.63	2,524.96
Deferred tax liabilities (net)	23	-	434.36
<b>Total non current liabilities</b>		<b>8,273.04</b>	<b>3,052.95</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17	26,564.61	13,696.40
Lease liability	18	68.18	-
Trade payables			
- total outstanding dues of micro and small enterprises, and	19	671.80	52.41
- total outstanding dues of creditors other than micro and small enterprises	19	30,845.33	37,956.78
Other financial liabilities	20	10,540.31	10,163.08
Other current liabilities	21	3,730.85	8,030.84
Provisions	22	686.13	1,233.99
<b>Total current liabilities</b>		<b>73,107.21</b>	<b>71,133.50</b>
<b>Total liabilities</b>		<b>81,380.25</b>	<b>74,186.45</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,19,824.63</b>	<b>1,11,410.84</b>
Summary of significant accounting policies	3		

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**For and on behalf of the Board of Directors of Lumax Industries Limited**

**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 18 June 2020

ICAI UDIN: 20510688AAAAAM8057

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 18 June 2020

**Vineet Sahni**

CEO & Senior  
Executive Director  
Din: 03616096

Place: Gurugram

Date: 18 June 2020

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi

Date: 18 June 2020

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi

Date: 18 June 2020

# Statement of Standalone Profit and Loss

## for the year ended 31 March 2020

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>I REVENUE</b>			
Revenue from operations	24	1,60,158.72	1,85,145.00
Other income	25.1	966.19	2,551.88
<b>TOTAL REVENUE</b>		<b>1,61,124.91</b>	<b>1,87,696.88</b>
<b>II EXPENSES</b>			
Cost of materials consumed			
Cost of raw material and components consumed	26.1	87,782.00	1,17,262.34
Cost of moulds, tools & dies	26.2	10,665.41	3,058.69
Purchase of stock in trade	27	442.13	1,562.66
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(498.85)	(565.79)
Employee benefits expenses	29	20,991.68	21,799.52
Finance costs	30	2,191.56	1,552.33
Depreciation and amortization	31	6,354.42	6,028.87
Other expenses	32	25,001.30	26,710.31
<b>TOTAL EXPENSES</b>		<b>1,52,929.65</b>	<b>1,77,408.93</b>
<b>III Profit before exceptional items and income tax (I-II)</b>		<b>8,195.26</b>	<b>10,287.95</b>
<b>IV Exceptional item</b>	25.2	-	3,620.27
<b>V Profit before tax (III+IV)</b>		<b>8,195.26</b>	<b>13,908.22</b>
<b>VI Tax Expense:</b>			
Current tax	23	1,380.07	2,969.24
Deferred tax (including MAT for earlier years)	23	(415.50)	186.60
Current tax for earlier years	23	-	12.38
<b>Income tax expenses</b>		<b>964.57</b>	<b>3,168.22</b>
<b>VII Profit for the year (V-VI)</b>		<b>7,230.69</b>	<b>10,740.00</b>
<b>VIII Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of defined benefit liability		(94.38)	(210.05)
Income tax relating to above		-	-
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(94.38)</b>	<b>(210.05)</b>
<b>Total comprehensive income for the year (VII-VIII)</b>		<b>7,136.31</b>	<b>10,529.95</b>
<b>IX Earnings per equity share - Basic and diluted (Nominal value of share ₹ 10 (Previous year : ₹ 10) each)</b>	33	<b>77.35</b>	<b>114.89</b>
Summary of significant accounting policies	3		

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**For and on behalf of the Board of Directors of Lumax Industries Limited**

**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram  
Date: 18 June 2020

ICAI UDIN: 20510688AAAAAM8057

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi  
Date: 18 June 2020

**Vineet Sahni**

CEO & Senior  
Executive Director  
Din: 03616096

Place: Gurugram  
Date: 18 June 2020

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi  
Date: 18 June 2020

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi  
Date: 18 June 2020



## Standalone Statement of Changes in Equity

### for the year ended 31 March 2020

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

#### a. Equity share capital

Particulars	Note	Amount
<b>Balance as at 31 March 2018</b>		<b>934.77</b>
Changes in equity share capital during 2018-19	15A	-
<b>Balance at 31 March 2019</b>		<b>934.77</b>
Changes in equity share capital during 2019-20	15A	-
<b>Balance at 31 March 2020</b>		<b>934.77</b>

#### b. Other Equity

Particulars	Note	Reserves and Surplus				Items of OCI	Total
		Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurements of defined benefit plans	
<b>Balance as at 31 March 2018</b>		<b>0.65</b>	<b>6,796.66</b>	<b>8,563.47</b>	<b>12,990.81</b>	-	<b>28,351.59</b>
Transferred from retained earnings	16A	-	-	1,075.00	-	-	1,075.00
Profit for the year	16A	-	-	-	10,740.00	-	10,740.00
Dividends	16B	-	-	-	(2,149.98)	-	(2,149.98)
Dividend distribution tax	16B	-	-	-	(441.94)	-	(441.94)
Transfer to general reserve	16A	-	-	-	(1,075.00)	-	(1,075.00)
Other comprehensive income	16A	-	-	-	-	(210.05)	(210.05)
Transferred to retained earnings	16A	-	-	-	(210.05)	210.05	-
<b>Balance at 31 March 2019</b>		<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	<b>19,853.84</b>	-	<b>36,289.62</b>
Transferred from retained earnings	16A	-	-	-	-	-	-
Profit for the year	16A	-	-	-	7,230.69	-	7,230.69
Dividends	16B	-	-	-	(4,907.56)	-	(4,907.56)
Dividend distribution tax	16B	-	-	-	(1,008.76)	-	(1,008.76)
Transfer to general reserve	16A	-	-	-	-	-	-
Other comprehensive income	16A	-	-	-	-	(94.38)	(94.38)
Transferred to retained earnings	16A	-	-	-	(94.38)	94.38	-
<b>Balance at 31 March 2020</b>		<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	<b>21,073.83</b>	-	<b>37,509.61</b>

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached  
**For B S R & Associates LLP**  
 Chartered Accountants  
 Firm registration number: 116231W/W-100024

For and on behalf of the Board of Directors of Lumax Industries Limited

**Manish Kapoor**  
Partner

Membership No. 510688

Place: Gurugram  
 Date: 18 June 2020  
 ICAI UDIN: 20510688AAAAAM8057

**Deepak Jain**  
Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi  
 Date: 18 June 2020

**Vineet Sahni**  
CEO & Senior  
Executive Director  
Din: 03616096

Place: Gurugram  
 Date: 18 June 2020

**Shruti Kant Rustagi**  
Chief Financial  
Officer

Place: New Delhi  
 Date: 18 June 2020

**Pankaj Mahendru**  
Company Secretary

Membership No. - A 28161

Place: New Delhi  
 Date: 18 June 2020

# Standalone Cash Flow Statement

## for the year ended 31 March 2020

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>8,195.26</b>	<b>13,908.22</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation/ amortisation	6,354.42	6,028.87
Provision for doubtful debts/ advances	315.46	151.69
Net (gain)/loss on disposal of property, plant and equipment (includes exceptional item)	6.75	(3,627.23)
Change in fair value of investment	3.42	1.25
MTM Gain On Cross Currency Swap	(237.34)	-
Unrealised foreign exchange (gain)/ loss	644.68	(100.15)
Provisions/creditors no longer required written back	(25.22)	(423.40)
Finance cost	2,191.56	1,552.33
Interest income	(115.00)	(2.94)
Dividend income	(232.93)	(1,401.10)
<b>Operating profit before working capital changes</b>	<b>17,101.06</b>	<b>16,087.54</b>
<b>Movements in working capital:</b>		
Decrease/ (increase) in inventories	2,496.91	(3,535.99)
Decrease/ (increase) in trade receivables	4,356.84	9,596.29
Decrease/ (increase) in loans	(151.08)	(150.74)
Decrease/ (increase) in other financial assets	207.11	2,144.68
Decrease/ (increase) in other assets	87.93	1,412.85
(Decrease)/ increase in trade payables	(6,821.51)	(15,553.36)
(Decrease)/ increase in other financial liabilities	(1,249.87)	112.60
(Decrease)/ increase in other liabilities	(4,299.99)	2,587.25
(Decrease)/ increase in provisions	172.28	992.83
<b>Cash generated from operations</b>	<b>11,899.68</b>	<b>13,693.95</b>
Income taxes paid (net of refunds)	1,574.57	3,294.29
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>10,325.11</b>	<b>10,399.66</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(16,692.32)	(15,080.53)
Proceeds from sales of property, plant and equipment	57.19	3,919.04
Investment made in equity shares	-	(64.00)
Interest received	28.89	32.75
Dividends received	232.93	1,401.10
Maturity from/(Investments in) bank deposits (having original maturity of more than three months)	(3,003.18)	46.33
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(19,376.49)</b>	<b>(9,745.31)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from bank loan	13,811.89	1,542.99
Repayment of bank loan	(9,198.60)	(255.38)
Proceeds from/(repayment) of cash credit/WCDL/vendor finance facility (net)	13,068.21	2,275.37
Payment of finance lease	(226.30)	-
Interest paid	(1,938.75)	(1,548.18)
Dividend paid on equity shares	(4,862.64)	(2,149.98)
Dividend distribution tax	(1,008.76)	(441.94)
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>9,645.05</b>	<b>(577.12)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>593.67</b>	<b>77.23</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>201.33</b>	<b>124.10</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>795.00</b>	<b>201.33</b>

**Standalone Cash Flow Statement for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars			Year ended 31 March 2020	Year ended 31 March 2019	
<b>i Components of cash and cash equivalents</b>					
Cash on hand			14.48	13.26	
Balances with banks:					
On current accounts			780.52	188.07	
<b>Total cash and cash equivalents</b>			<b>795.00</b>	<b>201.33</b>	
<b>ii Movement in financial liabilities</b>	<b>Lease liabilities</b>	<b>Non current borrowings</b>	<b>Current borrowings</b>	<b>Interest payable</b>	<b>Total</b>
<b>As on 01 April 2018</b>	-	<b>483.68</b>	<b>9,921.03</b>	<b>45.36</b>	<b>10,450.07</b>
Cash flows (net)	-	(212.39)	3,775.37	-	3,562.98
Interest expenses	-	-	-	1,552.33	1,552.33
Interest paid	-	-	-	(1,548.18)	(1,548.18)
Other non cash transactions:					
- Foreign exchange movement	-	-	-	-	-
<b>As on 01 April 2019</b>	<b>792.83</b>	<b>271.29</b>	<b>13,696.40</b>	<b>49.51</b>	<b>14,810.03</b>
Cash flows (net)	(226.30)	4,813.29	12,868.21	-	17,455.20
Interest expenses		-	-	2,040.87	2,040.87
Interest paid		-	-	(1,938.75)	(1,938.75)
Other non cash transactions:					
- Acquisition	2,147.18	-	-	-	2,147.18
- Interest	150.69	-	-	-	150.69
- Foreign exchange movement		207.80	-	-	207.80
<b>As on 31 March 2020</b>	<b>2,864.40</b>	<b>5,292.38</b>	<b>26,564.61</b>	<b>151.63</b>	<b>34,873.02</b>

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**For and on behalf of the Board of Directors of Lumax Industries Limited**
**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 18 June 2020

ICAI UDIN: 20510688AAAAAM8057

**Deepak Jain**

 Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 18 June 2020

**Vineet Sahni**

 CEO & Senior  
Executive Director  
Din: 03616096

Place: Gurugram

Date: 18 June 2020

**Shruti Kant Rustagi**

 Chief Financial  
Officer

Place: New Delhi

Date: 18 June 2020

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi

Date: 18 June 2020

# Notes to the Standalone Financial Statements

## for the year ended 31 March 2020

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 1 Reporting entity

Lumax Industries Limited ('the Company') is engaged in the business of manufacture, trading and supply of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications. The Company is domiciled in India, with its registered office situated at 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi -110046. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

### 2 Basis of preparation

#### A. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These standalone financial statements are approved by the Company's Board of Directors on 18 June 2020.

Details of Company's accounting policies are included in Note 3.

#### B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to nearest lakhs and two decimals thereof, unless otherwise indicated.

#### C. Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) - measured at fair value.
- Net defined benefit (asset)/ liability - measured at fair value of plan assets less present value of defined benefit obligations.
- Other financial assets and liabilities - measured at amortised cost.

#### D. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may

differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Assumptions and estimation uncertainties and judgements

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 March 2020 and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Recognition of deferred tax assets - note 23- The Company has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.
- Write down of inventories - note 14 - Inventories measured at the lower of cost and net realizable value. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions to determine obsolete or excess inventories.
- Impairment of financial assets - note 37 - The impairment provisions for financial assets are based on certain judgements made by the Management in making assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.
- Provision for employee benefits - note 22 & 36 - The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

- v) Provision for warranty - note 22 - The provision is based on historical warranty data and weighting of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

### E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 37 - financial instruments; and

Note 5 - investment property.

### 3 Significant accounting policies

#### a. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle to be less than 12 months for the purpose of current and non-current classification of assets and liabilities.

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

#### b. Property, plant & equipment (PPE)

##### i) Recognition and Measurement

The cost of an item of Property, plant and equipment is recognised as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these during more than a period of 12 months and whose use is expected to be irregular are capitalized as PPE.

Gains or losses arising from the retirement or disposal of an property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific fixed assets and that are attributable to construction activity in general and can be allocated to specific fixed assets are included in capital work-in-progress.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### ii) *Depreciation methods, estimated useful lives and residual value*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives

using the straight-line method, and is recognised in the statement of profit and loss. Depreciation is charged on a pro-rata basis for assets acquired/sold during the year from/to the date of acquisition/sale. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment in years for the current and comparative periods are as follows:

Assets	Estimated useful lives	Useful lives as per schedule II
Factory building	30 years	30 years
Other building	60 years	60 years
Plant and machinery	3-21 years	15 years
Furniture and fixtures	10 years	10 years
Vehicles	5 years	8 years
Office equipment	5 years	5 years

Based on technical evaluation and internal assessment of useful lives, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation method, assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets for review and adjusted residual life prospectively.

### iii) *Reclassification to investment property*

When the use of property changes from owner occupied property to investment property the property is reclassified as investment property at its carrying value on the date of reclassification.

### c. **Intangible assets**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost of such assets includes purchase price, licensee fee, import duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use.

*Amortization methods, estimated useful lives and residual value.*

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period, residual value and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The estimated useful lives are as follows:

Computer software	Over the estimated lives ranging from 3.5 years to 4 years
Technical know-how	Over the period of technical assistance agreement i.e. 8 years

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

### d. Investment property

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon, Initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Gains or losses arising from the retirement or disposal of an investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The fair values of investment property is disclosed in the notes.

### e. Assets held for sale

Non-current assets are classified as held for sale, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

These assets are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, which are specifically exempt from this requirement. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit and Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

### f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their present condition and location. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed

production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed their net realisable value.

The Comparison of cost and net realisable value is made on an item-by-item basis.

Obsolete, defective and unserviceable stocks are duly provided for, wherever required.

### g. Cash and Cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

#### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through profit and loss.

#### **Classification**

On Initial recognition, a financial asset is classified as measured at:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Company changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met and is not designated as at FVTPL:

- The financial asset is held within a business model whose objective is to hold assets for collecting 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 (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVOCI if both of the following criteria are met and is not designated as at FVTPL:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### **Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- a) the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- b) how the performance of the portfolio is evaluated and reported to the Company's management;
- c) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- d) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- e) the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

### **Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- a) contingent events that would change the amount or timing of cash flows;
- b) terms that may adjust the contractual coupon rate, including variable interest rate features;
- c) prepayment and extension features; and
- d) terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features)

### **Financial assets: Subsequent measurement and gains and losses**

#### *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.



## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

### *Debt investments at FVOCI*

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

### *Equity investments at FVOCI*

These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.

### **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

### **Derecognition**

#### **Financial asset**

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### **Financial liability**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **Derivative financial instruments**

The Company uses derivative financial instruments to hedge its certain foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### **i. Impairment**

#### **ij) Impairment of financial assets**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and financial assets measured at FVOCI- debt investments. At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit- impaired. A financial asset is

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being past due.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due

to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk for individual customers. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates and delays in realisations over the expected life of the trade receivable and is adjusted for forward looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Statement of Profit and Loss and is recognised in OCI.

### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## **ii) Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### j. Provisions (other than for employee benefits) and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the

present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

#### *Warranties*

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and weighting of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

#### *Rate decrease*

A provision for rate decrease is recognised on the basis of firm commitments with the customers and past trends. The provisions are adjusted to regularly during the year as soon as the obligating event occurs.

#### *Contingent liabilities*

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

### k. Revenue

#### **Sale of goods (including moulds)**

#### ***Nature and timing of satisfaction of performance obligations, including significant payment terms***

Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. However, few customers accept the goods when goods have been dispatched by the Company.

Invoices are generated at that point in time. Invoices are usually payable within 45 days. No discounts are usually provided for goods, but few customers may avail cash discount on prompt payment of the goods.

Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### **Revenue recognition**

Revenue arising from the sale of goods (including moulds) is recognized when the customer obtains control of the promised asset, i.e. either at the delivery or dispatch of goods (based on the agreed terms of sale with the respective customers), which is the point in time when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods.

For contracts that allow the customers to avail the cash discount, the Company estimates the value of discount by applying the 'Most likely amount' method and past experience of the Company.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

### **Sale of services**

#### ***Nature and timing of satisfaction of performance obligations, including significant payment terms***

Customers obtain control of design services when the services are completed to the satisfaction of the Customer. Invoices for services are usually payable within 45 days.

### **Revenue recognition**

Revenue arising from the sale of services is recognized at the point in time when the Company satisfies the performance obligation and the services are completely rendered to the customer.

## **I. Recognition of dividend income, interest income or expense**

Dividend income is recognised in Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

## **m. Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs).

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

## **n. Leases**

### **The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### The Company as a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

### Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective approach.

Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability. The Company has used discounted rate as the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019. There is no impact on retained earnings as on 1 April 2019.

The effect of this adoption is insignificant on the profit before tax, profit after tax and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The incremental borrowing rate has been applied to lease liabilities.

### o. Employee benefits

#### i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

be paid e.g., wages and salaries, short-term cash bonus, etc., if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### ii) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

**Provident Fund and Employee State Insurance:** The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme in respect of certain employees. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

**Superannuation Fund:** Contributions are made to a scheme administered by the Life Insurance Corporation of India to discharge superannuating liabilities to the employees, a defined contribution plan, and the same is expensed to the Statement of Profit and Loss. The Company has no liability other than its annual contribution.

### iii) *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income (OCI).

The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**Gratuity:** The Company funds gratuity benefits for its employees within the limits prescribed under The Payment of Gratuity Act, 1972 through contributions to a Scheme administered by the Life Insurance Corporation of India ('LIC').

### iv) *Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in Statement of Profit and Loss in the period in which they arise.

**Long term compensated absences:** Long term compensated absences are provided for on the basis of its actuarial valuation as per the projected unit credit method as on the Balance Sheet date.

## p. **Income tax**

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### i) *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investment in associate to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as deferred tax asset.

Deferred tax assets (including MAT credit) are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

### q. **Grant**

Where the grant or subsidy relates to an asset, it is recognized by deducting the grant in arriving at the carrying amount of asset. However, when the grant or subsidy relates to an expenses item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the Company receives grants of non-monetary assets, the asset is recognized by deducting the fair value of grant from gross value of asset.

#### *Export incentives*

Export incentives are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### r. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### s. **Segment reporting**

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The Company is engaged in the business relating to manufacture, trading and supply of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications. Accordingly, the Company's activities/business is reviewed regularly by the Company's Managing Director assisted by an executive committee from an overall business perspective, rather than reviewing its products/services as individual standalone components.

Based on the dominant source and nature of risks and returns of the Company, management has identified its business segment as its primary reporting format. Accordingly, same has been defined as one business segment.

### t. Dividend Distribution

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

### u. Foreign currency transactions

#### *Initial recognition and settlement*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss.

#### *Subsequent recognition*

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI.

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

### v. Business combinations

In accordance with Ind AS 103, the Company accounts for the business combination using the acquisition method when control is transferred. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.



## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 4A Property, plant & equipment

Particulars	Land		Buildings	Plant and machinery	Furniture & fixtures	Office equipment	Vehicles	Total
	Leasehold	Freehold						
<b>Gross Block</b>								
As at 31 March 2018	243.64	3,407.62	9,645.01	44,450.03	560.21	231.12	1,305.94	59,843.57
Additions	146.82	186.00	1,359.45	7,179.00	85.96	129.75	128.89	9,215.87
Disposals/adjustments	(256.71)	(72.13)	(27.12)	(16.53)	(1.47)	(0.02)	(33.26)	(407.24)
<b>As at 31 March 2019</b>	<b>133.75</b>	<b>3,521.49</b>	<b>10,977.34</b>	<b>51,612.50</b>	<b>644.70</b>	<b>360.85</b>	<b>1,401.57</b>	<b>68,652.20</b>
Additions	-	-	1,216.93	10,439.96	66.40	22.81	32.58	11,778.68
Acquired through business purchase (refer note 46)	-	-	-	1,137.76	42.86	63.29	15.27	1,259.18
Transferred to right of use assets (under Ind AS 116)	(133.75)	-	-	-	-	-	-	(133.75)
Disposals/adjustments	-	-	-	(39.37)	(0.09)	(0.33)	(51.68)	(91.47)
<b>As at 31 March 2020</b>	<b>-</b>	<b>3,521.49</b>	<b>12,194.27</b>	<b>63,150.85</b>	<b>753.87</b>	<b>446.62</b>	<b>1,397.74</b>	<b>81,464.84</b>
<b>Depreciation</b>								
As at 31 March 2018	7.76	-	740.07	7,107.12	110.77	67.23	408.93	8,441.88
For the year	3.35	-	414.35	5,023.62	76.45	56.28	269.07	5,843.12
Disposals/adjustments	(6.14)	-	(7.38)	(3.20)	(0.66)	-	(27.72)	(45.10)
<b>As at 31 March 2019</b>	<b>4.97</b>	<b>-</b>	<b>1,147.04</b>	<b>12,127.54</b>	<b>186.56</b>	<b>123.51</b>	<b>650.28</b>	<b>14,239.90</b>
For the year	-	-	432.89	5,113.43	76.94	98.17	274.48	5,995.91
Transferred to right of use assets (under Ind AS 116)	(4.97)	-	-	-	-	-	-	(4.97)
Disposals/adjustments	-	-	-	(4.90)	-	(0.05)	(22.58)	(27.53)
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>1,579.93</b>	<b>17,236.07</b>	<b>263.50</b>	<b>221.63</b>	<b>902.18</b>	<b>20,203.31</b>
<b>Net Block:</b>								
As at 31 March 2019	128.78	3,521.49	9,830.30	39,484.96	458.14	237.34	751.29	54,412.30
<b>As at 31 March 2020</b>	<b>-</b>	<b>3,521.49</b>	<b>10,614.34</b>	<b>45,914.78</b>	<b>490.37</b>	<b>224.99</b>	<b>495.56</b>	<b>61,261.53</b>

#### Notes:

- Property, plant and equipment amounting to ₹ 737.48 lakhs (31 March 2019 - ₹ 740.87 lakhs) have been pledged as security by the Company.

### 4B Capital Work in progress

	As at 31 March 2020	As at 31 March 2019
Capital Work in progress	3,216.74	4,899.83
<b>Total</b>	<b>3,216.74</b>	<b>4,899.83</b>

### 4C Right of use assets

Particulars	Leased Assets	Total
<b>Gross Block</b>		
As at 31 March 2019	-	-
Additions	2,398.00	2,398.00
Transferred from property, plant & equipment (under Ind AS 116)	133.75	133.75
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>2,531.75</b>	<b>2,531.75</b>
<b>Depreciation</b>		
As at 31 March 2019	-	-

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Leased Assets	Total
Transferred from property, plant & equipment (under Ind AS 116)	4.97	4.97
For the year	151.35	151.35
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>156.32</b>	<b>156.32</b>
<b>Net Block:</b>		
As at 31 March 2019	-	-
<b>As at 31 March 2020</b>	<b>2,375.43</b>	<b>2,375.43</b>

### 4D Other intangible assets

Particulars	Computer Software	Total
<b>Gross Block</b>		
As at 31 March 2018	684.36	684.36
Additions	211.26	211.26
Disposals/adjustments	(0.55)	(0.55)
<b>As at 31 March 2019</b>	<b>895.07</b>	<b>895.07</b>
Additions	318.27	318.27
Acquired through business purchase (refer note 46)	8.65	8.65
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>1,221.99</b>	<b>1,221.99</b>
<b>Depreciation</b>		
As at 31 March 2018	249.13	249.13
For the year	185.75	185.75
Disposals/adjustments	(0.56)	(0.56)
<b>As at 31 March 2019</b>	<b>434.32</b>	<b>434.32</b>
For the year	207.16	207.16
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>641.48</b>	<b>641.48</b>
<b>Net Block:</b>		
As at 31 March 2019	460.75	460.75
<b>As at 31 March 2020</b>	<b>580.51</b>	<b>580.51</b>

### 4E Goodwill

Particulars	Goodwill	Total
<b>Gross Block</b>		
As at 31 March 2019	-	-
Additions (refer note 46)	977.58	977.58
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>977.58</b>	<b>977.58</b>
<b>Impairment</b>		
As at 31 March 2019	-	-
For the year	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>
<b>Net Block:</b>		
As at 31 March 2019	-	-
<b>As at 31 March 2020</b>	<b>977.58</b>	<b>977.58</b>

### 4F Intangible assets under development

	As at 31 March 2020	As at 31 March 2019
Intangible assets under development	2.06	78.82
<b>Total</b>	<b>2.06</b>	<b>78.82</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 5 Investment property

Particulars	Freehold land	Total
<b>Gross Block</b>		
As at 31 March 2018	-	-
Transferred from property, plant & equipment	72.13	72.13
Disposals/adjustments	-	-
<b>As at 31 March 2019</b>	<b>72.13</b>	<b>72.13</b>
Additions	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>72.13</b>	<b>72.13</b>
<b>Depreciation</b>		
As at 31 March 2018	-	-
For the year	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2019</b>	<b>-</b>	<b>-</b>
For the year	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>
<b>Net Block:</b>		
As at 31 March 2019	72.13	72.13
<b>As at 31 March 2020</b>	<b>72.13</b>	<b>72.13</b>

#### Notes:

- The fair value Investment property has been determined considering the current expected sale value in the market and has been categorized as Level 3 fair value (refer note 2E).
- Fair market value as at 31 March 2020 amount to ₹ 1,278.00 lakhs (31 March 2019 - ₹ 1,278.00 lakhs).

### 6 Investments

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A-Non-Current investments</b>		
<b>Unquoted equity shares</b>		
<i>Equity shares at cost</i>		
32,98,986 (31 March 2019: 32,98,986) equity shares of ₹ 10 each fully paid-up in SL Lumax Limited (an associate)	354.74	354.74
<i>Equity shares at FVTPL</i>		
6,55,832 (31 March 2019: 6,55,832) equity shares of ₹ 10 each fully paid-up in Caparo Power Limited	65.58	65.58
<b>Unquoted Preference shares</b>		
<i>Preference shares at FVTPL</i>		
9,44,168 (31 March 2019: 9,44,168) 2% Redeemable Preference shares of ₹ 10 each fully paid-up in Caparo Power Limited	94.42	94.42
<b>Total-A</b>	<b>514.74</b>	<b>514.74</b>
<b>B-Current investments</b>		
<b>Quoted equity shares at FVTPL</b>		
43,866 (31 March 2019: 43,866) equity shares of ₹ 10 each fully paid up in PNB Gilts Limited	10.51	13.93
<b>Total-B</b>	<b>10.51</b>	<b>13.93</b>
<b>Total- Investments (A+B)</b>	<b>525.25</b>	<b>528.67</b>
Aggregate cost of quoted investments	9.87	9.87
Aggregate market value of quoted investments	10.51	13.93
Aggregate amount of unquoted investments	514.74	514.74
Aggregate amount of impairment in value of investment	-	-

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 7 Loans

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A-Non-Current</b>		
Security deposits	589.75	516.19
Loan to employees	100.89	22.25
<b>Total-A</b>	<b>690.64</b>	<b>538.44</b>
<b>B-Current</b>		
Loan to employees	98.27	99.39
<b>Total-B</b>	<b>98.27</b>	<b>99.39</b>
<b>Total- Loans (A+B)</b>	<b>788.91</b>	<b>637.83</b>

### 8 Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A-Non-current</b>		
Margin money with banks* (deposits with maturity of more than 12 months)	25.66	-
Unpaid dividend accounts#	137.88	92.96
Interest accrued but not due on fixed deposits	0.65	-
Claims recoverable	-	134.41
<b>Total - A</b>	<b>164.19</b>	<b>227.37</b>
<b>B-Current</b>		
Unbilled revenue	849.48	814.70
Interest accrued but not due on fixed deposits	87.76	2.30
Export benefits receivable	7.76	130.63
Others	85.14	114.67
<b>Total - B</b>	<b>1,030.14</b>	<b>1,062.30</b>
<b>Total- Other financial assets (A+B)</b>	<b>1,194.33</b>	<b>1,289.67</b>

\* Margin money with banks represents fixed deposits pledged with banks for guarantees issued to government authorities.

# The Company can utilize the balance only towards settlement of unclaimed dividend.

### 9 Trade receivables\*

Particulars	As at 31 March 2020	As at 31 March 2019
Receivable considered good-Unsecured	17,321.45	22,101.18
Receivable - credit impaired	296.71	305.94
Less: Allowance for doubtful debts	(296.71)	(305.94)
<b>Net-Trade receivables</b>	<b>17,321.45</b>	<b>22,101.18</b>
<b>Non-current</b>	-	-
<b>Current</b>	<b>17,321.45</b>	<b>22,101.18</b>
<b>Total</b>	<b>17,321.45</b>	<b>22,101.18</b>

\* Refer note 38 for related party transactions.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 37.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Trade receivable includes amount due from companies having common directors as follows:

Party Name	As at 31 March 2020	As at 31 March 2019
Lumax Auto Technologies Limited	402.37	2,516.48
Lumax Ancillary Limited	132.42	141.64
Lumax DK Auto Industries Limited	-	25.80
Lumax Cornaglia Auto Technologies Private Limited	4.56	13.36
Mahavir Udyog	0.93	0.07
Bharat Enterprises	0.34	7.91
Lumax Tours & Travels Limited	0.08	-
Lumax Jopp Allied Technologies Limited	0.05	-
Velomax Mobility Private Limited	0.08	0.03

### Age of receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Within the credit period	11,808.09	15,872.38
Upto 1 year past due	5,622.92	6,253.19
More than 1 year past due	187.15	281.55
<b>Total</b>	<b>17,618.16</b>	<b>22,407.12</b>

### 10 Cash and bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A-Cash and cash equivalents</b>		
Cash on hand	14.48	13.26
Bank balances		
in current accounts	780.52	188.07
<b>Cash and cash equivalents in Balance Sheet</b>	<b>795.00</b>	<b>201.33</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>795.00</b>	<b>201.33</b>
<b>B-Bank balances other than above</b>		
Time deposits with others (deposits with maturity of less than 12 months)	3,000.00	-
Margin Money with banks* (deposits with maturity of less than 12 months)	0.65	23.13
<b>Bank balances other than above in Balance Sheet</b>	<b>3,000.65</b>	<b>23.13</b>

\* Margin money with banks represents fixed deposits pledged with banks for guarantees issued to government authorities.

### 11 Derivative - Assets

Particulars	As at 31 March 2020	As at 31 March 2019
Mark to Market gain on cross currency swaps and forward contracts	237.34	-
<b>Total- Derivative Assets</b>	<b>237.34</b>	<b>-</b>
<b>Current</b>	<b>237.34</b>	<b>-</b>
<b>Total</b>	<b>237.34</b>	<b>-</b>

### 12 Tax assets

Particulars	As at 31 March 2020	As at 31 March 2019
Advance tax (net of provisions ₹ 7,284.66 lakhs; 31 March 2019: ₹ 7,284.66 lakhs)	745.04	517.13
<b>Total</b>	<b>745.04</b>	<b>517.13</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 13 Other assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A-Non-current</b>		
Capital advances	6,294.56	3,181.22
Prepaid expenses	35.94	17.54
<b>B-Current</b>		
Advance to suppliers		
Considered good	950.00	1,044.48
Considered doubtful	25.17	25.17
Less: Provision for doubtful advances	(25.17)	(25.17)
	<b>950.00</b>	<b>1,044.48</b>
Advance to employees	3.00	1.61
Export benefits receivable	62.20	37.91
Balances with government authorities	1,014.69	1,126.72
Prepaid expenses	387.00	233.34
Others	51.36	130.52
<b>Total- Other assets</b>	<b>8,798.75</b>	<b>5,773.34</b>
<b>Other Non-current assets</b>	<b>6,330.50</b>	<b>3,198.76</b>
<b>Other Current assets</b>	<b>2,468.25</b>	<b>2,574.58</b>
<b>Total</b>	<b>8,798.75</b>	<b>5,773.34</b>

### 14 Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials and components {including stock in transit ₹ 946.67 lakhs (31 March 2019: ₹ 1,487.30 lakhs)}	9,735.52	10,235.92
Work-in-progress	2,403.58	1,318.90
Finished goods	2,146.64	2,671.51
Stock in Trade	310.18	371.14
Stores and spares (including packing material)	995.77	1,178.12
Moulds, tools and dies in process {including transit stock: ₹ 127.25 lakhs (31 March 2019: ₹ Nil)}	2,326.13	4,639.14
<b>Total</b>	<b>17,917.82</b>	<b>20,414.73</b>

Due to the fact that certain products were slow moving and were sold below net realisable value, the Company made a write down amounting to ₹ 162.34 lakhs (31 March 2019: ₹ 116.04 lakhs). The write-down is included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

### 15 Equity Share Capital

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorised</b>		
1,20,00,000 (31 March 2019: 1,20,00,000) equity shares of ₹ 10 each	1,200.00	1,200.00
<b>Issued, subscribed and fully paid up</b>		
93,47,732 (31 March 2019: 93,47,732) equity shares of ₹ 10 each	934.77	934.77
<b>Total</b>	<b>934.77</b>	<b>934.77</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 15 A Reconciliation of shares outstanding at the beginning and at the end of the reporting period

#### Equity Shares:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	93,47,732	934.77	93,47,732	934.77
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>93,47,732</b>	<b>934.77</b>	<b>93,47,732</b>	<b>934.77</b>

### 15 B Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 15 C Details of shareholders more than 5% shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% in the class	Number of shares	% in the class
<b>Equity shares of ₹ 10 each fully paid held by-</b>				
Stanley Electric Co. Limited	33,43,381	35.77%	33,43,381	35.77%
Deepak Jain	11,72,031	12.54%	69,925	0.75%
Anmol Jain	11,72,031	12.54%	1,64,428	1.76%
Lumax Auto Technologies Limited	5,25,000	5.62%	5,25,000	5.62%
Lumax Finance Private Limited	4,93,367	5.28%	4,93,367	5.28%
Dhanesh Kumar Jain	-	-	21,09,709	22.57%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above share represents both legal and beneficial ownership of shares.

## 16 Other equity

### A. Summary of other equity

Particulars	As at 31 March 2020	As at 31 March 2019
<b>I. Capital reserve</b>		
At the beginning and at the end of the year	0.65	0.65
<b>II. Securities premium</b>		
At the beginning and at the end of the year	6,796.66	6,796.66
<b>III. General reserve</b>		
Balance at the beginning of the year	9,638.47	8,563.47
Add: Amount transferred from retained earnings	-	1,075.00
<b>Balance at the end of the year</b>	<b>9,638.47</b>	<b>9,638.47</b>
<b>IV. Retained earnings</b>		
Balance at the beginning of the year	19,853.84	12,990.81
Add: Profit for the year	7,230.69	10,740.00
Less: Appropriations		
- Dividend paid	(4,907.56)	(2,149.98)
- Dividends distribution tax	(1,008.76)	(441.94)
- Transferred to general reserve	-	(1,075.00)
Add: Transferred from other comprehensive income	(94.38)	(210.05)
<b>Balance at the end of the year</b>	<b>21,073.83</b>	<b>19,853.84</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>V. Items of other comprehensive income</b>		
Balance at the beginning of the year	-	-
Add: Remeasurements of defined benefit plans	(94.38)	(210.05)
Less: Transferred to retained earnings	94.38	210.05
<b>Balance at the end of the year</b>	-	-
<b>Total- Other equity</b>	<b>37,509.61</b>	<b>36,289.62</b>

- (a) Capital reserve comprises amounts generated on forfeiture of shares.
- (b) Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.
- (c) General reserve to be utilized as per provisions of the Act.

### B. Dividends

The following dividends were declared and paid by the Company during the years:

Particulars	As at 31 March 2020	As at 31 March 2019
₹ 52.50 (including interim dividend ₹ 17.50) per equity share (31 March 2019: ₹ 23.00)	4,907.56	2,149.98
Dividend distribution tax on dividend to shareholders	1,008.76	441.94
<b>Total</b>	<b>5,916.32</b>	<b>2,591.92</b>

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval of shareholders at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

The Board proposed dividend on equity shares after the balance sheet date:

Particulars	As at 31 March 2020	As at 31 March 2019
₹ 6.00 per equity share (31 March 2019: ₹ 35.00 per equity share)	560.86	3,271.71
<b>Total</b>	<b>560.86</b>	<b>3,271.71</b>

### C. Capital Management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, consistent with others in the industry. The Company monitors capital using a gearing ratio, which is calculated as:

Net debt (total liabilities net of cash and cash equivalents) divided by "Total equity" (as shown in the Balance Sheet).

Particulars	As at 31 March 2020	As at 31 March 2019
Total liabilities	81,380.25	74,186.45
Less: cash and cash equivalents	(795.00)	(201.33)
<b>Adjusted net debt</b>	<b>80,585.25</b>	<b>73,985.12</b>
<b>Total equity</b>	<b>38,444.38</b>	<b>37,224.39</b>
<b>Adjusted net debt to equity ratio</b>	<b>2.10</b>	<b>1.99</b>



## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 17 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Long term (Secured)</b>		
Vehicle loan from banks	89.96	256.29
Vehicle loan from others	8.13	15.00
Term loan from others	3,000.00	-
Foreign currency loan	2,194.29	-
<b>Total</b>	<b>5,292.38</b>	<b>271.29</b>
<b>A-Non-current</b>	<b>2,638.19</b>	<b>93.63</b>
<b>B-Current - reclassified to other financial liabilities (refer note 20)</b>	<b>2,654.19</b>	<b>177.66</b>
<b>Short term</b>		
<b>Secured</b>		
Term loan from bank	1,300.00	-
Packing credit / buyers credit	1,737.09	-
Cash credit/Working Capital facility from banks	7,440.12	3,352.46
Vendor finance facility from banks	3,695.45	-
Customer finance facility from banks	4,723.82	-
<b>Unsecured</b>		
Term loan from bank	-	1,500.00
Vendor finance facility from banks	7,668.13	-
Customer finance facility from banks	-	8,843.94
<b>Total</b>	<b>26,564.61</b>	<b>13,696.40</b>

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 37.

### Terms and repayment schedule

Particulars	Currency	Year of maturity	Nominal interest rate (range)	As at 31 March 2020	Charges
<b>Secured</b>					
Vehicle Loans from bank	INR	2020 - 2023	7.90% - 8.60%	89.96	Hypothecation of the respective vehicle
Vehicle Loans from others	INR	2020 - 2022	0.05%	8.13	Hypothecation of the respective vehicle
Foreign currency loan	USD	2020 - 2021	LIBOR + 2.00%	2,194.29	Specific Plant & Machinery at Bawal Plant
Term loan from others	INR	2024 - 2025	9.25%	3,000.00	Entire Fixed Assets to be acquired out of the proceed of term loan including Land & Building of Plot No. 12, Sector 5, Bawal
Term loan from bank	INR	2021	9.50%	1,300.00	First Pari-Passu Hypothecation charge on all existing and future current assets of the Company
Packing credit / buyers credit	USD	2021	LIBOR + 0.47%	1,737.09	Immovable property situated at Plot No. 16, Sector 18, Maruti Complex, Gurugram & entire current assets of the Company on Pari-Passu basis
Cash Credit from bank	INR	2021	8.15% - 8.70%	610.12	Land & Building at Plot No. 16, Sector 18, Gurugram & Stock & book debts of the Company on Pari-Passu basis
Working Capital Facility from bank	INR	2021	7.95% - 8.70%	1,000.00	Immovable fixed assets (Land & Building) at Plot No. 16, Sector 18, Gurugram Unit & entire current assets of the Company both present & future on Pari-Passu basis
Working Capital Facility from bank	INR	2021	8.40% - 10.00%	2,000.00	Land and Building at Plot No. 16, Sector 18, Industrial Estate, Gurugram (known as Maruti complex) and entire current assets of the Company both present & future on Pari-Passu basis
Working Capital Facility from bank	INR	2021	8.15% - 8.70%	1,830.00	Land & Building at Plot No. 16, Sector 18, Gurugram & Stock & book debts of the Company on Pari-Passu basis
Working Capital Facility from others	INR	2021	8.60% - 9.35%	2,000.00	Land and Building at Plot No. 16, Sector 18, Industrial Estate, Gurugram and entire current assets of the Company both present & future on Pari-Passu basis
Vendor finance facility from banks	INR	2021	8.25% - 9.25%	3,695.45	First Pari-Passu Hypothecation charge on all existing and future current assets of the Company
Customer finance facility from banks	INR	2021	8.70% - 9.15%	4,723.82	First Pari-Passu Hypothecation charge on all existing and future current assets of the Company
<b>Unsecured</b>					
Vendor finance facility from banks	INR	2021	7.90% - 9.50%	7,668.13	Nil

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Currency	Year of maturity	Nominal interest rate (range)	As at 31 March 2019	Charges
<b>Secured</b>					
Vehicle Loans from bank	INR	2019 - 2022	7.90% - 8.60%	256.29	Hypothecation of the respective vehicle
Vehicle Loans from others	INR	2019 - 2022	0.05%	15.00	Hypothecation of the respective vehicle
Cash Credit from bank	INR	2020	8.15% - 8.30%	852.27	Land & Building at Plot No. 16, Sector 18, Gurugram & Stock & book debts of the Company on Pari-Passu basis
Cash Credit from bank	INR	2020	8.30% - 11.00%	0.19	Entire Current assets of the Company both present & future on Pari-Passu basis
Working Capital Facility from bank	INR	2020	7.98% - 10.75%	1,000.00	Immovable fixed assets (Land & Building) at Plot No. 16, Sector 18, Gurugram Unit & entire current assets of the Company both present & future on Pari-Passu basis
Working Capital Facility from others	INR	2020	7.75% - 9.50%	1,500.00	Land and Building at Plot No. 16, Sector 18, Industrial Estate, Gurugram and entire current assets of the Company both present & future on Pari-Passu basis
<b>Unsecured</b>					
Term Loan from bank	INR	2020	10.00%	1,500.00	Nil
Customer finance facility from banks	INR	2020	8.00% - 9.80%	8,843.94	Nil

### 18 Lease liability

Particulars	As at 31 March 2020	As at 31 March 2019
A-Non-current	2,796.22	-
B-Current	68.18	-
<b>Total Lease liability</b>	<b>2,864.40</b>	<b>-</b>

### 19 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables		
- Total outstanding due of micro enterprises and small enterprises (refer note (a) below for details of dues to micro and small enterprises)	671.80	52.41
- Total outstanding due of creditors other than micro enterprises and small enterprises	30,845.33	37,956.78
<b>Total</b>	<b>31,517.13</b>	<b>38,009.19</b>

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 37

#### (a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	628.89	35.22
Interest due on above	3.19	0.42

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	22.53	6.25
The amount of interest accrued and remaining unpaid at the end of each accounting year	42.91	17.19
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

### 20 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current portion of secured bank loans	2,654.19	177.66
Capital creditors	2,517.47	3,513.94
Interest accrued on borrowings/cash credit	151.63	49.51
Payable to employees	1,534.15	2,063.85
Unpaid dividend	137.88	92.96
Interest free deposits from customers	5.75	5.83
Other liabilities*	3,539.24	4,259.33
<b>Total Other financial liabilities</b>	<b>10,540.31</b>	<b>10,163.08</b>
<b>Current</b>	<b>10,540.31</b>	<b>10,163.08</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>10,540.31</b>	<b>10,163.08</b>

\* Other liabilities represent rate difference for price decrease not yet paid to the customers.

### 21 Other liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Advances from customers	2,595.20	6,695.76
Statutory dues	1,135.65	1,335.08
<b>Total- Other liabilities</b>	<b>3,730.85</b>	<b>8,030.84</b>

### 22 Provisions

Particulars	Non-current	Current	Non-current	Current
	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
<b>A-Provision for employee benefits</b>				
Compensated absences	2,051.42	161.06	1,814.22	147.22
Gratuity (refer note 36)	787.21	371.24	168.73	1,027.10
<b>Total-A</b>	<b>2,838.63</b>	<b>532.30</b>	<b>1,982.95</b>	<b>1,174.32</b>
<b>B-Other provisions</b>				
Provision for warranties (Refer (a) below)	-	87.45	-	59.67
Provision for lease equalisation	-	-	542.01	-
Provision for tax (net of advance tax ₹ 1,346.21 lakhs (previous year ₹ Nil))	-	66.38	-	-
<b>Total-B</b>	<b>-</b>	<b>153.83</b>	<b>542.01</b>	<b>59.67</b>
<b>Total- Provisions (A+B)</b>	<b>2,838.63</b>	<b>686.13</b>	<b>2,524.96</b>	<b>1,233.99</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### (a) Provision for warranties

A provision is recognized for expected warranty claims on products sold in past year, based on past experience of the level of repairs and returns. It is expected that all of these costs will be incurred in the next financial year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and information available about warranty. The table below gives information about movement in warranty provisions.

Particulars	As at 31 March 2020	As at 31 March 2019
At the beginning of the year	59.67	61.02
Arising during the year (net of reversals)	151.04	120.94
Utilized during the year	(123.26)	(122.29)
<b>At the end of the year</b>	<b>87.45</b>	<b>59.67</b>

### (b) Provisions for lease equalisation

The provision has been adjusted with Right-to-use Asset on transition pursuant to applicability of Ind AS 116 with effect from 1 April 2019.

## 23 Income tax

### A. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Current tax</b>		
<i>for Current period</i>		
Current tax	1,380.07	2,969.24
Deferred tax	(383.08)	375.83
Deferred tax (MAT utilized/(availed))	(32.42)	(189.23)
<i>for prior periods</i>		
Current tax	-	12.38
	<b>964.57</b>	<b>3,168.22</b>

### B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Remeasurements of defined benefit plan	(94.38)	(210.05)
Current tax	32.97	73.40
Deferred tax (benefit)	(32.97)	(73.40)
<b>Net of tax</b>	<b>(94.38)</b>	<b>(210.05)</b>

### C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Rate (%)	Amount	Rate (%)	Amount
Profit before tax		8,195.26		13,908.22
Enacted tax rates in India	34.94%	2,863.75	34.94%	4,860.09
Effect of:				
Remeasurement of deferred tax liabilities*	-14.57%	(1,194.00)	-	-
Tax related to prior periods	-	-	0.09%	12.38
Exempt income	-0.99%	(81.40)	-3.52%	(489.60)
Excess deduction of R&D Expenses	-8.52%	(698.60)	-4.66%	(647.60)
Impact of sale of land	-	-	-4.29%	(597.34)
Others	0.91%	74.81	0.22%	30.29
<b>Income tax expense</b>	<b>11.77%</b>	<b>964.57</b>	<b>22.78%</b>	<b>3,168.22</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### D. Recognised deferred tax assets and liabilities

Particulars	As at 31 March 2020			As at 31 March 2019		
	Deferred tax assets	Deferred tax liabilities	Net Deferred tax assets / (liabilities)	Deferred tax assets	Deferred tax liabilities	Net Deferred tax assets / (liabilities)
Property, plant and equipment and intangible assets (net)	-	(5,589.94)	(5,589.94)	-	(6,396.30)	(6,396.30)
Mark to Market gain on cross currency swaps and forward contracts	-	(82.94)	(82.94)	-	-	-
Investment Property	-	(26.17)	(26.17)	-	(24.83)	(24.83)
Finance Lease liability (Net of ROU)	115.67	-	115.67	-	-	-
Provision for compensated absences	542.64	-	542.64	624.98	-	624.98
Provision for doubtful debts and advances	112.48	-	112.48	115.70	-	115.70
Provision for bonus	61.96	-	61.96	179.73	-	179.73
Provision for gratuity	387.33	-	387.33	417.87	-	417.87
Provision for lease equalisation	-	-	-	189.40	-	189.40
Carry forward MAT credits	4,492.63	-	4,492.63	4,460.21	-	4,460.21
Others	0.45	-	0.45	(1.12)	-	(1.12)
<b>Total</b>	<b>5,713.16</b>	<b>(5,699.05)</b>	<b>14.11</b>	<b>5,986.77</b>	<b>(6,421.13)</b>	<b>(434.36)</b>

### E. Movement of temporary differences

Particulars	As at 31 March 2018	Recognised temporary differences	Recognised tax credits (net of adjustments)	As at 31 March 2019	Recognised temporary differences	Recognised tax credits (net of adjustments)	As at 31 March 2020
Property, plant and equipment and intangible assets (net)	(5,770.64)	(625.66)	-	(6,396.30)	806.36	-	(5,589.94)
Mark to Market gain on cross currency swaps and forward contracts	-	-	-	-	(82.94)	-	(82.94)
Investment Property	-	(24.83)	-	(24.83)	(1.34)	-	(26.17)
Finance Lease liability (Net of ROU)	-	-	-	-	115.67	-	115.67
Provision for compensated absences	511.92	113.06	-	624.98	(82.34)	-	542.64
Provision for doubtful debts and advances	62.70	53.00	-	115.70	(3.22)	-	112.48
Provision for bonus	178.45	1.28	-	179.73	(117.77)	-	61.96
Provision for gratuity	246.35	171.52	-	417.87	(30.54)	-	387.33
Provision for lease equalisation	180.15	9.25	-	189.40	(189.40)	-	-
Carry forward MAT credits	4,619.31	-	(159.10)	4,460.21	-	32.42	4,492.63
Others	(1.07)	(0.05)	-	(1.12)	1.57	-	0.45
<b>Total</b>	<b>27.17</b>	<b>(302.43)</b>	<b>(159.10)</b>	<b>(434.36)</b>	<b>416.05</b>	<b>32.42</b>	<b>14.11</b>

#### \* Remeasurement Deferred tax assets and liabilities

On 20 September 2019, the Government of India vide the Taxation laws (Amendment) Ordinance, 2019 inserted section 115BAA in the income tax Act which provides domestic companies an option to pay corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions therein. The Company has made an assessment of the impact of the Ordinance and decided to continue with existing tax structure until utilization of accumulated MAT credit as on 31 March 2020.

Further, INDAS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which temporary differences are expected to reverse. The Company has made estimates, based on its budgets, regarding income anticipated in foreseeable future years when those temporary differences are expected to reverse and measured the same at the New tax rate. The impact of re-measurement of deferred tax assets/liabilities has been recognized in the Statement of Profit and Loss. The tax expense for the year ended 31 March 2020 include one time net reversal of ₹ 1,194.00 lakhs on account of re-measurement of deferred tax assets/liabilities.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 24 Revenue from operations\*

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Sale of products (including excise duty)</b>		
Finished goods	1,44,928.48	1,77,257.46
Traded goods	629.31	1,518.22
Moulds, tools and dies	13,060.16	4,904.02
<b>Total Sale of products (A)</b>	<b>1,58,617.95</b>	<b>1,83,679.70</b>
<b>Sale of services (B)</b>	<b>1,345.19</b>	<b>1,179.34</b>
<b>Other operating revenues</b>		
Scrap Sales	195.58	285.96
<b>Total Other operating revenues (C)</b>	<b>195.58</b>	<b>285.96</b>
<b>Total- Revenue from operations (A+B+C)</b>	<b>1,60,158.72</b>	<b>1,85,145.00</b>

\* refer note 44

### 25.1 Other Income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income under Effective Interest method		
on bank deposits held at amortised cost	115.00	2.94
others	30.16	71.02
Dividend	232.93	1,401.10
Net gain on sale of property, plant and equipment	-	6.96
Rental income from property subleased	30.72	54.01
Provisions/creditors no longer required written back	25.22	423.40
Mark to Market gain on cross currency swaps and forward contracts	237.34	-
Export and other incentive (refer note 42)	178.04	426.43
Miscellaneous income	116.78	166.02
<b>Total</b>	<b>966.19</b>	<b>2,551.88</b>

### 25.2 Net Gain on sales of property, plant and equipment\*

\* During the last year, the Company disposed of its land and building located in New Delhi, resulting in gain amounting to ₹ 3,620.27 lakhs. This gain, being income arising from transaction that is distinct from ordinary activities of the Company and not expected to reoccur, has been classified under exceptional item in the Statement of Profit and Loss of the year.

### 26.1 Cost of raw material and components consumed

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Inventory of materials at the beginning of the year	10,235.92	11,038.39
Add: Purchases	87,281.60	1,16,459.87
Less: Inventory of materials at the end of the year	(9,735.52)	(10,235.92)
<b>Total</b>	<b>87,782.00</b>	<b>1,17,262.34</b>

### 26.2 Cost of moulds, tools & dies

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Inventory at the beginning of the year	4,639.14	913.23
Add: Purchases	8,352.40	6,784.60
Less: Inventory at the end of the year	(2,326.13)	(4,639.14)
<b>Total</b>	<b>10,665.41</b>	<b>3,058.69</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 27 Purchase of Traded Goods

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Automotive lamps/components	442.13	1,562.66
<b>Total</b>	<b>442.13</b>	<b>1,562.66</b>

### 28 Changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 14)

Particulars		Year ended 31 March 2020	Year ended 31 March 2019
<b>Opening Inventory</b>	Finished goods	2,671.51	2,031.67
	Work-in-progress	1,318.90	1,600.44
	Stock-in-trade	371.14	163.65
		<b>4,361.55</b>	<b>3,795.76</b>
<b>Closing Inventory</b>	Finished goods	2,146.64	2,671.51
	Work-in-progress	2,403.58	1,318.90
	Stock-in-trade	310.18	371.14
		<b>4,860.40</b>	<b>4,361.55</b>
<b>(Increase)/Decrease in Inventory</b>	Finished goods	524.87	(639.84)
	Work-in-progress	(1,084.68)	281.54
	Stock-in-trade	60.96	(207.49)
		<b>(498.85)</b>	<b>(565.79)</b>

### 29 Employee benefits expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	18,075.78	18,525.55
Contribution to provident and other funds	894.71	825.46
Compensated absences	399.58	475.05
Gratuity (refer note 36)	315.05	269.25
Staff welfare	1,306.56	1,704.21
<b>Total</b>	<b>20,991.68</b>	<b>21,799.52</b>

### 30 Finance costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expenses on financial liabilities measured at amortised cost	2,185.20	1,521.10
Interest-others	6.36	31.23
<b>Total</b>	<b>2,191.56</b>	<b>1,552.33</b>

### 31 Depreciation and amortization expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant & equipment	5,995.91	5,843.12
Depreciation on right of use of assets	151.35	-
Amortization of intangible assets	207.16	185.75
<b>Total</b>	<b>6,354.42</b>	<b>6,028.87</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 32 Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Stores and spares	778.08	738.43
Packing material	3,554.93	3,584.89
Power and fuel	5,194.38	5,930.35
Rent (refer note 34)	306.14	359.11
Rates and taxes	98.23	91.24
Insurance	368.87	168.28
Repairs and maintenance	2,930.31	3,563.33
Freight and forwarding	2,284.93	2,886.51
Net loss on sale of property, plant and equipment	6.75	-
Bank charges	58.76	77.16
Travelling and conveyance	1,482.49	1,759.86
Legal and professional	612.24	348.31
Management support fees	2,257.37	2,472.88
Design, support and testing charges	279.96	201.29
Directors' sitting fees	24.60	23.00
Payment to auditors (refer note 32.1 below)	48.56	43.91
Royalty	2,197.59	2,507.38
Warranty	151.04	120.94
Net loss on account of foreign exchange transactions	587.99	353.32
Provision for doubtful debts/ advances (net)	315.46	151.69
Selling and promotion	159.35	191.53
Communication	107.69	138.10
Printing & stationery	129.78	176.38
Net change in fair value of investment in equity shares held at FVTPL	3.42	1.25
Contribution towards Corporate Social Responsibility (refer note 32.2 below)	163.21	123.20
Donations#	211.92	5.83
Miscellaneous	687.25	693.14
<b>Total</b>	<b>25,001.30</b>	<b>26,710.31</b>

Above expenses include research and development expenses (refer note 41).

# Donations Include ₹ 200.00 lakhs (31 March 2019: ₹ Nil) under section 182 of the Companies Act, 2013.

#### 32.1 Payment to Auditor (excluding applicable taxes)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>As auditor:</b>		
Audit fee	24.50	24.50
Tax audit fee	3.00	3.00
Limited Review	10.50	10.50
<b>In other capacity:</b>		
Certification fees	5.10	1.00
Reimbursement of expenses	5.46	4.91
<b>Total</b>	<b>48.56</b>	<b>43.91</b>

#### 32.2 Corporate Social Responsibility (CSR)

As per the provisions of section 135 of the Companies Act, 2013, the Company had to spend at least 2% of the average profits of the preceding three financial years towards CSR which amounts to ₹ 148.08 lakhs (31 March 2019: ₹ 122.17 lakhs). Accordingly, a CSR committee had been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013. The Company has spent an amount of ₹ 163.21 lakhs (31 March 2019 ₹ 123.20 lakhs) and has accordingly charged the same to the Statement of Profit and Loss.



## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 33 Earnings per share (EPS)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for attributable to equity shareholders	7,230.69	10,740.00
Weighted average number of equity shares	93,47,732	93,47,732
<b>Basic and Diluted Earnings per share in ₹ {Nominal value of shares of ₹ 10 (Previous year : ₹ 10)}</b>	<b>77.35</b>	<b>114.89</b>

### 34 Disclosure required by Ind AS 116

- A. On 1 April 2019, the Company has recognised, a lease liability measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as at 1 April 2019 and Right-of-Use (ROU) asset equal to the lease liability, adjusted by accrued lease payments recognised as at 31 March 2019. Also, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. The impact of transition Ind AS 116 have been summarized below:

Particulars	Amount
Right of Use of asset ('ROU')	2,398.00
Transfer of Leasehold land from Property, plant and equipment (net of accumulated depreciation)	128.78
Finance lease liability recognized	(2,864.40)
Provision for lease equalisation adjusted against ROU by applying para C8(c)(ii) of IND AS 116	(542.01)

The amounts recognized in Statement of Profit and Loss are as follows:

Particulars	Year ended 31 March 2020
Interest on lease liabilities	150.69
Expenses relating to short-term leases*	247.14
Expenses relating to leases of low-value assets*	59.00
<b>Total</b>	<b>456.83</b>

\*The Company also leases certain premises/machinery/equipment with contract terms of one or less than one year. These leases are short term and/or leases of low value items. The Company has elected not to recognise Right-of-use assets and lease liabilities for these leases. Further, the total cash outflow relating to lease payments during the year amounts to ₹ 226.30 lakhs.

The class-wise details of depreciation charged during the year and carrying amount of ROU assets at the year are as follows:

Particulars	Depreciation for the year ended 31 March 2020	Net Block of ROU as at 31 March 2020
Leasehold land (transferred from Property, plant and equipment)	1.66	127.12
Leasehold land and building	132.36	1,586.43
Solar power plant	17.33	661.88
<b>Total</b>	<b>151.35</b>	<b>2,375.43</b>

### B. Leases as lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company has leased out portions of its buildings under operating lease arrangements. These leases may be renewed for a further period based on mutual agreement of the parties. During the year, an amount of ₹ 30.72 lakhs (previous year ₹ 54.01 lakhs) was recognised as rental income in the Statement of Profit and Loss.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 35 Segment

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available. The Company is engaged in the business of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications and related activities. The Company's activities/business is regularly reviewed by the Company's Managing Director assisted by an executive committee from an overall business perspective, rather than reviewing its products/services as individual standalone components. Thus, the Company has only one operating segment, and no reportable segments in accordance with Ind AS - 108 Operating Segments.

The entity wide disclosures as required by Ind AS -108 are as follows:

#### A. Product/Service Description

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Sale of products</b>		
Finished goods	1,44,928.48	1,77,257.46
Traded goods	629.31	1,518.22
Moulds, tools and dies	13,060.16	4,904.02
<b>Sale of services</b>	1,345.19	1,179.34
<b>Other operating revenues</b>		
Scrap sales	195.58	285.96
<b>Total</b>	<b>1,60,158.72</b>	<b>1,85,145.00</b>

#### B. Revenue from external customer

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India	1,57,510.90	1,81,686.78
Other countries*	2,647.82	3,458.22
<b>Total</b>	<b>1,60,158.72</b>	<b>1,85,145.00</b>

\*Exports to any single country are not material to be disclosed

#### C. Non current assets\*\*

Particulars	As at 31 March 2020	As at 31 March 2019
India	75,561.52	63,639.72
Other countries	-	-
<b>Total</b>	<b>75,561.52</b>	<b>63,639.72</b>

\*\* Non-current assets exclude financial assets and deferred tax assets.

#### D. Major customers

Details of customers which accounts for more than 10% of Company's total revenue are as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Maruti Suzuki India Limited	42,298.03	47,598.22
Honda Motorcycle and Scooter India Private Limited	25,287.82	27,296.17
Suzuki Motor Gujrat Pvt. Ltd.	16,468.75	21,666.03

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 36 Assets and liabilities relating to employee benefits

#### A. Information about the Defined contribution plans

The Company's approved Superannuation Scheme, Employee Provident Fund and Employee State Insurance Scheme are defined contribution plans. A sum of ₹ 894.71 lakhs (previous year ₹ 825.46 lakhs) has been recognized as an expense in relation to these schemes and shown under Employee benefits expense in the Statement of Profit and Loss.

#### B. Information about the Defined benefit plan and Funding arrangements

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

These defined benefit plan expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. The plan is funded with an insurance company in the form of a qualifying insurance policy. The Company expects to pay ₹ 371.24 lakhs in contributions to its defined benefit plans in 2020-21.

#### Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

#### a) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	2,757.20	2,336.79
Benefits paid	(114.64)	(179.63)
Current service cost	240.66	212.66
Liability acquired through employee transfer	-	2.25
Interest cost	206.54	171.89
Actuarial (gains) losses recognised in other comprehensive income		
changes in demographic/financial assumptions	(36.31)	99.60
experience adjustments	122.36	113.64
<b>Balance at the end of the year</b>	<b>3,175.81</b>	<b>2,757.20</b>

#### b) Reconciliation of the present value of plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,561.37	1,571.80
Contributions paid into the plan	446.84	50.71
Benefits paid	(114.65)	(179.63)
Interest income	132.15	115.30
Actuarial (gains) losses recognised in other comprehensive income	(8.35)	3.19
<b>Balance at the end of the year</b>	<b>2,017.36</b>	<b>1,561.37</b>
<b>Net defined benefit liability (asset) at the end of the year</b>	<b>1,158.45</b>	<b>1,195.83</b>

#### c) Expense recognised in Statement of Profit and Loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	240.66	212.66
Interest cost	206.54	171.89
Past service gain	-	-
Interest income	(132.15)	(115.30)
<b>Total</b>	<b>315.05</b>	<b>269.25</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### d) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial (gain) loss on defined benefit obligation	86.03	213.24
Return on plan assets excluding interest income	8.35	(3.19)
<b>Total</b>	<b>94.38</b>	<b>210.05</b>

### e) Plan assets

Plan assets comprise of the following:

Particulars	As at 31 March 2020	As at 31 March 2019
Investment with Insurer	1,994.45	1,537.92
%age	98.86%	98.50%
Bank	22.91	23.45
%age	1.14%	1.50%

### C. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.87%	7.65%
Future salary growth	6.50%	7.50%
Attrition rate	8.00%	8.00%

At 31 March 2020, the weighted-average duration of the defined benefit obligation was 20.44 years (31 March 2019: 21.06 years).

### D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(179.82)	199.98	(161.09)	179.29
Future salary growth (1% movement)	192.19	(176.42)	171.36	(157.55)
Attrition rate (1% movement)	2.69	(3.16)	0.52	(0.73)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 37 Financial instruments - Fair values and risk management

#### a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note No.	As at 31 March 2020			As at 31 March 2019		
		Cost	FVTPL	Amortised cost	Cost	FVTPL	Amortised cost
<b>Financial assets</b>							
<b>Non-current</b>							
Investments*	6	354.74	160.00	-	354.74	160.00	-
Loans	7	-	-	690.64	-	-	538.44
Others	8	-	-	164.19	-	-	227.37
<b>Current</b>							
Investments	6	-	10.51	-	-	13.93	-
Trade receivables	9	-	-	17,321.45	-	-	22,101.18
Cash and cash equivalents	10	-	-	795.00	-	-	201.33
Bank balances other than above	10	-	-	3,000.65	-	-	23.13
Loans	7	-	-	98.27	-	-	99.39
Derivatives	11	-	237.34	-	-	-	-
Others	8	-	-	1,030.14	-	-	1,062.30
<b>Total</b>		<b>354.74</b>	<b>407.85</b>	<b>23,100.34</b>	<b>354.74</b>	<b>173.93</b>	<b>24,253.14</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	17	-	-	2,638.19	-	-	93.63
Lease liability	18	-	-	2,796.22	-	-	-
<b>Current</b>							
Borrowings	17	-	-	26,564.61	-	-	13,696.40
Lease liability	18	-	-	68.18	-	-	-
Trade payables	19	-	-	31,517.13	-	-	38,009.19
Other financial liabilities	20	-	-	10,540.31	-	-	10,163.08
<b>Total</b>		<b>-</b>	<b>-</b>	<b>74,124.64</b>	<b>-</b>	<b>-</b>	<b>61,962.30</b>

#### Disclosure of fair values of financial assets and liabilities

##### Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31 March 2020			As at 31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Non - Current</b>						
Investments	-	-	160.00	-	-	160.00
<b>Current</b>						
Investments	10.51	-	-	13.93	-	-
Derivatives	-	237.34	-	-	-	-

\* Investment in associate is carried at cost

#### Assets and liabilities which are measured at amortised cost

- Fair value of cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, trade payables, other financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments.
- Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### b) Measurement of fair values

#### (i) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation processes are described in note no. 2(E).

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Financial instruments measured at fair value</b>			
Investment in Caparo Power Limited	The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and earnings (after making necessary adjustments).	- Forecast annual growth rate - 3% to perpetuity - Cost of equity - 16.57%	The estimated fair value would increase (decrease) if: - the annual growth rate were higher (lower); - the risk-adjusted discount rate were lower (higher).
Mark to Market gain on cross currency swaps and forward contracts	The fair value is determined using quoted rates at the valuation date by the respective bank	Not applicable	Not applicable

#### (ii) Transfers between level 1 and level 2

There have been no transfers between Level 1 and Level 2 during the year ended 31 March 2020 and 31 March 2019.

#### (iii) Level 3 fair values

There have been no transfers to and from Level 3 during the year ended 31 March 2020 and 31 March 2019.

### c) Financial risk management

**The Company has exposure to the following risks arising from financial instruments:**

- Credit risk
- Liquidity risk
- Market risk

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk	Recognised financial assets and liabilities not denominated in Indian rupee and future commercial transactions	Cash flow forecasting Sensitivity analysis	Forward Foreign Currency and cross currency swap Contracts

#### (i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Company's risk management is carried out by a central treasury team department under policies approved by the board of directors.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### (ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and other deposits etc. The carrying amounts of financial assets represent the maximum credit risk exposure.

#### Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

#### Movement in impairment loss allowance on trade receivables:

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at the beginning of the year	305.94	154.25
Movement during the year	(9.23)	151.69
<b>Balance as at the end of the year</b>	<b>296.71</b>	<b>305.94</b>

#### Loans and other financial assets

- a) The Company has given security deposits to Government departments and vendors for securing services from them. As these are well established organisations and have strong capacity to meet the obligations, risk of default is negligible or nil.
- b) The Company provides loans to employees and recovers the same by deduction from the salary of the employees. Loans are given only to those employees who have served a minimum period as per the approved policy of the Company. The expected probability of default is negligible or nil.

#### Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with international and domestic banks with high repute.

#### Derivatives

Derivatives are entered into with banks and financial institution counterparties, as per the approved guidelines for entering derivative contracts. The Company considers that its derivatives have low credit risk as these are taken with international and domestic banks with high repute.

### (iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Long term cash flow requirement is monitored through long term plans. In the line of long term planning, short term plans are reviewed on quarterly basis and compared with actual position on monthly basis to assess the performance of the Company and liquidity position.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Company maintains the following line of credit to meet the short term funding requirement:

- Short term loans/cash credit/working capital limit of ₹ 8,050 lakhs.
- Vendor and customer finance facility limit of ₹ 20,300 lakhs.
- Credit/bank guarantee limit of ₹ 13,500 lakhs.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

Non derivative financial liabilities	As at 31 March 2020			As at 31 March 2019		
	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year
<b>Borrowings (Secured)</b>						
Vehicle loan from banks	89.96	77.40	12.56	256.29	170.79	85.50
Vehicle loan from others	8.13	7.50	0.63	15.00	6.87	8.13
Term loan from others	3,000.00	375.00	2,625.00	-	-	-
Foreign currency loan	2,194.29	2,194.29	-	-	-	-
<b>Other borrowings</b>						
<b>Secured</b>						
Term loan from bank	1,300.00	1,300.00	-	-	-	-
Packing credit / buyers credit	1,737.09	1,737.09	-	-	-	-
Cash credit/Working Capital facility from banks	7,440.12	7,440.12	-	3,352.46	3,352.46	-
Vendor finance facility from banks	3,695.45	3,695.45	-	-	-	-
Customer finance facility from banks	4,723.82	4,723.82	-	-	-	-
<b>Unsecured</b>						
Term loan from bank	-	-	-	1,500.00	1,500.00	-
Vendor finance facility from banks	7,668.13	7,668.13	-	-	-	-
Customer finance facility from banks	-	-	-	8,843.94	8,843.94	-
<b>Lease liability</b>	5,660.68	296.66	5,364.02	-	-	-
<b>Trade payables</b>	31,517.13	31,517.13	-	38,009.19	38,009.19	-
<b>Other financial liabilities</b>						
Capital creditors	2,517.47	2,517.47	-	3,513.94	3,513.94	-
Interest accrued on borrowings/cash credit	151.63	151.63	-	49.51	49.51	-
Payable to employees	1,534.15	1,534.15	-	2,063.85	2,063.85	-
Unpaid dividend	137.88	137.88	-	92.96	92.96	-
Interest free deposits from customers	5.75	5.75	-	5.83	5.83	-
Other liabilities	3,539.24	3,539.24	-	4,259.33	4,259.33	-
<b>Total</b>	<b>76,920.92</b>	<b>68,918.71</b>	<b>8,002.21</b>	<b>61,962.30</b>	<b>61,868.67</b>	<b>93.63</b>

The Company has secured bank loans that contain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.



## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### (iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivative to manage market risks. All such transactions are carried out within the guideline as prescribed in the Company's risk management policy.

### Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The functional currency for the Company is INR. The currencies in which these transactions are primarily denominated are US dollars and Euro.

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

As at 31 March 2020	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognised financial assets / (liabilities)	
					Foreign currency	INR
EUR	-	-	(0.02)	3.46	3.44	285.24
GBP	-	-	-	1.84	1.84	172.11
JPY	-	-	(1,784.17)	-	(1,784.17)	(1,242.36)
USD	-	(51.96)	(71.12)	4.34	(118.74)	(8,984.40)
TWD	1.73	-	-	-	1.73	4.31
CNY	-	-	(0.04)	-	(0.04)	(0.37)
IDR	-	-	(1,482.52)	-	(1,482.52)	(6.89)

As at 31 March 2019	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognised financial assets / (liabilities)	
					Foreign currency	INR
EUR	-	-	(2.42)	3.92	1.50	116.51
GBP	-	-	(0.02)	4.06	4.04	365.72
JPY	-	-	(2,214.52)	-	(2,214.52)	(1,382.25)
USD	-	-	(32.04)	6.32	(25.72)	(1,778.67)
THB	-	-	(0.18)	-	(0.18)	(0.39)
TWD	2.06	-	-	-	2.06	4.64
IDR	-	-	(1,482.52)	-	(1,482.52)	(7.19)

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, THB: Thai Bhat, TWD: New Taiwan dollar, CNY: Chinese Yuan, IDR: Indonesian Rupiah

### Sensitivity analysis

A reasonably possible strengthening (weakening) of USD, JPY and other currencies against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The impact on profit/loss before tax is as below:

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	(89.84)	89.84	(17.79)	17.79
JPY (1% movement)	(12.42)	12.42	(13.82)	13.82
Other currencies	4.54	(4.54)	4.79	(4.79)

### (v) 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 long-term debt obligations with floating interest rates. The Company tries to manage the risk partly by entering into fixed-rate instruments and partly by borrowing at a floating rate:

#### Exposure to Interest rate risk

The Company has the following exposure in interest bearing borrowings as on reporting date:

#### Standalone Balance sheet

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Borrowings</b>		
Term loans (fixed interest)	6,592.38	1,771.29
Packing credit / buyers credit (variable interest)	1,737.09	-
Cash credit/Working capital facility (variable interest)	7,440.12	3,352.46
Vendor finance facility (variable interest)	11,363.58	-
Customer finance facility (variable interest)	4,723.82	8,843.94
<b>Total</b>	<b>31,856.99</b>	<b>13,967.69</b>

The Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. However, as these are short term in nature, there is no exposure to interest rate risk.

#### Sensitivity analysis

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
1% increase	(198.43)	(132.77)
1% decrease	198.43	132.77

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 38 Related Party Disclosure

#### A. Names of related parties and related party relationship

S. No.	Particulars	Name of Related parties
1	Entity/Person having significant influence	Stanley Electric Co. Limited, Japan Mr. Dhanesh Kumar Jain (Upto 28.06.2019)
2	Associate	SL Lumax Limited
3	Key Management Personnel	Mr. Deepak Jain (Chairman & Managing Director) Mr. Anmol Jain (Joint Managing Director) Mr. Tadayoshi Aoki (Senior Executive Director) Mr. Koji Sawada (Executive Director) Mr. Avinash Parkash Gandhi (Independent Director) Mr. Rajeev Kapoor (Independent Director) Mr. Munish Chandra Gupta (Independent Director) Mr. Rattan Kapur (Independent Director) Mrs. Pallavi Dinodia Gupta (Independent Director upto 28.05.2018) Mrs. Ritika Modi (Independent Director w.e.f. 28.07.2018) Mr. Dhiraj Dhar Gupta (Independent Director) Mr. Vineet Sahni (CEO & Senior Executive Director)
4	Relatives of Key Management Personnel	Mr. Dhanesh Kumar Jain Mr. Vyom Sahni (son of Mr. Vineet Sahni)
5	Entity Controlled / significantly influenced by Key Management Personnel and/or their Relatives	Lumax Auto Technologies Limited Lumax DK Auto Industries Limited (Merged with Lumax Auto Technologies Limited w.e.f 9th Nov 2019) Lumax Tours & Travels Limited Lumax Finance Private Limited Lumax Ancillary Limited Lumax Cornaglia Auto Technologies Private Limited Lumax Mannoh Allied Technologies Limited Lumax Management Services Private Limited Lumax Jopp Allied Technologies Private Limited Lumax Energy Solutions Private Limited Bharat Enterprises Mahavir Udyog D.K. Jain & Sons (HUF) Lumax FAE Technologies Private Limited Lumax Ituran Telematics Private Limited Lumax Gill - Austem Auto Technologies Limited Lumax Integrated Ventures Private Limited Sipal Engineering Private Limited Backcountry Estates Private Limited Velomax Mobility Private Limited Lumax Charitable Foundation
6	Entity controlled by Entity having significant influence	Thai Stanley Electric Public Co. Limited Asian Stanley International Co. Limited PT Indonesia Stanley Electric Stanley Electric (Asia Pacific) Limited Tianjin Stanley Electric Co. Limited Vietnam Stanley Electric Co. Limited Shenzhen Stanley Electric Co. Limited Guangzhou Stanley Electric Co. Limited Sirivit-Stanley Co. Limited Stanley Electric Do Brasil Limited

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total		
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
i)	<b>Sale of Raw Materials and Components (grouped in Consumption)</b>															
	Lumax Auto Technologies Limited	-	-	-	-	-	-	63.93	3,974.27	-	-	-	-	63.93	3,974.27	
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	11.46	44.94	-	-	-	-	11.46	44.94	
	Lumax Ancillary Limited	-	-	-	-	-	-	371.64	576.46	-	-	-	-	371.64	576.46	
	Bharat Enterprises	-	-	-	-	-	-	34.75	35.31	-	-	-	-	34.75	35.31	
	Lumax Iuran Telematics Private Limited	-	-	-	-	-	-	-	7.53	-	-	-	-	-	7.53	
ii)	<b>Sale of Finished Goods (including Semi-finished Goods)</b>															
	Lumax Auto Technologies Limited	-	-	-	-	-	-	6,880.84	5,781.37	-	-	-	-	6,880.84	5,781.37	
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	242.09	151.93	-	-	-	-	242.09	151.93	
	Stanley Electric Do Brasil Limited	-	-	-	-	-	-	-	-	8.58	-	-	-	8.58	-	
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	1.41	-	-	-	1.41	-	
	Lumax Ancillary Limited	-	-	-	-	-	-	217.0	192.78	-	-	-	-	217.0	192.78	
iii)	<b>Sale of Fixed Assets</b>															
	Mahavir Udyog	-	-	-	-	-	-	-	0.11	-	-	-	-	-	0.11	
	Mr. Vineet Sahrni	-	-	-	-	-	7.40	-	-	-	-	-	-	-	7.40	
	Lumax Ancillary Limited	-	-	-	-	-	-	2.63	-	-	-	-	-	2.63	-	
iv)	<b>Sale of Services</b>															
	Lumax Auto Technologies Limited	-	-	-	-	-	-	73.05	312.10	-	-	-	-	73.05	312.10	
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	5.34	3.06	-	-	-	-	5.34	3.06	
	Lumax Ancillary Limited	-	-	-	-	-	-	1.13	12.85	-	-	-	-	1.13	12.85	
	Bharat Enterprises	-	-	-	-	-	-	0.60	1.06	-	-	-	-	0.60	1.06	
	Mahavir Udyog	-	-	-	-	-	-	0.33	0.42	-	-	-	-	0.33	0.42	

**Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate	Total	Total
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19			
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	0.11	-	-	-	-	0.11	-
	Lumax Management Services Private Limited	-	-	-	-	-	-	2.37	-	-	-	-	2.37	-
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.25	-	-	-	-	0.25	-
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	51.24	62.10	-	-	51.24	62.10
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	23.20	-	-	-	23.20	-
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	23.94	7.40	-	-	23.94	7.40
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	-	1115	-	-	-	1115	-
	Stanley Electric Co. Limited	68.42	3.34	-	-	-	-	-	-	-	-	-	68.42	3.34
<b>v)</b>	<b>Purchase of Raw Materials, Components and Moulds</b>													
	Lumax Auto Technologies Limited	-	-	-	-	-	-	9,803.41	21,701.52	-	-	-	9,803.41	21,701.52
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	5,825.64	11,148.66	-	-	-	5,825.64	11,148.66
	Lumax Ancillary Limited	-	-	-	-	-	-	6,652.10	6,485.51	-	-	-	6,652.10	6,485.51
	Bharat Enterprises	-	-	-	-	-	-	2,484.68	2,800.05	-	-	-	2,484.68	2,800.05
	Mahavir Udyog	-	-	-	-	-	-	204.60	289.56	-	-	-	204.60	289.56
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	10.60	29.62	-	10.60	29.62
	Asian Stanley International Co. Limited	-	-	-	-	-	-	-	-	1,294.94	2,165.94	-	1,294.94	2,165.94
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	1.41	3.60	-	1.41	3.60
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	-	2,241.34	7.36	-	2,241.34	7.36
	Tianjin Stanley Electric Co Limited	-	-	-	-	-	-	-	-	749.59	345.25	-	749.59	345.25
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	31.32	65.29	-	31.32	65.29
	Sirvit-Stanley Co. Limited	-	-	-	-	-	-	-	-	1,592.30	2,443.67	-	1,592.30	2,443.67

**Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate	Total	Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19				2019-20
	Shenzhen Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	3019	8980	-	3019	8980	
	Stanley Electric Co. Limited	6,086.60	11,369.39	-	-	-	-	-	-	-	-	-	6,086.60	11,369.39	
vj)	<b>Purchase of Packing Material</b>														
	Mahavir Udyog	-	-	-	-	-	2,236.77	2,062.57	-	-	-	-	-	2,236.77	2,062.57
	Lumax Auto Technologies Limited	-	-	-	-	-	2.95	-	-	-	-	-	-	2.95	-
vii)	<b>Purchase of Stores &amp; Spares</b>														
	Lumax Energy Solutions Private Limited	-	-	-	-	-	0.05	6.11	-	-	-	-	-	0.05	6.11
	Lumax Ancillary Limited	-	-	-	-	-	0.18	-	-	-	-	-	-	0.18	-
	Stanley Electric Co. Limited	1.46	2.62	-	-	-	-	-	-	-	-	-	-	1.46	2.62
viii)	<b>Purchase of Fixed Assets</b>														
	Lumax Auto Technologies Ltd. #	-	-	-	-	-	2,659.77	-	-	-	-	-	-	2,659.77	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	76.34	111.29	-	-	-	-	-	76.34	111.29
	Lumax Tours & Travels Ltd.	-	-	-	-	-	6.15	-	-	-	-	-	-	6.15	-
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	0.70	-	-	-	0.70	-
	Stanley Electric Co. Ltd.	-	77.57	-	-	-	-	-	-	-	-	-	-	-	77.57
	# Refer note no. 46														
ix)	<b>Purchase of Traded Goods</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	34.74	-	-	-	-	-	-	34.74	-
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	29.63	76.34	-	-	29.63	76.34
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	343.50	1,254.45	-	-	343.50	1,254.45
x)	<b>Technical Charges</b>														
	<b>Design, Drawing &amp; Testing Charges</b>														
	Stanley Electric Co. Limited	1,525.40	86.60	-	-	-	-	-	-	-	-	-	-	1,525.40	86.60
	Tianjin Stanley Electric Co Limited	-	-	-	-	-	-	-	-	75.67	23.69	-	-	75.67	23.69
	Lumax Auto Technologies Limited	-	-	-	-	-	3.44	-	-	-	-	-	-	3.44	-

**Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	<b>Management Support Fee</b>														
	Stanley Electric Co. Limited	1,045.59	1,030.56	-	-	-	-	-	-	-	-	-	-	-	1,045.59
	Lumax Management Services Private Limited	-	-	-	-	-	-	1,488.53	1,689.58	-	-	-	-	-	1,488.53
	<b>Rent Income</b>														
xi)	Lumax Management Services Private Limited	-	-	-	-	-	-	5.03	4.25	-	-	-	-	-	5.03
	Sipal Engineering Private Limited	-	-	-	-	-	-	0.16	0.08	-	-	-	-	-	0.16
	Lumax Finance Private Limited	-	-	-	-	-	-	0.16	0.08	-	-	-	-	-	0.16
	Lumax Gill - Austern Auto Technologies Private Limited	-	-	-	-	-	-	0.16	0.08	-	-	-	-	-	0.16
	Lumax Integrated Ventures P Limited	-	-	-	-	-	-	0.16	0.08	-	-	-	-	-	0.16
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.05	-	-	-	-	-	-	0.05
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	0.05	0.05	-	-	-	-	-	0.05
	Lumax Ancillary Limited	-	-	-	-	-	-	0.16	0.08	-	-	-	-	-	0.16
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.05	0.05	-	-	-	-	-	0.05
	Lumax Energy Solutions Private Limited	-	-	-	-	-	-	0.07	0.08	-	-	-	-	-	0.07
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.16	0.08	-	-	-	-	-	0.16
	Lumax Jopp Allied Technologies Limited	-	-	-	-	-	-	0.05	-	-	-	-	-	-	0.05
	Backcountry Estates Private Limited	-	-	-	-	-	-	0.16	0.08	-	-	-	-	-	0.16
	Velomax Mobility Private Limited	-	-	-	-	-	-	0.16	0.08	-	-	-	-	-	0.16
	Lumax Comaglia Auto Technologies Private Limited	-	-	-	-	-	-	29.47	58.70	-	-	-	-	-	29.47
xii)	<b>Dividend Received</b>														
	SL Lumax Limited	-	-	-	-	-	-	-	-	-	-	230.92	1,398.74	230.92	1,398.74
xiii)	<b>Rent Expense</b>														
	Mr. Dhanesh Kumar Jain	-	10.08	-	-	-	-	-	-	-	-	-	-	-	10.08

**Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Lumax Auto Technologies Limited	-	-	-	-	-	-	100.30	-	-	-	-	-	100.30	-
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	121.75	214.61	-	-	-	-	121.75	214.61
xiv)	<b>Payment to Chairman Emeritus</b>														
	Mr. Dhanesh Kumar Jain	7.50	30.00	-	-	22.50	-	-	-	-	-	-	-	30.00	30.00
xv)	<b>Managerial Remuneration (short term employee benefits)*</b>														
	Mr. Deepak Jain	-	-	135.37	135.69	-	-	-	-	-	-	-	-	135.37	135.69
	Mr. Anmol Jain	-	-	55.57	53.66	-	-	-	-	-	-	-	-	55.57	53.66
	Mr. Tadayoshi Aoki (w.e.f. 03.02.18)	-	-	17.60	16.16	-	-	-	-	-	-	-	-	17.60	16.16
	Mr. K Sawada (w.e.f. 09.08.16)	-	-	16.49	15.77	-	-	-	-	-	-	-	-	16.49	15.77
	Mr. Vineet Sahrni	-	-	289.08	272.83	-	-	-	-	-	-	-	-	289.08	272.83
	Does not include provision for gratuity and compensated absences, since the same is accrued on the basis of actuarial valuation carried out for the Company as a whole.														
xvi)	<b>Commission to Director</b>														
	Mr. Deepak Jain	-	-	243.00	392.87	-	-	-	-	-	-	-	-	243.00	392.87
	Mr. Anmol Jain	-	-	-	136.41	-	-	-	-	-	-	-	-	-	136.41
	Mr. Vineet Sahrni	-	-	86.96	114.31	-	-	-	-	-	-	-	-	86.96	114.31
xvii)	<b>Royalty (gross)</b>														
	Stanley Electric Co. Limited	2,182.76	2,507.38	-	-	-	-	-	-	-	-	-	-	2,182.76	2,507.38
xviii)	<b>Dividend Paid</b>														
	Mr. Dhanesh Kumar Jain	-	450.58	-	-	-	-	-	-	-	-	-	-	-	450.58
	Mr. Deepak Jain	-	-	615.32	378.2	-	-	-	-	-	-	-	-	615.32	378.2
	Mr. Anmol Jain	-	-	615.32	16.08	-	-	-	-	-	-	-	-	615.32	16.08
	Mrs. Usha Jain (Now deceased upto 17/11/18)	-	-	-	-	-	-	-	-	-	-	-	-	-	34.66
	D.K. Jain & Sons (HUF)	-	-	-	-	-	-	75.06	32.88	-	-	-	-	75.06	32.88



**Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Lumax Auto Technologies Limited	-	-	-	-	-	-	275.63	120.75	-	-	-	-	275.63	120.75
	Lumax Finance Private Limited	-	-	-	-	-	-	259.02	113.47	-	-	-	-	259.02	113.47
	Stanley Electric Co. Limited	1755.28	768.98	-	-	-	-	-	-	-	-	-	-	1755.28	768.98
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	85.06	37.26	-	-	85.06	37.26
<b>xix)</b>	<b>Travelling &amp; Conveyance</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.99	3.74	-	-	-	-	0.99	3.74
	Lumax Ancillary Limited	-	-	-	-	-	-	0.04	3.73	-	-	-	-	0.04	3.73
	Lumax Tours & Travels Limited	-	-	-	-	-	-	437.81	608.83	-	-	-	-	437.81	608.83
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	-	7.30	-	-	-	7.30
	Stanley Electric Co. Limited	93.88	133.40	-	-	-	-	-	-	-	-	-	-	93.88	133.40
<b>xx)</b>	<b>Freight Inward</b>														
	Lumax Ancillary Limited	-	-	-	-	-	-	-	0.40	-	-	-	-	-	0.40
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	0.18	-	-	-	-	-	0.18
<b>xxi)</b>	<b>Insurance Charges</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	0.12	-	-	-	-	-	0.12
	Lumax Tours & Travels Limited	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
<b>xxii)</b>	<b>Legal &amp; Professional Charges</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	0.10	-	-	-	-	-	0.10
	Sipal Engineering Private Limited	-	-	-	-	-	-	-	0.41	-	-	-	-	-	0.41
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.34	-	-	-	-	-	0.34	-
	Lumax Management Services Private Limited	-	-	-	-	-	-	29.51	5.39	-	-	-	-	29.51	5.39
<b>xxiii)</b>	<b>Miscellaneous Expenses</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	32.35	21.55	-	-	-	-	32.35	21.55
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01	-

**Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
xxiv)	<b>Packing &amp; Forwarding</b>														
	Lumax Ancillary Limited	-	-	-	-	-	-	0.16	-	-	-	-	-	-	0.16
	Lumax Tours & Travels Limited	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02
xxv)	<b>Salaries, wages and bonus</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	48.96	47.06	-	-	-	-	-	48.96
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	34.64	-	-	-	-	-	-	34.64
	Lumax Ancillary Limited	-	-	-	-	-	-	0.63	-	-	-	-	-	-	0.63
	Stanley Electric Co. Limited	43.57	70.21	-	-	-	-	-	-	-	-	-	-	-	43.57
Mr. Vyom Sahni	-	-	-	-	2.78	2.04	-	-	-	-	-	-	-	2.78	
xxvi)	<b>Printing &amp; Stationery Expenses</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	1.70	-	-	-	-	-	-	1.70
xxvii)	<b>Reimbursement Received</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	(40.49)	(2.68)	-	-	-	-	-	(40.49)
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	(0.86)	-	-	-	-	-	-	(0.86)
	Lumax Management Services Private Limited	-	-	-	-	-	-	(14.64)	(12.04)	-	-	-	-	-	(14.64)
	Lumax Ancillary Limited	-	-	-	-	-	-	(4.54)	(3.47)	-	-	-	-	-	(4.54)
	Bharat Enterprises	-	-	-	-	-	-	(3.33)	(0.07)	-	-	-	-	-	(3.33)
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	(17.31)	(13.64)	-	-	-	-	-	(17.31)
	Mahavir Udyog	-	-	-	-	-	-	(1.84)	(0.02)	-	-	-	-	-	(1.84)
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	(0.81)	-	-	-	-	-	-	(0.81)
	Lumax FAE Technologies Private Limited	-	-	-	-	-	-	(0.02)	-	-	-	-	-	-	(0.02)
Lumax Ituran Telematics Private Limited	-	-	-	-	-	-	(0.05)	-	-	-	-	-	-	(0.05)	
Lumax Gill Austem Auto Technologies Private Limited	-	-	-	-	-	-	(0.31)	-	-	-	-	-	-	(0.31)	

**Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)**

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		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19			
	Sipal Engineering Private Limited	-	-	-	-	-	-	(0.12)	-	-	-	-	(0.12)	-
	Stanley Electric Co. Limited	(225.17)	(228.90)	-	-	-	-	-	-	-	-	-	(225.17)	(228.90)
xxviii)	<b>Repair to Plant &amp; Machinery</b>													
	Lumax Ancillary Limited	-	-	-	-	-	-	-	1.16	-	-	-	-	1.16
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	0.42	-	-	-	-	0.42	-
xxix)	<b>Repairs &amp; Maintenance- Others</b>													
	Lumax Management Services Private Limited	-	-	-	-	-	-	186.95	57.35	-	-	-	186.95	57.35
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.05	-	-	-	-	0.05	-
	Stanley Electric Co. Limited	4.51	20.22	-	-	-	-	-	-	-	-	-	4.51	20.22
xxx)	<b>Sales promotion</b>													
	Lumax Tours & Travels Limited	-	-	-	-	-	-	7.69	-	-	-	-	7.69	-
	Lumax Management Services Private Limited	-	-	-	-	-	-	28.88	-	-	-	-	28.88	-
xxxi)	<b>Welfare (Staff And Labour)</b>													
	Lumax Dk Auto Industries Limited	-	-	-	-	-	-	3.78	-	-	-	-	3.78	-
	Lumax Auto Technologies Limited	-	-	-	-	-	-	2.48	2.22	-	-	-	2.48	2.22
	Lumax Tours & Travels Limited	-	-	-	-	-	-	13.12	-	-	-	-	13.12	-
	Lumax Management Services Private Limited	-	-	-	-	-	-	1.68	42.42	-	-	-	1.68	42.42
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	-	0.46	-	-	-	-	0.46
xxxii)	<b>Liabilities no longer required written back</b>													
	Stanley Electric Co. Limited	46.68	64.59	-	-	-	-	-	-	-	-	-	46.68	64.59
xxxiii)	<b>Bad debts</b>													
	Stanley Electric Co. Limited	2.15	0.62	-	-	-	-	-	-	-	-	-	2.15	0.62
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.11	-	-	-	-	0.11	-

**Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
xxxiv)	<b>Job Work Charges</b>														
	Lumax Ancillary Limited	-	-	-	-	-	-	0.68	0.14	-	-	-	-	0.68	0.14
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	1.44	-	-	-	-	-	1.44
xxxv)	<b>Miscellaneous Income</b>														
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01	-
	Sirvit-Stanley Co. Limited	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02	-
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	0.97	-	-	-	0.97	-
xxxvi)	<b>Donations</b>														
	Lumax Charitable Foundation	-	-	-	-	-	-	11.29	-	-	-	-	-	11.29	-
xxxvii)	<b>Corporate Social Responsibility Contribution (CSR)</b>														
	Lumax Charitable Foundation	-	-	-	-	-	-	163.21	123.20	-	-	-	-	163.21	123.20
xxxviii)	<b>Sitting Fee</b>														
	Mr. Avinash Parkash Gandhi	-	-	5.40	4.20	-	-	-	-	-	-	-	-	5.40	4.20
	Mr. Rajeev Kapoor	-	-	3.80	3.60	-	-	-	-	-	-	-	-	3.80	3.60
	Mr. Munish Chandra Gupta	-	-	4.60	4.40	-	-	-	-	-	-	-	-	4.60	4.40
	Mr. Rattan Kapur	-	-	4.60	4.60	-	-	-	-	-	-	-	-	4.60	4.60
	Ms Rtika Modi	-	-	2.40	1.60	-	-	-	-	-	-	-	-	2.40	1.60
	Mr. Dhiraj Dhar Gupta	-	-	3.80	4.60	-	-	-	-	-	-	-	-	3.80	4.60

**Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020
i)	<b>Trade Receivables</b>														
	Lumax Auto Technologies Limited	-	-	402.37	2,516.48	-	-	-	-	-	-	-	-	402.37	2,516.48
	Lumax DK Auto Industries Limited	-	-	-	25.80	-	-	-	-	-	-	-	-	-	25.80
	Lumax Cornaglia Auto Technologies Private Limited	-	-	4.56	13.36	-	-	-	-	-	-	-	-	4.56	13.36
	Lumax Ancillary Limited	-	-	132.42	141.64	-	-	-	-	-	-	-	-	132.42	141.64
	Bharat Enterprises	-	-	0.34	7.91	-	-	-	-	-	-	-	-	0.34	7.91
	Lumax Tours & Travels Limited	-	-	0.08	-	-	-	-	-	-	-	-	-	0.08	-
	Lumax Jopp Allied Technologies Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	0.05	-
	Mahavir Udyog	-	-	0.93	0.07	-	-	-	-	-	-	-	-	0.93	0.07
	Stanley Electric Do Brasil Limited	-	-	-	-	-	-	-	0.16	-	-	-	-	-	0.16
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	43.94	-	-	-	-	-	43.94
	ii)	Velomax Mobility Private Limited	-	-	0.08	0.03	-	-	-	-	-	-	-	-	0.08
Vietnam Stanley Electric Co. Limited		-	-	-	-	-	-	1.48	-	-	-	-	-	1.48	-
Guangzhou Stanley Electric Co. Limited		-	-	-	-	-	-	2.84	-	-	-	-	-	2.84	-
<b>Advance received from Customers</b>															
Lumax Auto Technologies Limited		-	-	11.69	718.79	-	-	-	-	-	-	-	-	11.69	718.79
iii)	Lumax Ancillary Limited	-	-	1.55	-	-	-	-	-	-	-	-	-	1.55	-
	Bharat Enterprises	-	-	0.56	-	-	-	-	-	-	-	-	-	0.56	-
	<b>Unbilled Revenue</b>														
Lumax Auto Technologies Limited	-	-	-	1.08	-	-	-	-	-	-	-	-	-	1.08	

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	
iv)	<b>Trade Payables</b>													
	Lumax Auto Technologies Limited	-	-	-	-	-	-	4,381.35	3,734.50	-	-	-	-	4,381.35
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	4,443.25	-	-	-	-	-
	Lumax Tours & Travels Limited	-	-	-	-	-	-	13.67	30.50	-	-	-	-	13.67
	Lumax Ancillary Limited	-	-	-	-	-	-	2,188.36	1,453.90	-	-	-	-	2,188.36
	Bharat Enterprises	-	-	-	-	-	-	691.59	825.69	-	-	-	-	691.59
	Mahavir Udyog	-	-	-	-	-	-	552.25	553.42	-	-	-	-	552.25
	Lumax Management Services Private Limited	-	-	-	-	-	-	194.54	197.52	-	-	-	-	194.54
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	4.04	21.91	-	-	4.04
	Asian Stanley International Co. Limited	-	-	-	-	-	-	-	-	50.24	88.39	-	-	50.24
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	-	38.30	-	-	-
	Pt Indonesia Stanley Electric Limited	-	-	-	-	-	-	-	-	8.46	10.61	-	-	8.46
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	-	846.03	-	-	-	846.03
	Srivit-Stanley Co. Limited	-	-	-	-	-	-	-	-	266.81	210.97	-	-	266.81
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	345.88	-	-	-	345.88
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	2.08	13.58	-	-	2.08
	Stanley Electric Co. Limited	3,573.43	2,072.39	-	-	-	-	-	-	-	-	-	-	3,573.43
	<b>Capital Payables</b>													
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	0.74	-	-	-	0.74
v)	<b>Capital Advance</b>													
	Lumax Ancillary Limited	-	-	-	-	-	-	4,669.80	2,074.89	-	-	-	-	4,669.80
	<b>Total</b>													

**Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	
vi)	<b>Advance paid to Vendors</b>													
	Lumax Tours & Travels Limited	-	-	-	-	-	-	10.60	-	-	-	-	-	10.60
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	0.32	-	-	-	-	0.32
	Stanley Electric Co. Limited	47.54	-	-	-	-	-	-	-	-	-	-	-	47.54
vii)	<b>Recoverable from Vendors</b>													
	Lumax Ancillary Limited	-	-	-	-	-	-	2.77	-	-	-	-	-	2.77
	Lumax Auto Technologies Limited	-	-	-	-	-	-	11.67	-	-	-	-	-	11.67
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	0.38	-	-	-	-	-	0.38
	Lumax FAE Technologies Private Limited	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02
	Lumax Ituran Telematics Private Limited	-	-	-	-	-	-	0.05	-	-	-	-	-	0.05
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.10	-	-	-	-	-	0.10
	Lumax Gill Austem Auto Technologies Private Limited	-	-	-	-	-	-	0.31	-	-	-	-	-	0.31
	Sipal Engineering Private Limited	-	-	-	-	-	-	0.12	-	-	-	-	-	0.12
	<b>Security Deposit for Rent</b>													
Mr. Dhaneesh Kumar Jain	-	3.45	-	-	-	2.76	-	-	-	-	-	-	2.76	
ix)	<b>Loan to Employee</b>													
	Mr. Vineet Sahnii	-	-	150.00	-	-	-	-	-	-	-	-	-	150.00
x)	Repayment of Loan by Employee ; Mr. Vineet Sahnii	-	-	(15.00)	-	-	-	-	-	-	-	-	-	(15.00)
	<b>Prepaid Expenses</b>													
	Lumax Management Services Private Limited	-	-	-	-	-	-	76.66	-	-	-	-	-	76.66

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	
xi)	<b>Investment</b>													
	SL Lumax Limited	-	-	-	-	-	-	-	-	-	-	354.74	354.74	354.74
xii)	<b>Key Management Payables</b>													
	Mr. Deepak Jain (Chairman & Managing Director w.e.f. 01.04.2018) (Managing Director upto 31.03.2018)	-	-	243.00	-	-	-	-	-	-	-	-	-	243.00
	Mr. Vineet Sahni (CEO & Senior Executive Director- w.e.f. 01.04.2018)	-	-	86.96	-	-	-	-	-	-	-	-	-	86.96
	Mr. Tadayoshi Aoki (Senior Executive Director- w.e.f. 03.02.2018)	-	-	3.86	21.94	-	-	-	-	-	-	-	-	3.86
	Mr. Koji Sawada (Executive Director)	-	-	10.55	21.88	-	-	-	-	-	-	-	-	10.55
	Mr. Avinash Parkash Gandhi (Independent Director)	-	-	0.36	-	-	-	-	-	-	-	-	-	0.36
	Mr. Rajeev Kapoor (Independent Director)	-	-	0.36	-	-	-	-	-	-	-	-	-	0.36
	Mr. Munish Chandra Gupta (Independent Director)	-	-	0.36	-	-	-	-	-	-	-	-	-	0.36
	Mr. Rattan Kapur (Independent Director)	-	-	0.36	-	-	-	-	-	-	-	-	-	0.36
	Mrs. Ritika Modi (Independent Director w.e.f. 28.07.2018)	-	-	0.36	-	-	-	-	-	-	-	-	-	0.36
	Mr. Dhiraj Dhar Gupta (Independent Director)	-	-	0.36	-	-	-	-	-	-	-	-	-	0.36

**Note:**

The Company has established a comprehensive system on maintenance of information and documents required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The Management is of the opinion that its transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements particularly on the amount of income tax expense and that of provision of taxation.



## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 39 Capital and other commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of Contract (Net of Advances paid during the year ₹ 5,660.05 lakhs (31 March 2019: ₹ 2,523.54 lakhs) remaining to be executed on capital account and not provided for)	2608.71	3,623.38

### 40 Contingent liabilities

S. No.	Particulars	As at 31 March 2020	As at 31 March 2019
(i)	Income tax cases*	3,169.44	8.47
(ii)	Excise, customs and Service tax*	1,247.79	593.87
(iii)	Sales tax and VAT*	65.17	86.58
(iv)	Export obligation#	4,755.40	5,462.78

\*The Company is of the firm belief that above demands are not tenable and are unlikely to be retained and is therefore not carrying any provision in its books in respect of such demands.

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Company believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

#Outstanding export obligations are to be fulfilled over a period of 6 years from the date of respective licenses under the EPCG scheme against import of plant and machinery and the related customs duty of ₹ 792.57 lakhs (31 March 2019: ₹ 910.46 lakhs).

In February 2019, the Supreme Court of India in its judgement, clarified the applicability of allowances that should be considered to measure the contribution payable under Employees Provident Fund Act, 1952. The Company is of the view that, since there are many interpretative challenges on the retrospective application of the judgement, accordingly, the probable obligation relating to the earlier periods cannot be reliably estimated. Hence, the Company made provision for provident fund contribution from the date of Supreme Court Order.

### 41 Details of Research and development expenses are as follows:

A. The Company has incurred expenses on its research and development centre at Gurugram approved and recognised by the Ministry of Science & Technology, Government of India.

#### a. Capital expenditure

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Capital expenditure	12.76	110.00

#### b. Revenue expenditure

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	1,335.50	1,219.40
Contribution to provident fund	67.19	61.10
Contribution to other funds	5.03	2.97
Staff welfare	134.73	197.65
Gratuity	50.36	39.56
Insurance	6.56	6.36
Repair & maintenance	312.06	219.53
Travelling & conveyance	378.79	449.08
Legal & professional expenses	1.31	2.69
Research & development	4.10	1.82
Power & fuel	37.31	18.49
Miscellaneous	35.88	35.90
Design, support & testing charges	49.53	57.98
Material/Consumable/Spares	14.81	21.16
Depreciation	163.98	182.49
Finance cost	3.58	3.96
<b>Total</b>	<b>2,600.72</b>	<b>2,520.14</b>

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

- B.** The Company has incurred expenses on its research and development centre at Pune approved and recognised by the Ministry of Science & Technology, Government of India.

**a. Capital expenditure**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Capital expenditure	153.72	117.96

**b. Revenue expenditure**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	975.87	903.85
Contribution to provident fund	47.64	41.15
Contribution to other funds	0.05	0.08
Staff welfare	129.75	80.43
Gratuity	18.70	19.87
Insurance	4.27	2.42
Repair & maintenance	91.36	68.57
Travelling & conveyance	184.56	179.66
Legal & professional expenses	59.13	44.29
Power & fuel	92.73	36.91
Miscellaneous	64.56	22.94
Design, support & testing charges	15.80	8.13
Material/Consumable/Spares	0.01	1.06
Depreciation	146.95	137.69
Finance cost	1.23	1.13
<b>Total</b>	<b>1,832.61</b>	<b>1,548.18</b>

**42 Government grant (Export incentives)**

The Company is availing export incentives under duty drawback rules and Merchandise Exports from India Scheme (MEIS)/ Service Exports from India Scheme (SEIS) of Central government. These incentives are availed in case of export of specified goods and services. During the year, the Company has recognised income of ₹ 178.04 lakhs (previous year ₹ 187.13 lakhs) under the above schemes.

Further, the Company also received ₹ Nil (previous year ₹ 239.30 lakhs) as budgetary support from Government of India under GST regime.

- 43** The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

**44 Disclosure required by Ind AS 115**

1. The aggregate amount of transaction price allocated to the unsatisfied performance obligations as at 31 March 2020 amounts to ₹ 6.40 lakhs (31 March 2019: ₹ 217.00 lakhs). This will be recognized as revenue when the moulds will be sold to the customer, which is expected to occur post 31 March 2021\*.

\*The above amount does not include the value of performance that have an original expected duration of one year or less, as required by Ind AS 115

2. Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 24 to the standalone financial statements. Further, the revenue is disclosed in the said note is gross of ₹ 459.38 lakhs (31 March 2019: ₹ 624.32 lakhs) representing cash discount to customers.

## Notes to the Standalone Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

3. The following table provides further information as required by Ind AS 115:

Particulars	As at / Year ended 31 March 2020	As at / Year ended 31 March 2019
Receivables included in 'Trade receivables'	17,321.45	22,101.18
Revenue recognized in the current year included in the contract liability balance at the beginning of the year.	5,629.91	2,577.46
Unbilled revenue (Contract Assets)	849.48	814.70
Advances from customers (Contract liabilities)	2,595.20	6,695.76

**45** Coronavirus Disease (COVID-19) was declared a pandemic in March 2020 by the World Health Organisation. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic which included closing of manufacturing facilities. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down partially, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligation and its overall liquidity position based on the internal and external sources of information and application of reasonable estimates and the Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future. Pursuant to the relaxed lockdown guidelines, the Company has now gradually resumed its operations, however, some of the staff continues to operate from home. Since the situation is continuously evolving, the actual impact may be different from the assessment made as at the date of approval of these financial statements. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance on the Company and will take necessary measures to address the situation.

**46** On 1 April 2019, the Company purchased certain assets from Lumax Auto Technologies Limited (refer note 38) at a consideration of ₹ 2,245.41 lakhs, pursuant to which, the Company has setup in-house Electronic facility at Manesar on 11 April 2019 for manufacture of Printed Circuit Boards ('PCB'). The said acquisition was done to optimize cost by indigenization of Printed Circuit Board ('PCB').

The abovementioned purchase of assets has been accounted as Business Combination in accordance with Ind AS 103. The consideration for above transaction was transferred through Bank. Further, the Company incurred acquisition-related costs of ₹ 9.00 lakhs on legal fees and due diligence costs. These costs have been included in legal and professional fees under other expenses.

The fair values of assets (i.e. Property, plant and equipment and other intangible assets) acquired amounts to ₹ 1,267.83 lakhs. Further, Goodwill arising from the acquisition amounts to ₹ 977.58 lakhs which is attributable to synergies expected to be achieved from integrating PCB into the Company's existing business and is expected to be deductible for income tax purposes.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**For and on behalf of the Board of Directors of Lumax Industries Limited**

**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 18 June 2020

ICAI UDIN: 20510688AAAAAM8057

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 18 June 2020

**Vineet Sahni**

CEO & Senior  
Executive Director  
Din: 03616096

Place: Gurugram

Date: 18 June 2020

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi

Date: 18 June 2020

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi

Date: 18 June 2020

# Independent Auditor's Report

## To the Members of Lumax Industries Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Lumax Industries Limited (hereinafter referred to as the 'Holding Company') and its associate, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such associate as audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at 31 March 2020, of its consolidated profit and

other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report (Contd.)

The Key Audit Matter	How the matter was addressed in our audit
<p><b>Revenue recognition (Refer note 3(k), 24 and 45 to the financial statements)</b></p> <p>Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is recognised only to the extent that it is highly probable a significant reversal will not occur. The timing of revenue recognition is relevant to the reported performance of the Holding Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>The Holding Company considers certain variable considerations such as price adjustment and discounts to be passed to customers on the basis of agreed terms, negotiations with customers/ commercial considerations, which involves significant judgement and estimates to arrive at the amount of price adjustments to be accrued for adjustment to revenue</p> <p>We have considered revenue recognition as a key audit matter on account of the qualitative and quantitative factors as mentioned above.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- assessed the appropriateness of the accounting policy for revenue recognition, including those relating to price increase/decrease and discounts as per the applicable accounting standards;</li> <li>- evaluated the design and implementation of the Holding Company's key internal financial controls over revenue recognition increase/decrease and discounts and tested the operating effectiveness of such controls on selected transactions;</li> <li>- Inspected samples identified by applying statistical sampling from the underlying documents that revenue has been booked correctly and in the correct period with reference to supporting invoices, terms and conditions with customers and receipts from customers;</li> <li>- Inspected on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end to determine whether revenue was recognised in the correct period;</li> <li>- evaluated used in the calculations of price adjustments. Inspected, on sample receipts/payment made as per approved customer contracts, agreed price adjustments passed on to the customers and evaluated completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments;</li> <li>- performed analytical procedures on current year revenue and price adjustments, based on trends and where appropriate, conducting further enquiries and testing;</li> <li>- inspected manual journals posted to revenue to identify unusual items;</li> <li>- assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard.</li> </ul>

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report (Contd.)

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Holding Company including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Holding Company and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and of its associate are responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Holding Company and its associate to express an opinion on the consolidated financial statements.

## Independent Auditor's Report (Contd.)

We are responsible for the direction, supervision and performance of the audit of financial information of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the associate included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by him. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are the Independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

The consolidated financial statements also include the Holding Company's share of net profit (and other comprehensive income) (before consolidation adjustments) of ₹ 1,234.34 lakhs for the year ended 31 March 2020, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included

in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the audit report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such associate as audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its associate company, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

## Independent Auditor's Report (Contd.)

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements of the associate, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Holding Company and its associate. Refer Note 40 to the consolidated financial statements;
  - ii. According to the information and explanation given to us, the Holding Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020;
  - iii. According to the information and explanation given to us, there has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its associate company incorporated in India during the year ended 31 March 2020; and
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8

November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of such a ssociate company, incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its associate company in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm Registration No. 116231W /W-100024

**Manish Kapoor**

Partner

Membership No.: 510688

ICAI UDIN: 20510688AAAAAL6877

Place: Gurugram

Date: 18 June 2020



## **Annexure A** to the Independent Auditors' report on the consolidated financial statements of Lumax Industries Limited for the year ended 31 March 2020

### **Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Lumax Industries Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013, which is its associate company, as of that date.

In our opinion, the Holding Company and its associate, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Director's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial control/financs that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant associate company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance

## Annexure A (Contd.)

of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm Registration No. 116231W /W-100024

**Manish Kapoor**

Partner

Membership No.: 510688

ICAI UDIN: 20510688AAAAAL6877

Place: Gurugram

Date: 18 June 2020

# Consolidated Balance Sheet

as at 31 March 2020

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4A	61,261.53	54,412.30
Capital work-in-progress	4B	3,216.74	4,899.83
Right of use assets	4C	2,375.43	-
Investment property	5	72.13	72.13
Goodwill	4E	977.58	-
Other intangible assets	4D	580.51	460.75
Intangible assets under development	4F	2.06	78.82
Investments accounted using the equity method	44	8,864.14	7,908.18
Financial assets			
Investments	6	160.00	160.00
Loans	7	690.64	538.44
Others	8	164.19	227.37
Non current tax assets (net)	12	745.04	517.13
Other non-current assets	13	6,330.50	3,198.76
<b>Total non-current assets</b>		<b>85,440.49</b>	<b>72,473.71</b>
<b>Current assets</b>			
Inventories	14	17,917.82	20,414.73
Financial assets			
Investments	6	10.51	13.93
Trade receivables	9	17,321.45	22,101.18
Cash and cash equivalents	10	795.00	201.33
Bank balances other than above	10	3,000.65	23.13
Loans	7	98.27	99.39
Derivatives	11	237.34	-
Others	8	1,030.14	1,062.30
Other current assets	13	2,468.25	2,574.58
<b>Total current assets</b>		<b>42,879.43</b>	<b>46,490.57</b>
<b>TOTAL ASSETS</b>		<b>1,28,319.92</b>	<b>1,18,964.28</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	934.77	934.77
Other equity	16	43,712.03	42,554.93
<b>Total equity</b>		<b>44,646.80</b>	<b>43,489.70</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial liabilities			
Borrowings	17	2,638.19	93.63
Lease liability	18	2,796.22	-
Provisions	22	2,838.63	2,524.96
Deferred tax liabilities (net)	23	2,292.87	1,722.49
<b>Total non current liabilities</b>		<b>10,565.91</b>	<b>4,341.08</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17	26,564.61	13,696.40
Lease liability	18	68.18	-
Trade payables			
- total outstanding dues of micro and small enterprises, and	19	671.80	52.41
- total outstanding dues of creditors other than micro and small enterprises	19	30,845.33	37,956.78
Other financial liabilities	20	10,540.31	10,163.08
Other current liabilities	21	3,730.85	8,030.84
Provisions	22	686.13	1,233.99
<b>Total current liabilities</b>		<b>73,107.21</b>	<b>71,133.50</b>
<b>Total liabilities</b>		<b>83,673.12</b>	<b>75,474.58</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,28,319.92</b>	<b>1,18,964.28</b>
Summary of significant accounting policies	3		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**For and on behalf of the Board of Directors of Lumax Industries Limited**

**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 18 June 2020

ICAI UDIN: 20510688AAAAAL6877

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 18 June 2020

**Vineet Sahni**

CEO & Senior  
Executive Director  
Din: 03616096

Place: Gurugram

Date: 18 June 2020

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi

Date: 18 June 2020

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi

Date: 18 June 2020

# Statement of Consolidated Profit and Loss

## for the year ended 31 March 2020

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>I REVENUE</b>			
Revenue from operations	24	1,60,158.72	1,85,145.00
Other income	25.1	735.27	1,153.11
<b>TOTAL REVENUE</b>		<b>1,60,893.99</b>	<b>1,86,298.11</b>
<b>II EXPENSES</b>			
Cost of materials consumed			
Cost of raw material and components consumed	26.1	87,782.00	1,17,262.34
Cost of moulds, tools & dies	26.2	10,665.41	3,058.69
Purchase of stock in trade	27	442.13	1,562.66
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(498.85)	(565.79)
Employee benefits expenses	29	20,991.68	21,799.52
Finance costs	30	2,191.56	1,552.33
Depreciation and amortization	31	6,354.42	6,028.87
Other expenses	32	25,001.30	26,710.31
<b>TOTAL EXPENSES</b>		<b>1,52,929.65</b>	<b>1,77,408.93</b>
<b>III Profit before exceptional items, income tax and share in profit/ (loss) of associate (I-II)</b>		<b>7,964.34</b>	<b>8,889.18</b>
<b>IV Exceptional item</b>		-	3,620.27
<b>V Profit before income tax and share in profit / (loss) of associate (III+IV)</b>		<b>7,964.34</b>	<b>12,509.45</b>
<b>VI Profit of associate</b>		<b>1,208.76</b>	<b>918.65</b>
<b>VII Profit before tax (V+VI)</b>		<b>9,173.10</b>	<b>13,428.10</b>
<b>VIII Tax Expense:</b>			
Current tax	23	1,380.07	2,969.24
Deferred tax (including MAT for earlier years)	23	603.35	67.06
Current tax for earlier years	23	-	12.38
<b>Income tax expenses</b>		<b>1,983.42</b>	<b>3,048.68</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>7,189.68</b>	<b>10,379.42</b>
<b>X Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of defined benefit liability		(68.79)	(210.05)
Income tax relating to above		-	-
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(68.79)</b>	<b>(210.05)</b>
<b>Total comprehensive income for the year (IX+X)</b>		<b>7,120.89</b>	<b>10,169.37</b>
<b>XI Earnings per equity share - Basic and diluted (Nominal value of share ₹ 10 (Previous year : ₹ 10) each)</b>	33	<b>76.91</b>	<b>111.04</b>
Summary of significant accounting policies	3		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**For and on behalf of the Board of Directors of Lumax Industries Limited**

**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 18 June 2020

ICAI UDIN: 20510688AAAAAL6877

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 18 June 2020

**Vineet Sahni**

CEO & Senior  
Executive Director  
Din: 03616096

Place: Gurugram

Date: 18 June 2020

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi

Date: 18 June 2020

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi

Date: 18 June 2020

## Consolidated Statement of Changes in Equity

### for the year ended 31 March 2020

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

#### a. Equity share capital

Particulars	Note	Amount
<b>Balance as at 31 March 2018</b>		<b>934.77</b>
Changes in equity share capital during 2018-19	15A	-
<b>Balance at 31 March 2019</b>		<b>934.77</b>
Changes in equity share capital during 2019-20	15A	-
<b>Balance at 31 March 2020</b>		<b>934.77</b>

#### b. Other Equity

Particulars	Note	Reserves and Surplus				Items of OCI Remeasurements of defined benefit plans	Total
		Capital reserve	Securities premium	General reserve	Retained earnings		
<b>Balance as at 31 March 2018</b>		<b>0.65</b>	<b>6,796.66</b>	<b>8,563.47</b>	<b>19,904.22</b>	-	<b>35,265.00</b>
Transferred from retained earnings	16A	-	-	1,075.00	-	-	1,075.00
Profit for the year	16A	-	-	-	10,379.42	-	10,379.42
Dividends	16B	-	-	-	(2,149.98)	-	(2,149.98)
Dividend distribution tax	16B	-	-	-	(441.94)	-	(441.94)
Transfer to general reserve	16A	-	-	-	(1,075.00)	-	(1,075.00)
Other comprehensive income	16A	-	-	-	-	(210.05)	(210.05)
Transferred to retained earnings	16A	-	-	-	(210.05)	210.05	-
Dividend tax on dividend received	16A	-	-	-	(287.52)	-	(287.52)
<b>Balance at 31 March 2019</b>		<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	<b>26,119.15</b>	-	<b>42,554.93</b>
Transferred from retained earnings	16A	-	-	-	-	-	-
Profit for the year	16A	-	-	-	7,189.68	-	7,189.68
Dividends	16B	-	-	-	(4,907.56)	-	(4,907.56)
Dividend distribution tax	16B	-	-	-	(1,008.76)	-	(1,008.76)
Transfer to general reserve	16A	-	-	-	-	-	-
Other comprehensive income	16A	-	-	-	-	(68.79)	(68.79)
Transferred to retained earnings	16A	-	-	-	(68.79)	68.79	-
Dividend tax on dividend received	16A	-	-	-	(47.47)	-	(47.47)
<b>Balance at 31 March 2020</b>		<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	<b>27,276.25</b>	-	<b>43,712.03</b>

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**For and on behalf of the Board of Directors of Lumax Industries Limited**

**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 18 June 2020

ICAI UDIN: 20510688AAAAAL6877

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 18 June 2020

**Vineet Sahni**

CEO & Senior  
Executive Director  
Din: 03616096

Place: Gurugram

Date: 18 June 2020

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi

Date: 18 June 2020

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi

Date: 18 June 2020

# Consolidated Cash Flow Statement

## for the year ended 31 March 2020

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	9,173.10	13,428.10
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Share in profits of Associate	(1,208.76)	(918.65)
Depreciation/ amortisation	6,354.42	6,028.87
Provision for doubtful debts/ advances	315.46	151.69
Net (gain)/loss on disposal of property, plant and equipment (includes exceptional item)	6.75	(3,627.23)
Change in fair value of investment	3.42	1.25
MTM Gain On Cross Currency Swap	(237.34)	-
Unrealised foreign exchange (gain)/ loss	644.68	(100.15)
Provisions/creditors no longer required written back	(25.22)	(423.40)
Finance cost	2,191.56	1,552.33
Interest income	(115.00)	(2.94)
Dividend income	(2.01)	(2.33)
<b>Operating profit before working capital changes</b>	<b>17,101.06</b>	<b>16,087.54</b>
<b>Movements in working capital:</b>		
Decrease/ (increase) in inventories	2,496.91	(3,535.99)
Decrease/ (increase) in trade receivables	4,356.84	9,596.29
Decrease/ (increase) in loans	(151.08)	(150.74)
Decrease/ (increase) in other financial assets	207.11	2,144.68
Decrease/ (increase) in other assets	87.93	1,412.85
(Decrease)/ increase in trade payables	(6,821.51)	(15,553.36)
(Decrease)/ increase in other financial liabilities	(1,249.87)	112.60
(Decrease)/ increase in other liabilities	(4,299.99)	2,587.25
(Decrease)/ increase in provisions	172.28	992.83
<b>Cash generated from operations</b>	<b>11,899.68</b>	<b>13,693.95</b>
Income taxes paid (net of refunds)	1,574.57	3,294.29
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>10,325.11</b>	<b>10,399.66</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(16,692.32)	(15,080.53)
Proceeds from sales of property, plant and equipment	57.19	3,919.04
Investment made in equity shares	-	(64.00)
Interest received	28.89	32.75
Dividends received	232.93	1,401.10
Maturity from/(Investments in) bank deposits (having original maturity of more than three months)	(3,003.18)	46.33
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(19,376.49)</b>	<b>(9,745.31)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from bank loan	13,811.89	1,542.99
Repayment of bank loan	(9,198.60)	(255.38)
Proceeds from/(repayment) of cash credit/WCDL/vendor finance facility (net)	13,068.21	2,275.37
Payment of finance lease	(226.30)	-
Interest paid	(1,938.75)	(1,548.18)
Dividend paid on equity shares	(4,862.64)	(2,149.98)
Dividend distribution tax	(1,008.76)	(441.94)
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>9,645.05</b>	<b>(577.12)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>593.67</b>	<b>77.23</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>201.33</b>	<b>124.10</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>795.00</b>	<b>201.33</b>

**Consolidated Cash Flow Statement for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>i Components of cash and cash equivalents</b>		
Cash on hand	14.48	13.26
Balances with banks:		
On current accounts	780.52	188.07
<b>Total cash and cash equivalents</b>	<b>795.00</b>	<b>201.33</b>

ii Movement in financial liabilities	Lease liabilities	Non current borrowings	Current borrowings	Interest payable	Total
<b>As on 01 April 2018</b>		<b>483.68</b>	<b>9,921.03</b>	<b>45.36</b>	<b>10,450.07</b>
Cash flows (net)		(212.39)	3,775.37	-	3,562.98
Interest expenses		-	-	1,552.33	1,552.33
Interest paid		-	-	(1,548.18)	(1,548.18)
Other non cash transactions:					
- Foreign exchange movement		-	-	-	-
<b>As on 01 April 2019</b>	<b>792.83</b>	<b>271.29</b>	<b>13,696.40</b>	<b>49.51</b>	<b>14,810.03</b>
Cash flows (net)	(226.30)	4,813.29	12,868.21	-	17,455.20
Interest expenses		-	-	2,040.87	2,040.87
Interest paid		-	-	(1,938.75)	(1,938.75)
Other non cash transactions:					
- Acquisition	2147.18	-	-	-	2,147.18
- Interest	150.69	-	-	-	150.69
- Foreign exchange movement		207.80	-	-	207.80
<b>As on 31 March 2020</b>	<b>2,864.40</b>	<b>5,292.38</b>	<b>26,564.61</b>	<b>151.63</b>	<b>34,873.02</b>

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**For and on behalf of the Board of Directors of Lumax Industries Limited**
**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 18 June 2020

ICAI UDIN: 20510688AAAAAL6877

**Deepak Jain**

 Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 18 June 2020

**Vineet Sahni**

 CEO & Senior  
Executive Director  
Din: 03616096

Place: Gurugram

Date: 18 June 2020

**Shruti Kant Rustagi**

 Chief Financial  
Officer

Place: New Delhi

Date: 18 June 2020

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi

Date: 18 June 2020

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2020

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 1 Reporting entity

Lumax Industries Limited ('the Holding Company') is engaged in the business of manufacture, trading and supply of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications. The Holding Company is domiciled in India, with its registered office situated at 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi -110046. The Holding Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These consolidated Ind AS financial statements comprise the Holding Company and its interest in associate, SL Lumax Limited.

### 2 Basis of preparation

#### A. Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements are approved by the Holding Company's Board of Directors on 18 June 2020.

Details of Holding Company's accounting policies are included in Note 3.

#### B. Basis of consolidation

##### Equity accounted investees

The Holding Company's interest in equity account investees represents interest in associate i.e. SL Lumax Limited.

An associate is an entity in which the Holding Company has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate is accounted using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements which include the Holding Company's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

##### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated to the extent of Holding Company's proportionate share. Unrealised gains arising

from transactions with equity accounted investees are eliminated against the investment to the extent of Holding Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

##### Uniform accounting policies

The Holding Company and its associate follow a uniform accounting period and as far as possible, the consolidated financial statements have been prepared using accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.

#### C. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional currency. All amounts have been rounded-off to nearest lakhs and two decimals thereof, unless otherwise indicated.

#### D. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) - measured at fair value.
- Net defined benefit (asset)/ liability - measured at fair value of plan assets less present value of defined benefit obligations.
- Other financial assets and liabilities - measured at amortised cost.

#### E. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

##### Assumptions and estimation uncertainties and judgements

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 March 2020 and judgements made in applying



## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- i) Recognition of deferred tax assets - note 23- The Holding Company has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Holding Company is expected to generate adequate taxable income for liquidating these assets in due course of time.
- ii) Write down of inventories - note 14 - Inventories measured at the lower of cost and net realizable value. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions to determine obsolete or excess inventories.
- iii) Impairment of financial assets - note 37 - The impairment provisions for financial assets are based on certain judgements made by the Management in making assumptions and selecting the inputs to the impairment calculation, based on the Holding Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Holding Company and that are believed to be reasonable under the circumstances.
- iv) Provision for employee benefits - note 22 & 36 - The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.
- v) Provision for warranty - note 22 - The provision is based on historical warranty data and weighting of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

### F. Measurement of fair values

A number of the Holding Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Holding Company has an established control framework with respect to the measurement of fair values. The Holding Company regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Holding Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Holding Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 37 - financial instruments; and

Note 5 - investment property.

### 3 Significant accounting policies

#### a. Current versus non-current classification

The Holding Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Holding Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is :

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Holding Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Holding Company has ascertained its operating cycle to be less than 12 months for the purpose of current and non-current classification of assets and liabilities.

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

### b. Property, plant & equipment (PPE)

#### *i) Recognition and Measurement*

The cost of an item of Property, plant and equipment is recognised as an asset if, and only if:

- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and

direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Holding Company intends to use these during more than a period of 12 months and whose use is expected to be irregular are capitalized as PPE.

Gains or losses arising from the retirement or disposal of an property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific fixed assets and that are attributable to construction activity in general and can be allocated to specific fixed assets are included in capital work-in-progress.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Holding Company.

#### *ii) Depreciation methods, estimated useful lives and residual value*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss. Depreciation is charged on a pro-rata basis for assets acquired/sold during the year from/to the date of acquisition/sale. Freehold land is not depreciated.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The estimated useful lives of items of property, plant and equipment in years for the current and comparative periods are as follows:

Assets	Estimated useful lives	Useful lives as per schedule II
Factory building	30 years	30 years
Other building	60 years	60 years
Plant and machinery	3-21 years	15 years
Furniture and fixtures	10 years	10 years
Vehicles	5 years	8 years
Office equipment	5 years	5 years

Based on technical evaluation and internal assessment of useful lives, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation method, assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets for review and adjusted residual life prospectively.

### iii) *Reclassification to investment property*

When the use of property changes from owner occupied property to investment property the property is reclassified as investment property at its carrying value on the date of reclassification.

### c. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost of such assets includes purchase price, licensee fee, import duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use.

*Amortization methods, estimated useful lives and residual value.*

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period, residual value and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

The estimated useful lives are as follows:

Computer software	Over the estimated lives ranging from 3.5 years to 4 years
Technical know-how	Over the period of technical assistance agreement i.e. 8 years

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

### d. Investment property

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon, Initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Gains or losses arising from the retirement or disposal of an investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The fair values of investment property is disclosed in the notes.

### e. Assets held for sale

Non-current assets are classified as held for sale, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

These assets are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, which are specifically exempt from this requirement. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit and Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

### f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their present condition and location. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed their net realisable value.

The Comparison of cost and net realisable value is made on an item-by-item basis.

Obsolete, defective and unserviceable stocks are duly provided for, wherever required.

### g. Cash and Cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Holding Company are segregated based on the available information.

### h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through profit and loss.

##### *Classification*

On Initial recognition, a financial asset is classified as measured at:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Holding

Company changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met and is not designated as at FVTPL:

- The financial asset is held within a business model whose objective is to hold assets for collecting 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 (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVOCI if both of the following criteria are met and is not designated as at FVTPL:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Holding Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Holding Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### *Financial assets: Business model assessment*

The Holding Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- a) the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

- b) how the performance of the portfolio is evaluated and reported to the Holding Company's management;
- c) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- d) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- e) the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Holding Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

**Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Holding Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Holding Company considers:

- a) contingent events that would change the amount or timing of cash flows;
- b) terms that may adjust the contractual coupon rate, including variable interest rate features;
- c) prepayment and extension features; and
- d) terms that limit the Holding Company's claim to cash flows from specified assets (e.g. non-recourse features)

**Financial assets: Subsequent measurement and gains and losses**

**Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

**Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

**Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

**Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.

**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### ***Derecognition***

#### ***Financial asset***

A financial asset is derecognised only when:

- the Holding Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Holding Company has transferred an asset, the Holding Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Holding Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Holding Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Holding Company has not retained control of the financial asset. Where the Holding Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### ***Financial liability***

The Holding Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Holding Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

#### ***Offsetting***

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Holding Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### ***Derivative financial instruments***

The Holding Company uses derivative financial instruments to hedge its certain foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into

and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### **i. Impairment**

#### ***ij) Impairment of financial assets***

The Holding Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and financial assets measured at FVOCI- debt investments. At each reporting date, the Holding Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being past due.

The Holding Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Holding Company is exposed to credit risk.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Holding Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Holding Company's historical experience and informed credit assessment and including forward-looking information.

### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Holding Company in accordance with the contract and the cash flows that the Holding Company expects to receive).

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Holding Company does not track changes in credit risk for individual customers. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Holding Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates and delays in realisations over the expected life of the trade receivable and is adjusted for forward looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Statement of Profit and Loss and is recognised in OCI.

### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Holding Company determines that the debtor does not have assets

or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Holding Company's procedures for recovery of amounts due.

### **ii) Impairment of non-financial assets**

The Holding Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Holding Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Holding Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### j. Provisions (other than for employee benefits) and contingent liabilities

A provision is recognised if, as a result of a past event, the Holding Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

#### *Warranties*

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and weighting of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

#### *Rate decrease*

A provision for rate decrease is recognised on the basis of firm commitments with the customers and past trends. The provisions are adjusted to regularly during the year as soon as the obligating event occurs.

#### *Contingent liabilities*

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Holding Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

### k. Revenue

#### **Sale of goods (including moulds)**

##### ***Nature and timing of satisfaction of performance obligations, including significant payment terms***

Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. However, few customers accept the goods when goods have been dispatched by the Holding Company.

Invoices are generated at that point in time. Invoices are usually payable within 45 days. No discounts are usually provided for goods, but few customers may avail cash discount on prompt payment of the goods.

Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.

#### ***Revenue recognition***

Revenue arising from the sale of goods (including moulds) is recognized when the customer obtains control of the promised asset, i.e. either at the delivery or dispatch of goods (based on the agreed terms of sale with the respective customers), which is the point in time when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods.

For contracts that allow the customers to avail the cash discount, the Holding Company estimates the value of discount by applying the 'Most likely amount' method and past experience of the Holding Company.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

#### **Sale of services**

##### ***Nature and timing of satisfaction of performance obligations, including significant payment terms***

Customers obtain control of design services when the services are completed to the satisfaction of the Customer. Invoices for services are usually payable within 45 days



## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### **Revenue recognition**

Revenue arising from the sale of services is recognized at the point in time when the Holding Company satisfies the performance obligation and the services are completely rendered to the customer.

### **i. Recognition of dividend income, interest income or expense**

Dividend income is recognised in Statement of Profit and Loss on the date on which the Holding Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### **m. Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Holding Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs).

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Holding Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing

costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

### **n. Leases**

#### **The Holding Company as a lessee**

The Holding Company's lease asset classes primarily consist of leases for land and buildings. The Holding Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Holding Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Holding Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Holding Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Holding Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Holding Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Holding Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### The Holding Company as a lessor

When the Holding Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Holding Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Holding Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Holding Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the holding Company as a lessor in the comparative period were not different from IND AS 116.

### Transition

Effective 1 April 2019, the Holding Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective approach.

Consequently, the Holding Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability. The Holding Company has used discounted rate as the Holding Company's incremental borrowing rate at the date of initial application. Comparatives as at

and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019. There is no impact on retained earnings as on 1 April 2019.

The effect of this adoption is insignificant on the profit before tax, profit after tax and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The incremental borrowing rate has been applied to lease liabilities.

### o. Employee benefits

#### i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., wages and salaries, short-term cash bonus, etc., if the Holding Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**Provident Fund and Employee State Insurance :**  
The Holding Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme in respect of certain employees. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

**Superannuation Fund:** Contributions are made to a scheme administered by the Life Insurance Corporation of India to discharge superannuating liabilities to the employees, a defined contribution plan, and the same is expensed to the Statement of Profit and Loss. The Holding Company has no liability other than its annual contribution.

### iii) *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Holding Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Holding Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income (OCI). The Holding Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period

as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Holding Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**Gratuity:** The Holding Company funds gratuity benefits for its employees within the limits prescribed under The Payment of Gratuity Act, 1972 through contributions to a Scheme administered by the Life Insurance Corporation of India ('LIC').

### iv) *Other long-term employee benefits*

The Holding Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in Statement of Profit and Loss in the period in which they arise.

**Long term compensated absences:** Long term compensated absences are provided for on the basis of its actuarial valuation as per the projected unit credit method as on the Balance Sheet date.

### p. **Income tax**

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### *i) Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investment in associate to the extent that the Holding Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Holding Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as deferred tax asset.

Deferred tax assets (including MAT credit) are recognised to the extent that it is probable that

future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Holding Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

### q. **Grant**

Where the grant or subsidy relates to an asset, it is recognized by deducting the grant in arriving at the carrying amount of asset. However, when the grant or subsidy relates to an expenses item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the Holding Company receives grants of non-monetary assets, the asset is recognized by deducting the fair value of grant from gross value of asset.

#### *Export incentives*

Export incentives are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### r. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### s. **Segment reporting**

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The Holding Company is engaged in the business relating to manufacture, trading and supply of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications. Accordingly, the Holding Company's activities/business is reviewed regularly by the Holding Company's Managing Director assisted by an executive committee from an overall business perspective, rather than reviewing its products/services as individual standalone components.

Based on the dominant source and nature of risks and returns of the Holding Company, management has identified its business segment as its primary reporting format. Accordingly, same has been defined as one business segment.

### t. Dividend Distribution

The Holding Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Holding Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

### u. Foreign currency transactions

#### *Initial recognition and settlement*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss.

#### *Subsequent recognition*

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI.

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

### v. Business combinations

In accordance with Ind AS 103, the Holding Company accounts for the business combination using the acquisition method when control is transferred. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 4A Property, plant & equipment

Particulars	Land		Buildings	Plant and machinery	Furniture & fixtures	Office equipment	Vehicles	Total
	Leasehold	Freehold						
<b>Gross Block</b>								
As at 31 March 2018	243.64	3,407.62	9,645.01	44,450.03	560.21	231.12	1,305.94	59,843.57
Additions	146.82	186.00	1,359.45	7,179.00	85.96	129.75	128.89	9,215.87
Disposals/adjustments	(256.71)	(72.13)	(271.2)	(16.53)	(1.47)	(0.02)	(33.26)	(407.24)
<b>As at 31 March 2019</b>	<b>133.75</b>	<b>3,521.49</b>	<b>10,977.34</b>	<b>51,612.50</b>	<b>644.70</b>	<b>360.85</b>	<b>1,401.57</b>	<b>68,652.20</b>
Additions	-	-	1,216.93	10,439.96	66.40	22.81	32.58	11,778.68
Acquired through business purchase (refer note 47)	-	-	-	1,137.76	42.86	63.29	15.27	1,259.18
Transferred to right of use assets (under Ind AS 116)	(133.75)	-	-	-	-	-	-	(133.75)
Disposals/adjustments	-	-	-	(39.37)	(0.09)	(0.33)	(51.68)	(91.47)
<b>As at 31 March 2020</b>	<b>-</b>	<b>3,521.49</b>	<b>12,194.27</b>	<b>63,150.85</b>	<b>753.87</b>	<b>446.62</b>	<b>1,397.74</b>	<b>81,464.84</b>
<b>Depreciation</b>								
As at 31 March 2018	7.76	-	740.07	7,107.12	110.77	67.23	408.93	8,441.88
For the year	3.35	-	414.35	5,023.62	76.45	56.28	269.07	5,843.12
Disposals/adjustments	(6.14)	-	(7.38)	(3.20)	(0.66)	-	(27.72)	(45.10)
<b>As at 31 March 2019</b>	<b>4.97</b>	<b>-</b>	<b>1,147.04</b>	<b>12,127.54</b>	<b>186.56</b>	<b>123.51</b>	<b>650.28</b>	<b>14,239.90</b>
For the year	-	-	432.89	5,113.43	76.94	98.17	274.48	5,995.91
Transferred to right of use assets (under Ind AS 116)	(4.97)	-	-	-	-	-	-	(4.97)
Disposals/adjustments	-	-	-	(4.90)	-	(0.05)	(22.58)	(27.53)
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>1,579.93</b>	<b>17,236.07</b>	<b>263.50</b>	<b>221.63</b>	<b>902.18</b>	<b>20,203.31</b>
<b>Net Block:</b>								
As at 31 March 2019	128.78	3,521.49	9,830.30	39,484.96	458.14	237.34	751.29	54,412.30
<b>As at 31 March 2020</b>	<b>-</b>	<b>3,521.49</b>	<b>10,614.34</b>	<b>45,914.78</b>	<b>490.37</b>	<b>224.99</b>	<b>495.56</b>	<b>61,261.53</b>

#### Notes:

- Property, plant and equipment amounting to ₹ 737.48 lakhs (31 March 2019 - ₹ 740.87 lakhs) have been pledged as security by the Holding Company.

### 4B Capital Work in progress

Particulars	As at 31 March 2020	As at 31 March 2019
Capital Work in progress	3,216.74	4,899.83
<b>Total</b>	<b>3,216.74</b>	<b>4,899.83</b>

### 4C Right of use assets

Particulars	Leased Assets	Total
<b>Gross Block</b>		
As at 31 March 2019	-	-
Additions	2,398.00	2,398.00
Transferred from property, plant & equipment (under Ind AS 116)	133.75	133.75
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>2,531.75</b>	<b>2,531.75</b>
<b>Depreciation</b>		
As at 31 March 2019	-	-

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Leased Assets	Total
Transferred from property, plant & equipment (under Ind AS 116)	4.97	4.97
For the year	151.35	151.35
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>156.32</b>	<b>156.32</b>
<b>Net Block:</b>		
As at 31 March 2019	-	-
<b>As at 31 March 2020</b>	<b>2,375.43</b>	<b>2,375.43</b>

**4D Other intangible assets**

Particulars	Computer Software	Total
<b>Gross Block</b>		
As at 31 March 2018	684.36	684.36
Additions	211.26	211.26
Disposals/adjustments	(0.55)	(0.55)
<b>As at 31 March 2019</b>	<b>895.07</b>	<b>895.07</b>
Additions	318.27	318.27
Acquired through business purchase (refer note 47)	8.65	8.65
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>1,221.99</b>	<b>1,221.99</b>
<b>Depreciation</b>		
As at 31 March 2018	249.13	249.13
For the year	185.75	185.75
Disposals/adjustments	(0.56)	(0.56)
<b>As at 31 March 2019</b>	<b>434.32</b>	<b>434.32</b>
For the year	207.16	207.16
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>641.48</b>	<b>641.48</b>
<b>Net Block:</b>		
As at 31 March 2019	460.75	460.75
<b>As at 31 March 2020</b>	<b>580.51</b>	<b>580.51</b>

**4E Goodwill**

Particulars	Goodwill	Total
<b>Gross Block</b>		
As at 31 March 2019	-	-
Additions (refer note 47)	977.58	977.58
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>977.58</b>	<b>977.58</b>
<b>Impairment</b>		
As at 31 March 2019	-	-
For the year	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>
<b>Net Block:</b>		
As at 31 March 2019	-	-
<b>As at 31 March 2020</b>	<b>977.58</b>	<b>977.58</b>

**4F Intangible assets under development**

	As at 31 March 2020	As at 31 March 2019
Intangible assets under development	2.06	78.82
<b>Total</b>	<b>2.06</b>	<b>78.82</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 5 Investment property

Particulars	Freehold land	Total
<b>Gross Block</b>		
As at 31 March 2018	-	-
Transferred from property, plant & equipment	72.13	72.13
Disposals/adjustments	-	-
<b>As at 31 March 2019</b>	<b>72.13</b>	<b>72.13</b>
Additions		
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>72.13</b>	<b>72.13</b>
<b>Depreciation</b>		
As at 31 March 2018	-	-
For the year	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2019</b>	<b>-</b>	<b>-</b>
For the year	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>
<b>Net Block:</b>		
As at 31 March 2019	72.13	72.13
<b>As at 31 March 2020</b>	<b>72.13</b>	<b>72.13</b>

#### Notes:

- The fair value Investment property has been determined considering the current expected sale value in the market and has been categorized as Level 3 fair value (refer note 2F).
- Fair market value as at 31 March 2020 amount to ₹ 1,278.00 lakhs (31 March 2019 - ₹ 1,278.00 lakhs).

### 6 Investments

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A-Non-Current investments</b>		
<b>Unquoted equity shares</b>		
<i>Equity shares at FVTPL</i>		
6,55,832 (31 March 2019: 6,55,832) equity shares of ₹ 10 each fully paid-up in Caparo Power Limited	65.58	65.58
<b>Unquoted Preference shares</b>		
<i>Preference shares at FVTPL</i>		
9,44,168 (31 March 2019: 9,44,168) 2% Redeemable Preference shares of ₹ 10 each fully paid-up in Caparo Power Limited	94.42	94.42
<b>Total-A</b>	<b>160.00</b>	<b>160.00</b>
<b>B-Current investments</b>		
<b>Quoted equity shares at FVTPL</b>		
43,866 (31 March 2019: 43,866) equity shares of ₹10 each fully paid up in PNB Gilts Limited	10.51	13.93
<b>Total-B</b>	<b>10.51</b>	<b>13.93</b>
<b>Total- Investments (A+B)</b>	<b>170.51</b>	<b>173.93</b>
Aggregate cost of quoted investments	9.87	9.87
Aggregate market value of quoted investments	10.51	13.93
Aggregate amount of unquoted investments	160.00	160.00
Aggregate amount of impairment in value of investment	-	-



## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 7 Loans

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A-Non-Current</b>		
Security deposits	589.75	516.19
Loan to employees	100.89	22.25
<b>Total-A</b>	<b>690.64</b>	<b>538.44</b>
<b>B-Current</b>		
Loan to employees	98.27	99.39
<b>Total-B</b>	<b>98.27</b>	<b>99.39</b>
<b>Total- Loans (A+B)</b>	<b>788.91</b>	<b>637.83</b>

### 8 Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A-Non-current</b>		
Margin money with banks* (deposits with maturity of more than 12 months)	25.66	-
Unpaid dividend accounts#	137.88	92.96
Interest accrued but not due on fixed deposits	0.65	-
Claims recoverable	-	134.41
<b>Total - A</b>	<b>164.19</b>	<b>227.37</b>
<b>B-Current</b>		
Unbilled revenue	849.48	814.70
Interest accrued but not due on fixed deposits	87.76	2.30
Export benefits receivable	7.76	130.63
Others	85.14	114.67
<b>Total - B</b>	<b>1,030.14</b>	<b>1,062.30</b>
<b>Total- Other financial assets (A+B)</b>	<b>1,194.33</b>	<b>1,289.67</b>

\* Margin money with banks represents fixed deposits pledged with banks for guarantees issued to government authorities.

# The Holding Company can utilize the balance only towards settlement of unclaimed dividend.

### 9 Trade receivables\*

Particulars	As at 31 March 2020	As at 31 March 2019
Receivable considered good-Unsecured	17,321.45	22,101.18
Receivable - credit impaired	296.71	305.94
Less: Allowance for doubtful debts	(296.71)	(305.94)
<b>Net-Trade receivables</b>	<b>17,321.45</b>	<b>22,101.18</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>
<b>Current</b>	<b>17,321.45</b>	<b>22,101.18</b>
<b>Total</b>	<b>17,321.45</b>	<b>22,101.18</b>

\* Refer note 38 for related party transactions.

The Holding Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 37.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Trade receivable includes amount due from companies having common directors as follows:

Party Name	As at 31 March 2020	As at 31 March 2019
Lumax Auto Technologies Limited	402.37	2,516.48
Lumax Ancillary Limited	132.42	141.64
Lumax DK Auto Industries Limited	-	25.80
Lumax Cornaglia Auto Technologies Private Limited	4.56	13.36
Mahavir Udyog	0.93	0.07
Bharat Enterprises	0.34	7.91
Lumax Tours & Travels Limited	0.08	-
Lumax Jopp Allied Technologies Limited	0.05	-
Velomax Mobility Private Limited	0.08	0.03

### Age of Receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Within the credit period	11,808.09	15,872.38
Upto 1 year past due	5,622.92	6,253.19
More than 1 year past due	187.15	281.55
<b>Total</b>	<b>17,618.16</b>	<b>22,407.12</b>

### 10 Cash and bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A-Cash and cash equivalents</b>		
Cash on hand	14.48	13.26
Bank balances		
in current accounts	780.52	188.07
<b>Cash and cash equivalents in Balance Sheet</b>	<b>795.00</b>	<b>201.33</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>795.00</b>	<b>201.33</b>
<b>B-Bank balances other than above</b>		
Time deposits with others (deposits with maturity of less than 12 months)	3,000.00	-
Margin Money with banks* (deposits with maturity of less than 12 months)	0.65	23.13
<b>Bank balances other than above in Balance Sheet</b>	<b>3,000.65</b>	<b>23.13</b>

\* Margin money with banks represents fixed deposits pledged with banks for guarantees issued to government authorities.

### 11 Derivative - Assets

Particulars	As at 31 March 2020	As at 31 March 2019
Mark to Market gain on cross currency swaps and forward contracts	237.34	-
<b>Total- Derivative Assets</b>	<b>237.34</b>	-
<b>Current</b>	<b>237.34</b>	-
<b>Total</b>	<b>237.34</b>	-

### 12 Tax assets

Particulars	As at 31 March 2020	As at 31 March 2019
Advance tax (net of provisions ₹ 7,284.66 lakhs; 31 March 2019: ₹ 7,284.66 lakhs)	745.04	517.13
<b>Total</b>	<b>745.04</b>	<b>517.13</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 13 Other assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>A-Non-current</b>		
Capital advances	6,294.56	3,181.22
Prepaid expenses	35.94	17.54
<b>B-Current</b>		
Advance to suppliers		
Considered good	950.00	1,044.48
Considered doubtful	25.17	25.17
Less: Provision for doubtful advances	(25.17)	(25.17)
	<b>950.00</b>	<b>1,044.48</b>
Advance to employees	3.00	1.61
Export benefits receivable	62.20	37.91
Balances with government authorities	1,014.69	1,126.72
Prepaid expenses	387.00	233.34
Others	51.36	130.52
<b>Total- Other assets</b>	<b>8,798.75</b>	<b>5,773.34</b>
<b>Other Non-current assets</b>	<b>6,330.50</b>	<b>3,198.76</b>
<b>Other Current assets</b>	<b>2,468.25</b>	<b>2,574.58</b>
<b>Total</b>	<b>8,798.75</b>	<b>5,773.34</b>

### 14 Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials and components	9,735.52	10,235.92
{including stock in transit ₹ 946.67 lakhs (31 March 2019: ₹ 1,487.30 lakhs)}		
Work-in-progress	2,403.58	1,318.90
Finished goods	2,146.64	2,671.51
Stock in Trade	310.18	371.14
Stores and spares (including packing material)	995.77	1,178.12
Moulds, tools and dies in process (including transit stock: ₹ 127.25 lakhs (31 March 2019: ₹ Nil))	2,326.13	4,639.14
<b>Total</b>	<b>17,917.82</b>	<b>20,414.73</b>

Due to the fact that certain products were slow moving and were sold below net realisable value, the Holding Company made a write down amounting to ₹ 162.34 lakhs (31 March 2019: ₹ 116.04 lakhs). The write-down is included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

### 15 Equity Share Capital

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorised</b>		
1,20,00,000 (31 March 2019: 1,20,00,000) equity shares of ₹ 10 each	1,200.00	1,200.00
<b>Issued, subscribed and fully paid up</b>		
93,47,732 (31 March 2019: 93,47,732) equity shares of ₹ 10 each	934.77	934.77
<b>Total</b>	<b>934.77</b>	<b>934.77</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 15 A Reconciliation of shares outstanding at the beginning and at the end of the reporting period

#### Equity Shares:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	93,47,732	934.77	93,47,732	934.77
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>93,47,732</b>	<b>934.77</b>	<b>93,47,732</b>	<b>934.77</b>

### 15 B Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 15 C Details of shareholders more than 5% shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Equity shares of ₹ 10 each fully paid held by-</b>				
Stanley Electric Co. Limited	33,43,381	35.77%	33,43,381	35.77%
Deepak Jain	11,72,031	12.54%	69,925	0.75%
Anmol Jain	11,72,031	12.54%	1,64,428	1.76%
Lumax Auto Technologies Limited	5,25,000	5.62%	5,25,000	5.62%
Lumax Finance Private Limited	4,93,367	5.28%	4,93,367	5.28%
Dhanesh Kumar Jain	-	-	21,09,709	22.57%

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### 16 Other equity

#### A. Summary of other equity

Particulars	As at 31 March 2020	As at 31 March 2019
<b>I. Capital reserve</b>		
At the beginning and at the end of the year	0.65	0.65
<b>II. Securities premium</b>		
At the beginning and at the end of the year	6,796.66	6,796.66
<b>III. General reserve</b>		
Balance at the beginning of the year	9,638.47	8,563.47
Add: Amount transferred from retained earnings	-	1,075.00
<b>Balance at the end of the year</b>	<b>9,638.47</b>	<b>9,638.47</b>
<b>IV. Retained earnings</b>		
Balance at the beginning of the year	26,119.15	19,904.22
Add: Profit for the year	7,189.68	10,379.42
Less: Appropriations		
- Dividend paid	(4,907.56)	(2,149.98)
- Dividends distribution tax	(1,008.76)	(441.94)
- Transferred to general reserve	-	(1,075.00)
- Dividend tax on distributed profits of associate	(47.47)	(287.52)
Add: Transferred from other comprehensive income	(68.79)	(210.05)
<b>Balance at the end of the year</b>	<b>27,276.25</b>	<b>26,119.15</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>V. Items of other comprehensive income</b>		
Balance at the beginning of the year	-	-
Add: Remeasurements of defined benefit plans	(68.79)	(210.05)
Less: Transferred to retained earnings	68.79	210.05
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Total- Other equity</b>	<b>43,712.03</b>	<b>42,554.93</b>

- (a) Capital reserve comprises amounts generated on forfeiture of shares.
- (b) Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.
- (c) General reserve to be utilized as per provisions of the Act.

### B. Dividends

The following dividends were declared and paid by the Holding Company during the years:

Particulars	As at 31 March 2020	As at 31 March 2019
₹ 52.50 (including interim dividend ₹ 17.50) per equity share(31 March 2019: ₹ 23.00)	4,907.56	2,149.98
Dividend distribution tax on dividend to shareholders	1,008.76	441.94
<b>Total</b>	<b>5,916.32</b>	<b>2,591.92</b>

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval of shareholders at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

The Board proposed dividend on equity shares after the balance sheet date:

Particulars	As at 31 March 2020	As at 31 March 2019
₹ 6.00 per equity share (31 March 2019: ₹ 35.00 per equity share)	560.86	3,271.71
<b>Total</b>	<b>560.86</b>	<b>3,271.71</b>

### C. Capital Management

The Holding Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

The Holding Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

In order to maintain or adjust the capital structure, the Holding Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, consistent with others in the industry. The Holding Company monitors capital using a gearing ratio, which is calculated as:

Net debt (total liabilities net of cash and cash equivalents) divided by "Total equity" (as shown in the Balance Sheet).

Particulars	As at 31 March 2020	As at 31 March 2019
Total liabilities	83,673.12	75,474.58
Less: cash and cash equivalents	(795.00)	(201.33)
<b>Adjusted net debt</b>	<b>82,878.12</b>	<b>75,273.25</b>
<b>Total equity</b>	<b>44,646.80</b>	<b>43,489.70</b>
<b>Adjusted net debt to equity ratio</b>	<b>1.86</b>	<b>1.73</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 17 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Long term</b>		
Vehicle loan from banks	89.96	256.29
Vehicle loan from others	8.13	15.00
Term loan from others	3,000.00	-
Foreign currency loan	2,194.29	-
<b>Total</b>	<b>5,292.38</b>	<b>271.29</b>
<b>A-Non-current</b>	<b>2,638.19</b>	<b>93.63</b>
<b>B-Current - reclassified to other financial liabilities (refer note 20)</b>	<b>2,654.19</b>	<b>177.66</b>
<b>Short term</b>		
<b>Secured</b>		
Secured loan from bank	1,300.00	-
Packing credit / buyers credit	1,737.09	-
Cash credit/Working Capital facility from banks	7,440.12	3,352.46
Vendor finance facility from banks	3,695.45	-
Customer finance facility from banks	4,723.82	-
<b>Unsecured</b>		
Unsecured loan from bank	-	1,500.00
Vendor finance facility from banks	7,668.13	-
Customer finance facility from banks	-	8,843.94
<b>Total</b>	<b>26,564.61</b>	<b>13,696.40</b>

Information about the Holding Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 37.

### Terms and repayment schedule

Particulars	Currency	Year of maturity	Nominal interest rate (range)	As at 31 March 2020	Charges
<b>Secured</b>					
Vehicle Loans from bank	INR	2020 - 2023	7.90% - 8.60%	89.96	Hypothecation of the respective vehicle
Vehicle Loans from others	INR	2020 - 2022	0.05%	8.13	Hypothecation of the respective vehicle
Foreign currency loan	USD	2020 - 2021	LIBOR + 2.00%	2,194.29	Specific Plant & Machinery at Bawal Plant
Term loan from others	INR	2024 - 2025	9.25%	3,000.00	Entire Fixed Assets to be acquired out of the proceed of term loan including Land & Building of Plot No. 12, Sector 5, Bawal
Term loan from bank	INR	2021	9.50%	1,300.00	First Pari-Passu Hypothecation charge on all existing and future current assets of the Holding Company
Packing credit / buyers credit	USD	2021	LIBOR + 0.47%	1,737.09	Immovable property situated at Plot No. 16, Sector 18, Maruti Complex, Gurugram & entire current assets of the Holding Company on Pari-Passu basis
Cash Credit from bank	INR	2021	8.15% - 8.70%	610.12	Land & Building at Plot No. 16, Sector 18, Gurugram & Stock & book debts of the Holding Company on Pari-Passu basis
Working Capital Facility from bank	INR	2021	7.95% - 8.70%	1,000.00	Immovable fixed assets (Land & Building) at Plot No. 16, Sector 18, Gurugram Unit & entire current assets of the Holding Company both present & future on Pari-Passu basis
Working Capital Facility from bank	INR	2021	8.40% - 10.00%	2,000.00	Land and Building at Plot No. 16, Sector 18, Industrial Estate, Gurugram (known as Maruti complex) and entire current assets of the Holding Company both present & future on Pari-Passu basis
Working Capital Facility from bank	INR	2021	8.15% - 8.70%	1,830.00	Land & Building at Plot No. 16, Sector 18, Gurugram & Stock & book debts of the Holding Company on Pari-Passu basis
Working Capital Facility from others	INR	2021	8.60% - 9.35%	2,000.00	Land and Building at Plot No. 16, Sector 18, Industrial Estate, Gurugram and entire current assets of the Holding Company both present & future on Pari-Passu basis
Vendor finance facility from banks	INR	2021	8.25%-9.25%	3,695.45	First Pari-Passu Hypothecation charge on all existing and future current assets of the Holding Company
Customer finance facility from banks	INR	2021	8.70% - 9.15%	4,723.82	First Pari-Passu Hypothecation charge on all existing and future current assets of the Holding Company
<b>Unsecured</b>					
Vendor finance facility from banks	INR	2021	7.90% - 9.50%	7,668.13	Nil

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Currency	Year of maturity	Nominal interest rate (range)	As at 31 March 2019	Charges
<b>Secured</b>					
Vehicle Loans from bank	INR	2019 - 2022	7.90% - 8.60%	256.29	Hypothecation of the respective vehicle
Vehicle Loans from others	INR	2019 - 2022	0.05%	15.00	Hypothecation of the respective vehicle
Cash Credit from bank	INR	2020	8.15% - 8.30%	852.27	Land & Building at Plot No. 16, Sector 18, Gurugram & Stock & book debts of the Holding Company on Pari-Passu basis
Cash Credit from bank	INR	2020	8.30% - 11.00%	0.19	Entire Current assets of the Holding Company both present & future on Pari-Passu basis
Working Capital Facility from bank	INR	2020	7.98% - 10.75%	1,000.00	Immovable fixed assets (Land & Building) at Plot No. 16, Sector 18, Gurugram Unit & entire current assets of the Holding Company both present & future on Pari-Passu basis
Working Capital Facility from others	INR	2020	7.75% - 9.50%	1,500.00	Land and Building at Plot No. 16, Sector 18, Industrial Estate, Gurugram and entire current assets of the Holding Company both present & future on Pari-Passu basis
<b>Unsecured</b>					
Term Loan from bank	INR	2020	10.00%	1,500.00	Nil
Customer finance facility from banks	INR	2020	8.00% - 9.80%	8,843.94	Nil

**18 Lease liability**

Particulars	As at 31 March 2020	As at 31 March 2019
A-Non-current	2,796.22	-
B-Current	68.18	-
<b>Total Lease liability</b>	<b>2,864.40</b>	<b>-</b>

**19 Trade payables**

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables		
- Total outstanding due of micro enterprises and small enterprises (refer note (a) below for details of dues to micro and small enterprises)	671.80	52.41
- Total outstanding due of creditors other than micro enterprises and small enterprises	30,845.33	37,956.78
<b>Total</b>	<b>31,517.13</b>	<b>38,009.19</b>

The Holding Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 37

**(a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	628.89	35.22
Interest due on above	3.19	0.42

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	22.53	6.25
The amount of interest accrued and remaining unpaid at the end of each accounting year	42.91	17.19
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

### 20 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current portion of secured bank loans	2,654.19	177.66
Capital creditors	2,517.47	3,513.94
Interest accrued on borrowings/cash credit	151.63	49.51
Payable to employees	1,534.15	2,063.85
Unpaid dividend	137.88	92.96
Interest free deposits from customers	5.75	5.83
Other liabilities*	3,539.24	4,259.33
<b>Total Other financial liabilities</b>	<b>10,540.31</b>	<b>10,163.08</b>
<b>Current</b>	<b>10,540.31</b>	<b>10,163.08</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>10,540.31</b>	<b>10,163.08</b>

\* Other liabilities represent rate difference for price decrease not yet paid to the customers.

### 21 Other liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Advances from customers	2,595.20	6,695.76
Statutory dues	1,135.65	1,335.08
<b>Total- Other liabilities</b>	<b>3,730.85</b>	<b>8,030.84</b>

### 22 Provisions

Particulars	Non-current	Current	Non-current	Current
	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
<b>A-Provision for employee benefits</b>				
Compensated absences	2,051.42	161.06	1,814.22	147.22
Gratuity (refer note 36)	787.21	371.24	168.73	1,027.10
<b>Total-A</b>	<b>2,838.63</b>	<b>532.30</b>	<b>1,982.95</b>	<b>1,174.32</b>
<b>B-Other provisions</b>				
Provision for warranties [Refer (a) below]	-	87.45	-	59.67
Provision for lease equalisation	-	-	542.01	-
Provision for tax (net of advance tax ₹ 1,346.21 lakhs (previous year ₹ Nil)	-	66.38	-	-
<b>Total-B</b>	<b>-</b>	<b>153.83</b>	<b>542.01</b>	<b>59.67</b>
<b>Total- Provisions (A+B)</b>	<b>2,838.63</b>	<b>686.13</b>	<b>2,524.96</b>	<b>1,233.99</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### (a) Provision for warranties

A provision is recognized for expected warranty claims on products sold in past year, based on past experience of the level of repairs and returns. It is expected that all of these costs will be incurred in the next financial year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and information available about warranty. The table below gives information about movement in warranty provisions.

Particulars	As at 31 March 2020	As at 31 March 2019
At the beginning of the year	59.67	61.02
Arising during the year (net of reversals)	151.04	120.94
Utilized during the year	(123.26)	(122.29)
<b>At the end of the year</b>	<b>87.45</b>	<b>59.67</b>

### (b) Provisions for lease equalisation

The provision has been adjusted with Right-to-use Asset on transition pursuant to applicability of Ind AS 116 with effect from 1 April 2019.

## 23 Income tax

### A. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Current tax</b>		
<i>for Current period</i>		
Current tax	1,380.07	2,969.24
Deferred tax	635.77	256.29
Deferred tax (MAT availment for earlier years)	(32.42)	(189.23)
<i>for prior periods</i>		
Current tax	-	12.38
	<b>1,983.42</b>	<b>3,048.68</b>

### B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Remeasurements of defined benefit plan	(68.79)	(210.05)
Current tax	32.97	73.40
Deferred tax (benefit)	(32.97)	(73.40)
<b>Net of tax</b>	<b>(68.79)</b>	<b>(210.05)</b>

### C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Rate (%)	Amount	Rate (%)	Amount
Profit before tax		9,173.10		13,428.10
Enacted tax rates in India	34.94%	3,205.45	34.94%	4,692.31
Effect of:				
Share of profit of equity accounted investee	-	-	-2.39%	(321.01)
Remeasurement of deferred tax liabilities*	-20.29%	(1,861.00)	-	-
Tax related to prior periods	-	-	0.09%	12.38
Exempt income	-0.01%	(0.70)	-0.01%	(0.81)
Excess deduction of R&D Expenses	-7.62%	(698.60)	-4.82%	(647.60)
Impact of sale of land	-	-	-4.45%	(597.34)
Impact of change of tax on dividend	14.65%	1,344.17	-	-
Others	-0.06%	(5.90)	-0.66%	(89.24)
<b>Income tax expense</b>	<b>21.61%</b>	<b>1,983.42</b>	<b>22.70%</b>	<b>3,048.68</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### D. Recognised deferred tax assets and liabilities

Particulars	As at 31 March 2020			As at 31 March 2019		
	Deferred tax assets	Deferred tax liabilities	Net Deferred tax assets / (liabilities)	Deferred tax assets	Deferred tax liabilities	Net Deferred tax assets / (liabilities)
Undistributed profits of associate	-	(2,306.98)	(2,306.98)	-	(1,288.13)	(1,288.13)
Property, plant and equipment and intangible assets (net)	-	(5,589.94)	(5,589.94)	-	(6,396.30)	(6,396.30)
Mark to Market gain on cross currency swaps and forward contracts	-	(82.94)	(82.94)	-	-	-
Investment Property	-	(26.17)	(26.17)	-	(24.83)	(24.83)
Finance Lease liability (Net of ROU)	115.67	-	115.67	-	-	-
Provision for compensated absences	542.64	-	542.64	624.98	-	624.98
Provision for doubtful debts and advances	112.48	-	112.48	115.70	-	115.70
Provision for bonus	61.96	-	61.96	179.73	-	179.73
Provision for gratuity	387.33	-	387.33	417.87	-	417.87
Provision for lease equalisation	-	-	-	189.40	-	189.40
Carry forward MAT credits	4,492.63	-	4,492.63	4,460.21	-	4,460.21
Others	0.45	-	0.45	(1.12)	-	(1.12)
<b>Total</b>	<b>5,713.16</b>	<b>(8,006.03)</b>	<b>(2,292.87)</b>	<b>5,986.77</b>	<b>(7,709.26)</b>	<b>(1,722.49)</b>

### E. Movement of temporary differences

Particulars	As at 31 March 2018	Recognised temporary differences	Recognised tax credits (net of adjustments)	As at 31 March 2019	Recognised temporary differences	Recognised tax credits (net of adjustments)	As at 31 March 2020
Undistributed profits of associate	(1,407.67)	119.54	-	(1,288.13)	(1,018.85)	-	(2,306.98)
Property, plant and equipment and intangible assets (net)	(5,770.64)	(625.66)	-	(6,396.30)	806.36	-	(5,589.94)
Mark to Market gain on cross currency swaps and forward contracts	-	-	-	-	(82.94)	-	(82.94)
Investment Property	-	(24.83)	-	(24.83)	(1.34)	-	(26.17)
Finance Lease liability (Net of ROU)	-	-	-	-	115.67	-	115.67
Provision for compensated absences	511.92	113.06	-	624.98	(82.34)	-	542.64
Provision for doubtful debts and advances	62.70	53.00	-	115.70	(3.22)	-	112.48
Provision for bonus	178.45	1.28	-	179.73	(117.77)	-	61.96
Provision for gratuity	246.35	171.52	-	417.87	(30.54)	-	387.33
Provision for lease equalisation	180.15	9.25	-	189.40	(189.40)	-	-
Carry forward MAT credits	4,619.31	-	(159.10)	4,460.21	-	32.42	4,492.63
Others	(1.07)	(0.05)	-	(1.12)	1.57	-	0.45
<b>Total</b>	<b>(1,380.50)</b>	<b>(182.89)</b>	<b>(159.10)</b>	<b>(1,722.49)</b>	<b>(602.80)</b>	<b>32.42</b>	<b>(2,292.87)</b>

#### \*Remeasurement Deferred tax assets and liabilities

On 20 September 2019, the Government of India vide the Taxation laws (Amendment) Ordinance, 2019 inserted section 115BAA in the income tax Act which provides domestic companies an option to pay corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions therein. The Holding Company has made an assessment of the impact of the Ordinance and decided to continue with existing tax structure until utilization of accumulated MAT credit as on 31 March 2020.

Further, INDAS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which temporary differences are expected to reverse. The Holding Company has made estimates, based on its budgets, regarding income anticipated in foreseeable future years when those temporary differences are expected to reverse and measured the same at the New tax rate. The impact of re-measurement of deferred tax assets/liabilities has been recognized in the Statement of Profit and Loss. The tax expense for the year ended 31 March 2020 include one time net reversal of ₹ 1,861.00 lakhs on account of re-measurement of deferred tax assets/liabilities.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 24 Revenue from operations\*

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Sale of products (including excise duty)</b>		
Finished goods	1,44,928.48	1,77,257.46
Traded goods	629.31	1,518.22
Moulds, tools and dies	13,060.16	4,904.02
<b>Total Sale of products (A)</b>	<b>1,58,617.95</b>	<b>1,83,679.70</b>
<b>Sale of services (B)</b>	<b>1,345.19</b>	<b>1,179.34</b>
<b>Other operating revenues</b>		
Scrap Sales	195.58	285.96
<b>Total Other operating revenues (C)</b>	<b>195.58</b>	<b>285.96</b>
<b>Total- Revenue from operations (A+B+C)</b>	<b>1,60,158.72</b>	<b>1,85,145.00</b>

\* refer note 45

### 25.1 Other Income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income under Effective Interest method		
on bank deposits held at amortised cost	115.00	2.94
others	30.16	71.02
Dividend	2.01	2.33
Net gain on sale of property, plant and equipment	-	6.96
Rental income from property subleased	30.72	54.01
Provisions/creditors no longer required written back	25.22	423.40
Mark to Market gain on cross currency swaps and forward contracts	237.34	-
Export and other incentive (refer note 42)	178.04	426.43
Miscellaneous income	116.78	166.02
<b>Total</b>	<b>735.27</b>	<b>1,153.11</b>

### 25.2 Net Gain on sales of property, plant and equipment\*

\* During the last year, the Holding Company disposed of its land and building located in New Delhi, resulting in gain amounting to ₹ 3,620.27 lakhs. This gain, being income arising from transaction that is distinct from ordinary activities of the Holding Company and not expected to reoccur, has been classified under exceptional item in the Statement of Profit and Loss of the year.

### 26.1 Cost of raw material and components consumed

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Inventory of materials at the beginning of the year	10,235.92	11,038.39
Add: Purchases	87,281.60	1,16,459.87
Less: Inventory of materials at the end of the year	(9,735.52)	(10,235.92)
<b>Total</b>	<b>87,782.00</b>	<b>1,17,262.34</b>

### 26.2 Cost of moulds, tools & dies

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Inventory at the beginning of the year	4,639.14	913.23
Add: Purchases	8,352.40	6,784.60
Less: Inventory at the end of the year	(2,326.13)	(4,639.14)
<b>Total</b>	<b>10,665.41</b>	<b>3,058.69</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 27 Purchase of Traded Goods

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Automotive lamps/components	442.13	1,562.66
<b>Total</b>	<b>442.13</b>	<b>1,562.66</b>

### 28 Changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 14)

Particulars		Year ended 31 March 2020	Year ended 31 March 2019
<b>Opening Inventory</b>	Finished goods	2,671.51	2,031.67
	Work-in-progress	1,318.90	1,600.44
	Stock-in-trade	371.14	163.65
		<b>4,361.55</b>	<b>3,795.76</b>
<b>Closing Inventory</b>	Finished goods	2,146.64	2,671.51
	Work-in-progress	2,403.58	1,318.90
	Stock-in-trade	310.18	371.14
		<b>4,860.40</b>	<b>4,361.55</b>
<b>(Increase)/Decrease in Inventory</b>	Finished goods	524.87	(639.84)
	Work-in-progress	(1,084.68)	281.54
	Stock-in-trade	60.96	(207.49)
		<b>(498.85)</b>	<b>(565.79)</b>

### 29 Employee benefits expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	18,075.78	18,525.55
Contribution to provident and other funds	894.71	825.46
Compensated absences	399.58	475.05
Gratuity (refer note 36)	315.05	269.25
Staff welfare	1,306.56	1,704.21
<b>Total</b>	<b>20,991.68</b>	<b>21,799.52</b>

### 30 Finance costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expenses on financial liabilities measured at amortised cost	2,185.20	1,521.10
Interest-others	6.36	31.23
<b>Total</b>	<b>2,191.56</b>	<b>1,552.33</b>

### 31 Depreciation and amortization expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant & equipment	5,995.91	5,843.12
Depreciation on right of use of assets	151.35	-
Amortization of intangible assets	207.16	185.75
<b>Total</b>	<b>6,354.42</b>	<b>6,028.87</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 32 Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Stores and spares	778.08	738.43
Packing material	3,554.93	3,584.89
Power and fuel	5,194.38	5,930.35
Rent (refer note 34)	306.14	359.11
Rates and taxes	98.23	91.24
Insurance	368.87	168.28
Repairs and maintenance	2,930.31	3,562.33
Freight and forwarding	2,284.93	2,886.51
Net loss on sale of property, plant and equipment	6.75	-
Bank charges	58.76	77.16
Travelling and conveyance	1,482.49	1,759.86
Legal and professional	612.24	348.31
Management support fees	2,257.37	2,472.88
Design, support and testing charges	279.96	201.29
Directors' sitting fees	24.60	23.00
Payment to auditors (refer note 32.1 below)	48.56	43.91
Royalty	2,197.59	2,507.38
Warranty	151.04	120.94
Net loss on account of foreign exchange transactions	587.99	353.32
Provision for doubtful debts/ advances (net)	315.46	151.69
Selling and promotion	159.35	191.53
Communication	107.69	138.10
Printing & stationery	129.78	176.38
Net change in fair value of investment in equity shares held at FVTPL	3.42	1.25
Contribution towards Corporate Social Responsibility (refer note 32.2 below)	163.21	123.20
Donations#	211.92	5.83
Miscellaneous	687.25	693.14
<b>Total</b>	<b>25,001.30</b>	<b>26,710.31</b>

Above expenses include research and development expenses (refer note 41)

# Donations Include ₹ 200.00 lakhs (31 March 2019: ₹ Nil) under section 182 of the Companies Act, 2013.

#### 32.1 Payment to Auditor (excluding applicable taxes)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>As auditor:</b>		
Audit fee	24.50	24.50
Tax audit fee	3.00	3.00
Limited Review	10.50	10.50
<b>In other capacity:</b>		
Certification fees	5.10	1.00
Reimbursement of expenses	5.46	4.91
<b>Total</b>	<b>48.56</b>	<b>43.91</b>

#### 32.2 Corporate Social Responsibility (CSR)

As per the provisions of section 135 of the Companies Act, 2013, the Holding Company had to spend at least 2% of the average profits of the preceding three financial years towards CSR which amounts to ₹ 148.08 lakhs (31 March 2019: ₹ 122.17 lakhs). Accordingly, a CSR committee had been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013. The Holding Company has spent an amount of ₹ 163.21 lakhs (31 March 2019 ₹ 123.20 lakhs) and has accordingly charged the same to the Statement of Profit and Loss.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 33 Earnings per share (EPS)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for attributable to equity shareholders	7,189.68	10,379.42
Weighted average number of equity shares	93,47,732	93,47,732
<b>Basic and Diluted Earnings per share in ₹ {Nominal value of shares of ₹ 10 (Previous year : ₹ 10)}</b>	<b>76.91</b>	<b>111.04</b>

### 34 Disclosure required by Ind AS 116

- A. On 1 April 2019, the Holding Company has recognised, a lease liability measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as at 1 April 2019 and Right-of-Use (ROU) asset equal to the lease liability, adjusted by accrued lease payments recognised as at 31 March 2019. Also, the Holding Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. The impact of transition Ind AS 116 have been summarized below:

Particulars	Amount
Right of Use of asset ('ROU')	2,398.00
Transfer of Leasehold land from Property, plant and equipment (net of accumulated depreciation)	128.78
Finance lease liability recognized	(2,864.40)
Provision for lease equalisation adjusted against ROU by applying para C8(c)(ii) of IND AS 116	(542.01)

The amounts recognized in Statement of Profit and Loss are as follows:

Particulars	Year ended 31 March 2020
Interest on lease liabilities	150.69
Expenses relating to short-term leases*	247.14
Expenses relating to leases of low-value assets*	59.00
<b>Total</b>	<b>456.83</b>

\*The Holding Company also leases certain premises/machinery/equipment with contract terms of one or less than one year. These leases are short term and/or leases of low value items. The Holding Company has elected not to recognise Right-of-use assets and lease liabilities for these leases. Further, the total cash outflow relating to lease payments during the year amounts to ₹ 226.30 lakhs.

The class-wise details of depreciation charged during the year and carrying amount of ROU assets at the year are as follows:

Particulars	Depreciation for the year ended 31 March 2020	Net Block of ROU as at 31 March 2020
Leasehold land (transferred from Property, plant and equipment)	1.66	127.12
Leasehold land and building	132.36	1,586.43
Solar power plant	17.33	661.88
<b>Total</b>	<b>151.35</b>	<b>2,375.43</b>

### B. Leases as lessor

The Holding Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Holding Company has leased out portions of its buildings under operating lease arrangements. These leases may be renewed for a further period based on mutual agreement of the parties. During the year, an amount of ₹ 30.72 lakhs (previous year ₹ 54.01 lakhs) was recognised as rental income in the Statement of Profit and Loss.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 35 Segment

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available. The Holding Company is engaged in the business of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications and related activities. The Holding Company's activities/business is regularly reviewed by the Holding Company's Managing Director assisted by an executive committee from an overall business perspective, rather than reviewing its products/services as individual standalone components. Thus, the Holding Company has only one operating segment, and no reportable segments in accordance with Ind AS - 108 Operating Segments.

The entity wide disclosures as required by Ind AS -108 are as follows:

#### A. Product/Service Description

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Sale of products</b>		
Finished goods	1,44,928.48	1,77,257.46
Traded goods	629.31	1,518.22
Moulds, tools and dies	13,060.16	4,904.02
<b>Sale of services</b>	1,345.19	1,179.34
<b>Other operating revenues</b>		
Scrap sales	195.58	285.96
<b>Total</b>	<b>1,60,158.72</b>	<b>1,85,145.00</b>

#### B. Revenue from external customer

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India	1,57,510.90	1,81,686.78
Other countries*	2,647.82	3,458.22
<b>Total</b>	<b>1,60,158.72</b>	<b>1,85,145.00</b>

\*Exports to any single country are not material to be disclosed

#### C. Non current assets\*\*

Particulars	As at 31 March 2020	As at 31 March 2019
India	84,425.66	71,547.90
Other countries	-	-
<b>Total</b>	<b>84,425.66</b>	<b>71,547.90</b>

\*\* Non-current assets exclude financial assets and deferred tax assets.

#### D. Major customers

Details of customers which accounts for more than 10% of Holding Company's total revenue are as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Maruti Suzuki India Limited	42,298.03	47,598.22
Honda Motorcycle and Scooter India Private Limited	25,287.82	27,296.17
Suzuki Motor Gujrat Pvt. Ltd.	16,468.75	21,666.03

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 36 Assets and liabilities relating to employee benefits

#### A. Information about the Defined contribution plans

The Holding Company's approved Superannuation Scheme, Employee Provident Fund and Employee State Insurance Scheme are defined contribution plans. A sum of ₹ 894.71 lakhs (previous year ₹ 825.46 lakhs) has been recognized as an expense in relation to these schemes and shown under Employee benefits expense in the Statement of Profit and Loss.

#### B. Information about the Defined benefit plan and Funding arrangements

The Holding Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

These defined benefit plan expose the Holding Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. The plan is funded with an insurance company in the form of a qualifying insurance policy. The Holding Company expects to pay ₹ 371.24 lakhs in contributions to its defined benefit plans in 2020-21.

#### Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

#### a) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	2,757.20	2,336.79
Benefits paid	(114.64)	(179.63)
Current service cost	240.66	212.66
Liability acquired through employee transfer	-	2.25
Interest cost	206.54	171.89
Actuarial (gains) losses recognised in other comprehensive income		
changes in demographic/financial assumptions	(36.31)	99.60
experience adjustments	122.36	113.64
<b>Balance at the end of the year</b>	<b>3,175.81</b>	<b>2,757.20</b>

#### b) Reconciliation of the present value of plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,561.37	1,571.80
Contributions paid into the plan	446.84	50.71
Benefits paid	(114.65)	(179.63)
Interest income	132.15	115.30
Actuarial (gains) losses recognised in other comprehensive income	(8.35)	3.19
<b>Balance at the end of the year</b>	<b>2,017.36</b>	<b>1,561.37</b>
<b>Net defined benefit liability(asset) at the end of the year</b>	<b>1,158.45</b>	<b>1,195.83</b>

#### c) Expense recognised in Statement of Profit and Loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	240.66	212.66
Interest cost	206.54	171.89
Past service gain	-	-
Interest income	(132.15)	(115.30)
<b>Total</b>	<b>315.05</b>	<b>269.25</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### d) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial (gain) loss on defined benefit obligation	86.03	213.24
Return on plan assets excluding interest income	8.35	(3.19)
<b>Total</b>	<b>94.38</b>	<b>210.05</b>

### e) Plan assets

Plan assets comprise of the following:

Particulars	As at 31 March 2020	As at 31 March 2019
Investment with Insurer	1,994.45	1,537.92
%age	98.86%	98.50%
Bank	22.91	23.45
%age	1.14%	1.50%

### C. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.87%	7.65%
Future salary growth	6.50%	7.50%
Attrition rate	8.00%	8.00%

At 31 March 2020, the weighted-average duration of the defined benefit obligation was 20.44 years (31 March 2019: 21.06 years).

### D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(179.82)	199.98	(161.09)	179.29
Future salary growth (1% movement)	192.19	(176.42)	171.36	(157.55)
Attrition rate (1% movement)	2.69	(3.16)	0.52	(0.73)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 37 Financial instruments - Fair values and risk management

#### a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note No.	As at 31 March 2020			As at 31 March 2019		
		Cost	FVTPL	Amortised cost	Cost	FVTPL	Amortised cost
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	6	-	160.00	-	-	160.00	-
Loans	7	-	-	690.64	-	-	538.44
Others	8	-	-	164.19	-	-	227.37
<b>Current</b>							
Investments	6	-	10.51	-	-	13.93	-
Trade receivables	9	-	-	17,321.45	-	-	22,101.18
Cash and cash equivalents	10	-	-	795.00	-	-	201.33
Bank balances other than above	10	-	-	3,000.65	-	-	23.13
Loans	7	-	-	98.27	-	-	99.39
Derivatives	11	-	237.34	-	-	-	-
Others	8	-	-	1,030.14	-	-	1,062.30
<b>Total</b>		-	<b>407.85</b>	<b>23,100.34</b>	-	<b>173.93</b>	<b>24,253.14</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	17	-	-	2,638.19	-	-	93.63
Lease liability	18	-	-	2,796.22	-	-	-
<b>Current</b>							
Borrowings	17	-	-	26,564.61	-	-	13,696.40
Lease liability	18	-	-	68.18	-	-	-
Trade payables	19	-	-	31,517.13	-	-	38,009.19
Other financial liabilities	20	-	-	10,540.31	-	-	10,163.08
<b>Total</b>		-	-	<b>74,124.64</b>	-	-	<b>61,962.30</b>

#### Disclosure of fair values of financial assets and liabilities

##### Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31 March 2020			As at 31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Non - Current</b>						
Investments	-	-	160.00	-	-	160.00
<b>Current</b>						
Investments	10.51	-	-	13.93	-	-
Derivatives	-	237.34	-	-	-	-

#### Assets and liabilities which are measured at amortised cost

- Fair value of cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, trade payables, other financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments.
- Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### b) Measurement of fair values

#### (i) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation processes are described in note no. 2(E).

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Financial instruments measured at fair value</b>			
Investment in Caparo Power Limited	The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and earnings (after making necessary adjustments).	- Forecast annual growth rate - 3% to perpetuity - Cost of equity - 16.57%	The estimated fair value would increase (decrease) if: - the annual growth rate were higher (lower); - the risk-adjusted discount rate were lower (higher).
Mark to Market gain on cross currency swaps and forward contracts	The fair value is determined using quoted rates at the valuation date by the respective bank	Not applicable	Not applicable

#### (ii) Transfers between level 1 and level 2

There have been no transfers between Level 1 and Level 2 during the year.

#### (iii) Level 3 fair values

There have been no transfers to and from Level 3 during the year.

### c) Financial risk management

**The Holding Company has exposure to the following risks arising from financial instruments:**

- Credit risk
- Liquidity risk
- Market risk

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk	Recognised financial assets and liabilities not denominated in Indian rupee and future commercial transactions	Cash flow forecasting Sensitivity analysis	Forward Foreign Currency and cross currency swap Contracts

#### (i) Risk management framework

The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Holding Company's risk management framework. The Holding Company's risk management policies are established to identify and analyse the risk faced by the Holding Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Holding Company's risk management is carried out by a central treasury team department under policies approved by the board of directors.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The Holding Company's audit committee oversees how management monitors compliance with Holding Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Holding Company.

### (ii) Credit risk

Credit risk is the risk of financial loss to the Holding Company if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Holding Company's receivables from customers, loans and other deposits etc.

The carrying amounts of financial assets represent the maximum credit risk exposure.

#### Trade receivables

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

Credit risk arising from trade receivables is managed in accordance with the Holding Company's established policy with regard to credit limits, control and approval procedures. The Holding Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

#### Movement in impairment loss allowance on trade receivables:

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at the beginning of the year	305.94	154.25
Movement during the year	(9.23)	151.69
<b>Balance as at the end of the year</b>	<b>296.71</b>	<b>305.94</b>

#### Loans and other financial assets

- The Holding Company has given security deposits to Government departments and vendors for securing services from them. As these are well established organisations and have strong capacity to meet the obligations, risk of default is negligible or nil.
- The Holding Company provides loans to employees and recovers the same by deduction from the salary of the employees. Loans are given only to those employees who have served a minimum period as per the approved policy of the Holding Company. The expected probability of default is negligible or nil.

#### Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Holding Company generally invests in deposits with international and domestic banks with high repute.

#### Derivatives

Derivatives are entered into with banks and financial institution counterparties, as per the approved guidelines for entering derivative contracts. The Holding Company considers that its derivatives have low credit risk as these are taken with international and domestic banks with high repute.

### (iii) Liquidity risk

Liquidity risk is the risk that the Holding Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Holding Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Holding Company's reputation.

Long term cash flow requirement is monitored through long term plans. In the line of long term planning, short term plans are reviewed on quarterly basis and compared with actual position on monthly basis to assess the performance of the Holding Company and liquidity position.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The Holding Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Holding Company maintains the following line of credit to meet the short term funding requirement:

- Short term loans/cash credit/working capital limit of ₹ 8,050 lakhs.
- Vendor and customer finance facility limit of ₹ 20,300 lakhs.
- Credit/bank guarantee limit of ₹ 13,500 lakhs.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

Non derivative financial liabilities	As at 31 March 2020			As at 31 March 2019		
	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year
<b>Borrowings (Secured)</b>						
Vehicle loan from banks	89.96	77.40	12.56	256.29	170.79	85.50
Vehicle loan from others	8.13	7.50	0.63	15.00	6.87	8.13
Term loan from others	3,000.00	375.00	2,625.00	-	-	-
Foreign currency loan	2,194.29	2,194.29	-	-	-	-
<b>Other borrowings</b>						
<b>Secured</b>						
Term loan from bank	1,300.00	1,300.00	-	-	-	-
Packing credit / buyers credit	1,737.09	1,737.09	-	-	-	-
Cash credit/Working Capital facility from banks	7,440.12	7,440.12	-	3,352.46	3,352.46	-
Vendor finance facility from banks	3,695.45	3,695.45	-	-	-	-
Customer finance facility from banks	4,723.82	4,723.82	-	-	-	-
<b>Unsecured</b>						
Term loan from bank	-	-	-	1,500.00	1,500.00	-
Vendor finance facility from banks	7,668.13	7,668.13	-	-	-	-
Customer finance facility from banks	-	-	-	8,843.94	8,843.94	-
<b>Lease liability</b>	5,660.68	296.66	5,364.02	-	-	-
<b>Trade payables</b>	31,517.13	31,517.13	-	38,009.19	38,009.19	-
<b>Other financial liabilities</b>						
Capital creditors	2,517.47	2,517.47	-	3,513.94	3,513.94	-
Interest accrued on borrowings/cash credit	151.63	151.63	-	49.51	49.51	-
Payable to employees	1,534.15	1,534.15	-	2,063.85	2,063.85	-
Unpaid dividend	137.88	137.88	-	92.96	92.96	-
Interest free deposits from customers	5.75	5.75	-	5.83	5.83	-
Other liabilities	3,539.24	3,539.24	-	4,259.33	4,259.33	-
<b>Total</b>	<b>76,920.92</b>	<b>68,918.71</b>	<b>8,002.21</b>	<b>61,962.30</b>	<b>61,868.67</b>	<b>93.63</b>

The Holding Company has secured bank loans that contain loan covenants. A future breach of covenant may require the Holding Company to repay the loan earlier than indicated in the above table.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Holding Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Holding Company uses derivative to manage market risks. All such transactions are carried out within the guideline as prescribed in the Holding Company's risk management policy.

### Currency risk

The Holding Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The functional currency for the Holding Company is INR. The currencies in which these transactions are primarily denominated are US dollars and Euro.

The Holding Company's exposure to foreign currency risk at the end of the reporting period are as follows:

As at 31 March 2020	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognised financial assets / (liabilities)	
					Foreign currency	INR
EUR	-	-	(0.02)	3.46	3.44	285.24
GBP	-	-	-	1.84	1.84	172.11
JPY	-	-	(1,784.17)	-	(1,784.17)	(1,242.36)
USD	-	(51.96)	(71.12)	4.34	(118.74)	(8,984.40)
TWD	1.73	-	-	-	1.73	4.31
CNY	-	-	(0.04)	-	(0.04)	(0.37)
IDR	-	-	(1,482.52)	-	(1,482.52)	(6.89)

As at 31 March 2019	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognised financial assets / (liabilities)	
					Foreign currency	INR
EUR	-	-	(2.42)	3.92	1.50	116.51
GBP	-	-	(0.02)	4.06	4.04	365.72
JPY	-	-	(2,214.52)	-	(2,214.52)	(1,382.25)
USD	-	-	(32.04)	6.32	(25.72)	(1,778.67)
THB	-	-	(0.18)	-	(0.18)	(0.39)
TWD	2.06	-	-	-	2.06	4.64
IDR	-	-	(1,482.52)	-	(1,482.52)	(7.19)

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, THB: Thai Bhat, TWD: New Taiwan dollar, CNY: Chinese Yuan, IDR: Indonesian Rupiah

### Sensitivity analysis

A reasonably possible strengthening (weakening) of USD, JPY and other currencies against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The impact on profit/loss before tax is as below:

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	(89.84)	89.84	(17.79)	17.79
JPY (1% movement)	(12.42)	12.42	(13.82)	13.82
Other currencies	4.54	(4.54)	4.79	(4.79)

### (v) 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 Holding Company's exposure to the risk of changes in market interest rates relates primarily to the Holding Company's long-term debt obligations with floating interest rates. The Holding Company tries to manage the risk partly by entering into fixed-rate instruments and partly by borrowing at a floating rate:

#### Exposure to Interest rate risk

The Holding Company has the following exposure in interest bearing borrowings as on reporting date:

#### Standalone Balance sheet

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Borrowings</b>		
Term loans (fixed interest)	6,592.38	1,771.29
Packing credit / buyers credit (variable interest)	1,737.09	-
Cash credit/Working capital facility (variable interest)	7,440.12	3,352.46
Vendor finance facility (variable interest)	11,363.58	-
Customer finance facility (variable interest)	4,723.82	8,843.94
<b>Total</b>	<b>31,856.99</b>	<b>13,967.69</b>

The Holding Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. However, as these are short term in nature, there is no exposure to interest rate risk.

#### Sensitivity analysis

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
1% increase	(198.43)	(132.77)
1% decrease	198.43	132.77

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 38 Related Party Disclosure

#### A. Names of related parties and related party relationship

S. No.	Particulars	Name of Related parties
1	Entity/Person having significant influence	Stanley Electric Co. Limited, Japan Mr. Dhanesh Kumar Jain (Upto 28.06.2019)
2	Key Management Personnel	Mr. Deepak Jain (Chairman & Managing Director) Mr. Anmol Jain (Joint Managing Director) Mr. Tadayoshi Aoki (Senior Executive Director) Mr. Koji Sawada (Executive Director) Mr. Avinash Parkash Gandhi (Independent Director) Mr. Rajeev Kapoor (Independent Director) Mr. Munish Chandra Gupta (Independent Director) Mr. Rattan Kapur (Independent Director) Mrs. Pallavi Dinodia Gupta (Independent Director upto 28.05.2018) Mrs. Ritika Modi (Independent Director w.e.f. 28.07.2018) Mr. Dhiraj Dhar Gupta (Independent Director) Mr. Vineet Sahni (CEO & Senior Executive Director )
3	Relatives of Key Management Personnel	Mr. Dhanesh Kumar Jain Mr. Vyom Sahni (son of Mr. Vineet Sahni)
4	Entity Controlled / significantly influenced by Key Management Personnel and/or their Relatives	Lumax Auto Technologies Limited Lumax DK Auto Industries Limited (Merged with Lumax Auto Technologies Limited w.e.f 9th Nov 2019) Lumax Tours & Travels Limited Lumax Finance Private Limited Lumax Ancillary Limited Lumax Cornaglia Auto Technologies Private Limited Lumax Mannoh Allied Technologies Limited Lumax Management Services Private Limited Lumax Jopp Allied Technologies Private Limited Lumax Energy Solutions Private Limited Bharat Enterprises Mahavir Udyog D.K. Jain & Sons (HUF) Lumax FAE Technologies Private Limited Lumax Ituran Telematics Private Limited Lumax Gill - Austem Auto Technologies Limited Lumax Integrated Ventures Private Limited Sipal Engineering Private Limited Backcountry Estates Private Limited Velomax Mobility Private Limited Lumax Charitable Foundation
5	Entity controlled by Entity having significant influence	Thai Stanley Electric Public Co. Limited Asian Stanley International Co. Limited PT Indonesia Stanley Electric Stanley Electric (Asia Pacific) Limited Tianjin Stanley Electric Co. Limited Vietnam Stanley Electric Co. Limited Shenzhen Stanley Electric Co. Limited Guangzhou Stanley Electric Co. Limited Sirivit-Stanley Co. Limited Stanley Electric Do Brasil Limited



**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19		
<b>i)</b>	<b>Sale of Raw Materials and Components (grouped in Consumption)</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	63.93	3,974.27	-	-	63.93	3,974.27
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	11.46	44.94	-	-	11.46	44.94
	Lumax Ancillary Limited	-	-	-	-	-	-	371.64	576.46	-	-	371.64	576.46
	Bharat Enterprises	-	-	-	-	-	-	34.75	35.31	-	-	34.75	35.31
	Lumax Ituran Telematics Private Limited	-	-	-	-	-	-	-	7.53	-	-	-	7.53
<b>ii)</b>	<b>Sale of Finished Goods (including Semi-finished Goods)</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	6,880.84	5,781.37	-	-	6,880.84	5,781.37
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	242.09	151.93	-	-	242.09	151.93
	Stanley Electric Do Brasil Limited	-	-	-	-	-	-	-	-	8.58	-	8.58	-
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	1.41	-	1.41	-
	Lumax Ancillary Limited	-	-	-	-	-	-	217.10	192.78	-	-	217.10	192.78
<b>iii)</b>	<b>Sale of Fixed Assets</b>												
	Mahavir Udyog	-	-	-	-	-	-	-	0.11	-	-	-	0.11
	Mr. Vineet Sahni	-	-	-	-	-	-	-	-	-	-	-	7.40
	Lumax Ancillary Limited	-	-	-	-	-	-	2.63	-	-	-	2.63	-
<b>iv)</b>	<b>Sale of Services</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	73.05	312.10	-	-	73.05	312.10
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	5.34	3.06	-	-	5.34	3.06
	Lumax Ancillary Limited	-	-	-	-	-	-	1.13	12.85	-	-	1.13	12.85
	Bharat Enterprises	-	-	-	-	-	-	0.60	1.06	-	-	0.60	1.06
	Mahavir Udyog	-	-	-	-	-	-	0.33	0.42	-	-	0.33	0.42
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	0.11	-	-	-	0.11	-
	Lumax Management Services Private Limited	-	-	-	-	-	-	2.37	-	-	-	2.37	-
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.25	-	-	-	0.25	-
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	51.24	62.10	51.24	62.10
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	23.20	-	23.20	-
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	23.94	7.40	23.94	7.40
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	11.15	-	11.15	-
	Stanley Electric Co. Limited	68.42	3.34	-	-	-	-	-	-	-	-	68.42	3.34

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
v)	<b>Purchase of Raw Materials, Components and Moulds</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	9,803.41	21,701.52	-	-	9,803.41	21,701.52
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	5,825.64	11,148.66	-	-	5,825.64	11,148.66
	Lumax Ancillary Limited	-	-	-	-	-	-	6,652.10	6,485.51	-	-	6,652.10	6,485.51
	Bharat Enterprises	-	-	-	-	-	-	2,484.68	2,800.05	-	-	2,484.68	2,800.05
	Mahavir Udyog	-	-	-	-	-	-	204.60	289.56	-	-	204.60	289.56
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	10.60	29.62	10.60	29.62
	Asian Stanley International Co. Limited	-	-	-	-	-	-	-	-	1,294.94	2,165.94	1,294.94	2,165.94
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	1.41	3.60	1.41	3.60
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	-	2,241.34	7.36	2,241.34	7.36
	Tianjin Stanley Electric Co Limited	-	-	-	-	-	-	-	-	749.59	345.25	749.59	345.25
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	31.32	65.29	31.32	65.29
	Srivit-Stanley Co. Limited	-	-	-	-	-	-	-	-	1,592.30	2,443.67	1,592.30	2,443.67
Shenzhen Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	30.19	89.80	30.19	89.80	
Stanley Electric Co. Limited	6,086.60	11,369.39	-	-	-	-	-	-	-	-	6,086.60	11,369.39	
vi)	<b>Purchase of Packing Material</b>												
	Mahavir Udyog	-	-	-	-	-	-	2,236.77	2,062.57	-	-	2,236.77	2,062.57
	Lumax Auto Technologies Limited	-	-	-	-	-	-	2.95	-	-	-	2.95	-
vii)	<b>Purchase of Stores &amp; Spares</b>												
	Lumax Energy Solutions Private Limited	-	-	-	-	-	-	0.05	6.11	-	-	0.05	6.11
	Lumax Ancillary Limited	-	-	-	-	-	-	0.18	-	-	-	0.18	-
	Stanley Electric Co. Limited	1.46	2.62	-	-	-	-	-	-	-	-	1.46	2.62
viii)	<b>Purchase of Fixed Assets</b>												
	Lumax Auto Technologies Ltd. #	-	-	-	-	-	-	2,659.77	-	-	-	2,659.77	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	76.34	111.29	-	-	76.34	111.29
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	6.15	-	-	-	6.15	-
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	0.70	-	0.70	-
	Stanley Electric Co. Ltd.	-	77.57	-	-	-	-	-	-	-	-	-	77.57
ix)	# Refer note no. 47												
	<b>Purchase of Traded Goods</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	34.74	-	-	-	34.74	-
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	29.63	76.34	29.63	76.34
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	343.50	1,254.45	343.50	1,254.45

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
x)	<b>Technical Charges</b>												
	<b>Design, Drawing &amp; Testing Charges</b>												
	Stanley Electric Co. Limited	1,525.40	86.60	-	-	-	-	-	-	-	-	1,525.40	86.60
	Tianjin Stanley Electric Co Limited	-	-	-	-	-	-	75.67	23.69	-	-	75.67	23.69
	Lumax Auto Technologies Limited	-	-	-	-	-	-	3.44	-	-	-	3.44	-
	Management Support Fee												
	Stanley Electric Co. Limited	1,045.59	1,030.56	-	-	-	-	-	-	-	-	1,045.59	1,030.56
	Lumax Management Services Private Limited	-	-	-	-	-	-	1,488.53	1,689.58	-	-	1,488.53	1,689.58
	<b>Rent Income</b>												
	Lumax Management Services Private Limited	-	-	-	-	-	-	5.03	4.25	-	-	5.03	4.25
Sipal Engineering Private Limited	-	-	-	-	-	-	0.16	0.08	-	-	0.16	0.08	
Lumax Finance Private Limited	-	-	-	-	-	-	0.16	0.08	-	-	0.16	0.08	
Lumax Gill - Austem Auto Technologies Private Limited	-	-	-	-	-	-	0.16	0.08	-	-	0.16	0.08	
Lumax Integrated Ventures P Limited	-	-	-	-	-	-	0.16	0.08	-	-	0.16	0.08	
Lumax Auto Technologies Limited	-	-	-	-	-	-	0.05	-	-	-	0.05	-	
Lumax DK Auto Industries Limited	-	-	-	-	-	-	0.05	0.05	-	-	0.05	0.05	
Lumax Ancillary Limited	-	-	-	-	-	-	0.16	0.08	-	-	0.16	0.08	
Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.05	0.05	-	-	0.05	0.05	
Lumax Energy Solutions Private Limited	-	-	-	-	-	-	0.07	0.08	-	-	0.07	0.08	
Lumax Tours & Travels Limited	-	-	-	-	-	-	0.16	0.08	-	-	0.16	0.08	
Lumax Jopp Allied Technologies Limited	-	-	-	-	-	-	0.05	-	-	-	0.05	-	
Backcountry Estates Private Limited	-	-	-	-	-	-	0.16	0.08	-	-	0.16	0.08	
Velomax Mobility Private Limited	-	-	-	-	-	-	0.16	0.08	-	-	0.16	0.08	
Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	29.47	58.70	-	-	29.47	58.70	
<b>Rent Expense</b>													
Mr. Dhanesh Kumar Jain	-	10.08	-	-	-	-	-	-	-	-	-	-	10.08
Lumax Auto Technologies Limited	-	-	-	-	-	-	100.30	-	-	-	-	100.30	-
Lumax DK Auto Industries Limited	-	-	-	-	-	-	121.75	214.61	-	-	-	121.75	214.61
<b>Payment to Chairman Emeritus</b>													
Mr. Dhanesh Kumar Jain	7.50	30.00	-	-	-	22.50	-	-	-	-	-	30.00	30.00

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
xiv)	<b>Managerial Remuneration (short term employee benefits)*</b>												
	Mr. Deepak Jain	-	-	135.37	135.69	-	-	-	-	-	-	135.37	135.69
	Mr. Anmol Jain	-	-	55.57	53.66	-	-	-	-	-	-	55.57	53.66
	Mr. Tadayoshi Aoki ( w.e.f. 03.02.18)	-	-	17.60	16.16	-	-	-	-	-	-	17.60	16.16
	Mr. K Sawada ( w.e.f. 09.08.16)	-	-	16.49	15.77	-	-	-	-	-	-	16.49	15.77
	Mr. Vineet Sahn	-	-	289.08	272.83	-	-	-	-	-	-	289.08	272.83
	*Does not include provision for gratuity and compensated absences, since the same is accrued on the basis of actuarial valuation carried out for the Company as a whole.												
xv)	<b>Commission to Director</b>												
	Mr. Deepak Jain	-	-	243.00	392.87	-	-	-	-	-	-	243.00	392.87
	Mr. Anmol Jain	-	-	-	136.41	-	-	-	-	-	-	-	136.41
	Mr. Vineet Sahn	-	-	86.96	114.31	-	-	-	-	-	-	86.96	114.31
xvi)	<b>Royalty (gross)</b>												
	Stanley Electric Co. Limited	2,182.76	2,507.38	-	-	-	-	-	-	-	-	2,182.76	2,507.38
xvii)	<b>Dividend Paid</b>												
	Mr. Dhanesh Kumar Jain	-	-	-	-	-	-	-	-	-	-	-	450.58
	Mr. Deepak Jain	-	-	615.32	37.82	-	-	-	-	-	-	615.32	37.82
	Mr. Anmol Jain	-	-	615.32	16.08	-	-	-	-	-	-	615.32	16.08
	Mrs. Usha Jain (Now deceased upto 17/11/18)	-	-	-	-	34.66	-	-	-	-	-	-	34.66
	D.K. Jain & Sons (HUF)	-	-	-	-	-	75.06	32.88	-	-	-	75.06	32.88
	Lumax Auto Technologies Limited	-	-	-	-	-	275.63	120.75	-	-	-	275.63	120.75
	Lumax Finance Private Limited	-	-	-	-	-	259.02	113.47	-	-	-	259.02	113.47
	Stanley Electric Co. Limited	1,755.28	768.98	-	-	-	-	-	-	-	-	1,755.28	768.98
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	85.06	37.26	85.06	37.26
xviii)	<b>Travelling &amp; Conveyance</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	0.99	3.74	-	-	-	0.99	3.74
	Lumax Ancillary Limited	-	-	-	-	-	0.04	3.73	-	-	-	0.04	3.73
	Lumax Tours & Travels Limited	-	-	-	-	-	437.81	608.83	-	-	-	437.81	608.83
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	7.30	-	7.30	7.30
	Stanley Electric Co. Limited	93.88	133.40	-	-	-	-	-	-	-	-	93.88	133.40
xix)	<b>Freight Inward</b>												
	Lumax Ancillary Limited	-	-	-	-	-	-	0.40	-	-	-	-	0.40
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.18	-	-	-	-	0.18
xx)	<b>Insurance Charges</b>												

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	0.12	-	-	0.12
	Lumax Tours & Travels Limited	-	-	-	-	-	-	-	0.01	-	-	0.01
<b>xxi)</b>	<b>Legal &amp; Professional Charges</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	0.10	-	-	0.10
	Sipal Engineering Private Limited	-	-	-	-	-	-	-	0.41	-	-	0.41
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.34	-	-	0.34	-
	Lumax Management Services Private Limited	-	-	-	-	-	-	29.51	5.39	-	-	29.51
<b>xxii)</b>	<b>Miscellaneous Expenses</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	32.35	21.55	-	-	32.35
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.01	-	-	-	0.01
<b>xxiii)</b>	<b>Packing &amp; Forwarding</b>											
	Lumax Ancillary Limited	-	-	-	-	-	-	0.16	-	-	-	0.16
	Lumax Tours & Travels Limited	-	-	-	-	-	-	-	0.02	-	-	0.02
<b>xxiv)</b>	<b>Salaries, wages and bonus</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	48.96	47.06	-	-	48.96
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	34.64	-	-	-	34.64
	Lumax Ancillary Limited	-	-	-	-	-	-	0.63	-	-	-	0.63
	Stanley Electric Co. Limited	43.57	70.21	-	-	-	-	-	-	-	-	43.57
	Mr. Vyom Sahni	-	-	-	-	2.78	2.04	-	-	-	-	2.78
<b>xxv)</b>	<b>Printing &amp; Stationery Expenses</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	1.70	-	-	-	1.70
<b>xxvi)</b>	<b>Reimbursement Received</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	(40.49)	(2.68)	-	-	(40.49)
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	(0.86)	-	-	-	(0.86)
	Lumax Management Services Private Limited	-	-	-	-	-	-	(14.64)	(12.04)	-	-	(14.64)
	Lumax Ancillary Limited	-	-	-	-	-	-	(4.54)	(3.47)	-	-	(4.54)
	Bharat Enterprises	-	-	-	-	-	-	(3.33)	(0.07)	-	-	(3.33)
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	(17.31)	(13.64)	-	-	(17.31)
	Mahavir Udyog	-	-	-	-	-	-	(1.84)	(0.02)	-	-	(1.84)
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	(0.81)	-	-	-	(0.81)
	Lumax FAE Technologies Private Limited	-	-	-	-	-	-	(0.02)	-	-	-	(0.02)
	Lumax Ituran Telematics Private Limited	-	-	-	-	-	-	(0.05)	-	-	-	(0.05)

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Lumax Gill Austem Auto Technologies Private Limited	-	-	-	-	-	-	(0.31)	-	-	-	(0.31)	-
	Sipal Engineering Private Limited	-	-	-	-	-	-	(0.12)	-	-	-	(0.12)	-
	Stanley Electric Co. Limited	(225.17)	(228.90)	-	-	-	-	-	-	-	-	(225.17)	(228.90)
<b>xxvii)</b>	<b>Repair to Plant &amp; Machinery</b>												
	Lumax Ancillary Limited	-	-	-	-	-	-	-	1.16	-	-	-	1.16
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	0.42	-	-	-	0.42	-
<b>xxviii)</b>	<b>Repairs &amp; Maintenance-Others</b>												
	Lumax Management Services Private Limited	-	-	-	-	-	-	186.95	57.35	-	-	186.95	57.35
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.05	-	-	-	0.05	-
	Stanley Electric Co. Limited	4.51	20.22	-	-	-	-	-	-	-	-	4.51	20.22
<b>xxix)</b>	<b>Sales promotion</b>												
	Lumax Tours & Travels Limited	-	-	-	-	-	-	7.69	-	-	-	7.69	-
	Lumax Management Services Private Limited	-	-	-	-	-	-	28.88	-	-	-	28.88	-
<b>xxx)</b>	<b>Welfare (Staff And Labour)</b>												
	Lumax Dk Auto Industries Limited	-	-	-	-	-	-	3.78	-	-	-	3.78	-
	Lumax Auto Technologies Limited	-	-	-	-	-	-	2.48	2.22	-	-	2.48	2.22
	Lumax Tours & Travels Limited	-	-	-	-	-	-	13.12	-	-	-	13.12	-
	Lumax Management Services Private Limited	-	-	-	-	-	-	1.68	42.42	-	-	1.68	42.42
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	-	0.46	-	-	-	0.46
	Stanley Electric Co. Limited	46.68	64.59	-	-	-	-	-	-	-	-	46.68	64.59
<b>xxxi)</b>	<b>Liabilities no longer required written back</b>												
	Stanley Electric Co. Limited	2.15	0.62	-	-	-	-	-	-	-	-	2.15	0.62
<b>xxxii)</b>	<b>Bad debts</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.11	-	-	-	0.11	-
<b>xxxiii)</b>	<b>Job Work Charges</b>												
	Lumax Ancillary Limited	-	-	-	-	-	-	0.68	0.14	-	-	0.68	0.14
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	1.44	-	-	-	1.44

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
xxxiv)	<b>Miscellaneous Income</b>												
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.01	-	-	-	0.01	-
	Srivit-Stanley Co. Limited	-	-	-	-	-	-	-	0.02	-	-	0.02	-
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	0.97	-	-	0.97	-
xxxv)	<b>Donations</b>												
	Lumax Charitable Foundation	-	-	-	-	-	-	11.29	-	-	-	11.29	-
xxxvi)	<b>Corporate Social Responsibility Contribution (CSR)</b>												
	Lumax Charitable Foundation	-	-	-	-	-	-	163.21	123.20	-	-	163.21	123.20
xxxvii)	<b>Sitting Fee</b>												
	Mr. Avinash Parkash Gandhi	-	-	5.40	4.20	-	-	-	-	-	-	5.40	4.20
	Mr. Rajeev Kapoor	-	-	3.80	3.60	-	-	-	-	-	-	3.80	3.60
	Mr. Munish Chandra Gupta	-	-	4.60	4.40	-	-	-	-	-	-	4.60	4.40
	Mr. Rattan Kapur	-	-	4.60	4.60	-	-	-	-	-	-	4.60	4.60
	Ms Ritika Modi	-	-	2.40	1.60	-	-	-	-	-	-	2.40	1.60
	Mr. Dhirej Dhar Gupta	-	-	3.80	4.60	-	-	-	-	-	-	3.80	4.60

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	
	<b>Trade Receivables</b>											
i)	Lumax Auto Technologies Limited	-	-	-	-	-	-	402.37	2,516.48	-	-	402.37
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	25.80	-	-	25.80
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	4.56	13.36	-	-	4.56
	Lumax Ancillary Limited	-	-	-	-	-	-	132.42	141.64	-	-	132.42
	Bharat Enterprises	-	-	-	-	-	-	0.34	7.91	-	-	0.34
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.08	-	-	-	0.08
	Lumax Jopp Allied Technologies Limited	-	-	-	-	-	-	0.05	-	-	-	0.05
	Mahavir Udyog	-	-	-	-	-	-	0.93	0.07	-	-	0.93
	Stanley Electric Do Brasil Limited	-	-	-	-	-	-	-	-	0.16	-	0.16
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	43.94	-	43.94
	Velomax Mobility Private Limited	-	-	-	-	-	-	0.08	0.03	-	-	0.08
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	1.48	-	1.48
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	2.84	-	2.84
ii)	<b>Advance received from Customers</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	11.69	718.79	-	-	11.69
	Lumax Ancillary Limited	-	-	-	-	-	-	1.55	-	-	-	1.55
	Bharat Enterprises	-	-	-	-	-	-	0.56	-	-	-	0.56
iii)	<b>Unbilled Revenue</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	1.08	-	-	1.08
iv)	<b>Trade Payables</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	4,381.35	3,734.50	-	-	4,381.35
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	4,443.25	-	-	4,443.25
	Lumax Tours & Travels Limited	-	-	-	-	-	-	13.67	30.50	-	-	13.67
	Lumax Ancillary Limited	-	-	-	-	-	-	2,188.36	1,453.90	-	-	2,188.36
	Bharat Enterprises	-	-	-	-	-	-	691.59	825.69	-	-	691.59
	Mahavir Udyog	-	-	-	-	-	-	552.25	553.42	-	-	552.25
	Lumax Management Services Private Limited	-	-	-	-	-	-	194.54	197.52	-	-	194.54



**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

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Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	4.04	21.91	21.91
	Asian Stanley International Co. Limited	-	-	-	-	-	-	-	-	50.24	88.39	88.39
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	38.30	38.30	38.30
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	8.46	10.61	10.61
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	-	846.03	-	846.03
	Sirivit-Stanley Co. Limited	-	-	-	-	-	-	-	-	266.81	210.97	210.97
	Tianjin Stanley Electric Co Limited	-	-	-	-	-	-	-	-	345.88	-	345.88
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	2.08	13.58	13.58
	Stanley Electric Co. Limited	3,573.43	2,072.39	-	-	-	-	-	-	-	-	3,573.43
	<b>Capital Payables</b>											
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	0.74	-	0.74
<b>v)</b>	<b>Capital Advance</b>											
	Lumax Ancillary Limited	-	-	-	-	-	-	4,669.80	2,074.89	-	-	4,669.80
<b>vii)</b>	<b>Advance paid to Vendors</b>											
	Lumax Tours & Travels Limited	-	-	-	-	-	-	10.60	-	-	-	10.60
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	0.32	-	0.32
	Stanley Electric Co. Limited	47.54	-	-	-	-	-	-	-	-	-	47.54
<b>viii)</b>	<b>Recoverable from Vendors</b>											
	Lumax Ancillary Limited	-	-	-	-	-	-	2.77	-	-	-	2.77
	Lumax Auto Technologies Limited	-	-	-	-	-	-	11.67	-	-	-	11.67
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	0.38	-	-	-	0.38
	Lumax FAE Technologies Private Limited	-	-	-	-	-	-	0.02	-	-	-	0.02
	Lumax Iuran Telematics Private Limited	-	-	-	-	-	-	0.05	-	-	-	0.05
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.10	-	-	-	0.10
	Lumax Gill Austem Auto Technologies Private Limited	-	-	-	-	-	-	0.31	-	-	-	0.31
	Sipal Engineering Private Limited	-	-	-	-	-	-	0.12	-	-	-	0.12

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Sr. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019		
viii)	<b>Security Deposit for Rent</b>											
	Mr. Dhanesh Kumar Jain	-	3.45	-	-	2.76	-	-	-	-	2.76	3.45
ix)	<b>Loan to Employee</b>											
	Mr. Vineet Sahni	-	-	150.00	-	-	-	-	-	-	150.00	-
	Repayment of Loan by Employee : Mr. Vineet Sahni	-	-	(15.00)	-	-	-	-	-	-	(15.00)	-
x)	<b>Prepaid Expenses</b>											
	Lumax Management Services Private Limited	-	-	-	-	-	76.66	-	-	-	-	76.66
xi)	<b>Key Management Payables</b>											
	Mr. Deepak Jain (Chairman & Managing Director w.e.f. 01.04.2018) (Managing Director upto 31.03.2018)	-	-	243.00	-	-	-	-	-	-	243.00	-
	Mr. Vineet Sahni (CEO & Senior Executive Director- w.e.f. 01.04.2018)	-	-	86.96	-	-	-	-	-	-	86.96	-
	Mr. Tadayoshi Aoki (Senior Executive Director- w.e.f. 03.02.2018)	-	-	3.86	21.94	-	-	-	-	-	3.86	21.94
	Mr. Koji Sawada (Executive Director)	-	-	10.55	21.88	-	-	-	-	-	10.55	21.88
	Mr. Avinash Parkash Gandhi (Independent Director)	-	-	0.36	-	-	-	-	-	-	0.36	-
	Mr. Rajeev Kapoor (Independent Director)	-	-	0.36	-	-	-	-	-	-	0.36	-
	Mr. Munish Chandra Gupta (Independent Director)	-	-	0.36	-	-	-	-	-	-	0.36	-
	Mr. Rattan Kapur (Independent Director)	-	-	0.36	-	-	-	-	-	-	0.36	-
	Mrs. Ritika Modi (Independent Director w.e.f. 28.07.2018)	-	-	0.36	-	-	-	-	-	-	0.36	-
	Mr. Dhirej Dhar Gupta (Independent Director)	-	-	0.36	-	-	-	-	-	-	0.36	-

**Note:**

The Holding Company has established a comprehensive system on maintenance of information and documents required by the transfer pricing legislation under section 92-F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Holding Company is in the process of updating the documentation for transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The Management is of the opinion that its transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements particularly on the amount of income tax expense and that of provision of taxation.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

### 39 Capital and other commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of Contract (Net of Advances paid during the year ₹ 5,660.05 lakhs (31 March 2019: ₹ 2,523.54 lakhs) remaining to be executed on capital account and not provided for)	2,608.71	3,623.38

### 40 Contingent liabilities

S. No.	Particulars	As at 31 March 2020	As at 31 March 2019
(i)	Income tax cases*	3,169.44	8.47
(ii)	Excise, customs and Service tax*	1,247.79	593.87
(iii)	Sales tax and VAT*	65.17	86.58
(iv)	Export obligation#	4,755.40	5,462.78

\*The Holding Company is of the firm belief that above demands are not tenable and are unlikely to be retained and is therefore not carrying any provision in its books in respect of such demands.

Additionally, the Holding Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Holding Company believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

#Outstanding export obligations are to be fulfilled over a period of 6 years from the date of respective licenses under the EPCG scheme against import of plant and machinery and the related customs duty of ₹ 792.57 lakhs (31 March 2019: ₹ 910.46 lakhs).

In February 2019, the Supreme Court of India in its judgement, clarified the applicability of allowances that should be considered to measure the contribution payable under Employees Provident Fund Act, 1952. The Holding Company is of the view that, since there are many interpretative challenges on the retrospective application of the judgement, accordingly, the probable obligation relating to the earlier periods cannot be reliably estimated. Hence, the Holding Company made provision for provident fund contribution from the date of Supreme Court Order.

### 41 Details of Research and development expenses are as follows:

A. The Holding Company has incurred expenses on its research and development centre at Gurugram approved and recognised by the Ministry of Science & Technology, Government of India.

#### a. Capital expenditure

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Capital expenditure	12.76	110.00

#### b. Revenue expenditure

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	1,335.50	1,219.40
Contribution to provident fund	67.19	61.10
Contribution to other funds	5.03	2.97
Staff welfare	134.73	197.65
Gratuity	50.36	39.56
Insurance	6.56	6.36
Repair & maintenance	312.06	219.53
Travelling & conveyance	378.79	449.08
Legal & professional expenses	1.31	2.69
Research & development	4.10	1.82
Power & fuel	37.31	18.49
Miscellaneous	35.88	35.90
Design, support & testing charges	49.53	57.98
Material/Consumable/Spares	14.81	21.16
Depreciation	163.98	182.49
Finance cost	3.58	3.96
<b>Total</b>	<b>2,600.72</b>	<b>2,520.14</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

- B.** The Holding Company has incurred expenses on its research and development centre at Pune approved and recognised by the Ministry of Science & Technology, Government of India.

**a. Capital expenditure**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Capital expenditure	153.72	117.96

**b. Revenue expenditure**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	975.87	903.85
Contribution to provident fund	47.64	41.15
Contribution to other funds	0.05	0.08
Staff welfare	129.75	80.43
Gratuity	18.70	19.87
Insurance	4.27	2.42
Repair & maintenance	91.36	68.57
Travelling & conveyance	184.56	179.66
Legal & professional expenses	59.13	44.29
Power & fuel	92.73	36.91
Miscellaneous	64.56	22.94
Design, support & testing charges	15.80	8.13
Material/Consumable/Spares	0.01	1.06
Depreciation	146.95	137.69
Finance cost	1.23	1.13
<b>Total</b>	<b>1,832.61</b>	<b>1,548.18</b>

**42 Government grant (Export incentives)**

The Holding Company is availing export incentives under duty drawback rules and Merchandise Exports from India Scheme (MEIS)/Service Exports from India Scheme (SEIS) of Central government. These incentives are availed in case of export of specified goods and services. During the year, the Company has recognised income of ₹ 178.04 lakhs (previous year ₹ 187.13 lakhs) under the above schemes.

Further, the Holding Company also received ₹ Nil (previous year ₹ 239.30 lakhs) as budgetary support from Government of India under GST regime.

- 43** The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020

**44 Investments accounted using the equity method**

The Holding Company's equity interest in its associate i.e. SL Lumax Limited. SL Lumax Limited is primarily engaged in manufacturing and supply of auto components from its manufacturing plant located at Irungattukottai, Sriperumbudur, Tamil Nadu, India. SL Lumax Limited is an unlisted Company and is accounted in the Consolidated financial statements using equity method.

The following table summarises the financial information of SL Lumax Limited as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in SL Lumax Limited.

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Carrying value of Investment*</b>	<b>8,864.14</b>	<b>7,908.18</b>

\*Carrying value of investment includes ₹ 24.90 lakhs on account of Goodwill generated at the time of acquisition.

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**a) Information relating to Assets and Liabilities**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Percentage ownership interest</b>	<b>21.28%</b>	<b>21.28%</b>
Current assets	41,243.80	33,476.83
Non-current assets	26,391.69	23,251.59
Current liabilities	22,809.11	17,044.77
Non-current liabilities	3,288.65	2,637.46
<b>Net Assets</b>	<b>41,537.73</b>	<b>37,046.19</b>
<b>Holding Company's share of Net Assets (21.28%)</b>	<b>8,839.24</b>	<b>7,883.28</b>

**b) Information relating to Statement of Profit and Loss**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue	1,40,173.44	1,25,474.16
Profit	5,679.35	3,707.47
Other comprehensive income	120.22	608.79
<b>Total comprehensive income</b>	<b>5,799.57</b>	<b>4,316.26</b>
<b>Holding Company's share of profit (21.28%)</b>	<b>1,208.76</b>	<b>789.08</b>
<b>Holding Company's share of OCI (21.28%)</b>	<b>25.6</b>	<b>129.57</b>
<b>Holding Company's share of total comprehensive income (21.28%)</b>	<b>1,234.34</b>	<b>918.65</b>

<b>c) Dividend received from SL Lumax Limited</b>	<b>230.92</b>	<b>1,398.77</b>
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**45 Disclosure required by Ind AS 115**

- The aggregate amount of transaction price allocated to the unsatisfied performance obligations as at 31 March 2020 amounts to ₹ 6.40 lakhs (31 March 2019: ₹ 217.00 lakhs). This will be recognized as revenue when the moulds will be sold to the customer, which is expected to occur post 31 March 2021\*.

\*The above amount does not include the value of performance obligations that have an original expected duration of one year or less, as required by Ind AS 115.

- Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 24 to the consolidated financial statements. Further, the revenue is disclosed in the said note is gross of ₹ 459.38 lakhs (31 March 2019: ₹ 624.32 lakhs) representing cash discount to customers.

- The following table provides further information as required by Ind AS 115:

Particulars	As at / Year ended 31 March 2020	As at / Year ended 31 March 2019
Receivables included in 'Trade receivables'	17,321.45	22,101.18
Revenue recognized in the current year included in the contract liability balance at the beginning of the year.	5,629.91	2,577.46
Unbilled revenue (Contract Assets)	849.48	814.70
Advances from customers (Contract liabilities)	2,595.20	6,695.76

## Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**46** Coronavirus Disease (COVID-19) was declared a pandemic in March 2020 by the World Health Organisation. The Holding Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic which included closing of manufacturing facilities. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down partially, the Holding Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligation and its overall liquidity position based on the internal and external sources of information and application of reasonable estimates and the Holding Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future. Pursuant to the relaxed lockdown guidelines, the Holding Company has now gradually resumed its operations, however, some of the staff continues to operate from home. Since the situation is continuously evolving, the actual impact may be different from the assessment made as at the date of approval of these financial statements. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance on the Company and will take necessary measures to address the situation.

**47** On 1 April 2019, the Holding Company purchased certain assets from Lumax Auto Technologies Limited (refer note 38) at a consideration of ₹ 2,245.41 lakhs, pursuant to which, the Holding Company has setup in-house Electronic facility at Manesar on 11 April 2019 for manufacture of Printed Circuit Boards ('PCB'). The said acquisition was done to optimize cost by indigenization of Printed Circuit Board ('PCB').

The abovementioned purchase of assets has been accounted as Business Combination in accordance with Ind AS 103. The consideration for above transaction was transferred through Bank. Further, the Holding Company incurred acquisition-related costs of ₹ 9.00 lakhs on legal fees and due diligence costs. These costs have been included in legal and professional fees under other expenses.

The fair values of assets (i.e. Property, plant and equipment and other intangible assets) acquired amounts to ₹ 1,267.83 lakhs. Further, Goodwill arising from the acquisition amounts to ₹ 977.58 lakhs which is attributable to synergies expected to be achieved from integrating PCB into the Holding Company's existing business and is expected to be deductible for income tax purposes.

### **48 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act 2013:**

#### **Year ended 31 March 2020**

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in other comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated other comprehensive income	Amount
<b>Holding Company</b>								
Lumax Industries Limited	86.11%	38,444.38	100.57%	7,230.69	137.20%	(94.38)	100.22%	7,136.31
<b>Associate*</b>								
SL Lumax Limited	19.80%	8,839.24	16.81%	1,208.76	-37.19%	25.6	17.33%	1,234.34
Adjustment arising out of consolidation	-5.91%	(2,636.82)	-17.38%	(1,249.77)	-	-	-17.55%	(1,249.76)
<b>Total</b>	<b>100.00%</b>	<b>44,646.80</b>	<b>100.00%</b>	<b>7,189.68</b>	<b>100.00%</b>	<b>(68.79)</b>	<b>100.00%</b>	<b>7,120.89</b>

\*Accounted using Equity method

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020 (Contd.)**

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**Year ended 31 March 2019**

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in other comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated other comprehensive income	Amount
<b>Holding Company</b>								
Lumax Industries Limited	85.59%	37,224.39	103.47%	10,740.00	100.00%	(210.05)	103.55%	10,529.95
<b>Associate*</b>								
SL Lumax Limited	18.13%	7,883.28	8.85%	918.65	-	-	9.03%	918.65
Adjustment arising out of consolidation	-3.72%	(1,617.97)	-12.32%	(1,279.23)	-	-	-12.58%	(1,279.23)
<b>Total</b>	<b>100.00%</b>	<b>43,489.70</b>	<b>100.00%</b>	<b>10,379.42</b>	<b>100.00%</b>	<b>(210.05)</b>	<b>100.00%</b>	<b>10,169.37</b>

\*Accounted using Equity method

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**For and on behalf of the Board of Directors of Lumax Industries Limited**
**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 18 June 2020

ICAI UDIN: 20510688AAAAAL6877

**Deepak Jain**

 Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 18 June 2020

**Vineet Sahni**

 CEO & Senior  
Executive Director  
Din: 03616096

Place: Gurugram

Date: 18 June 2020

**Shruti Kant Rustagi**

 Chief Financial  
Officer

Place: New Delhi

Date: 18 June 2020

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi

Date: 18 June 2020

**Form AOC-1**

[Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company]

**PART “B” Associates**

(Amount ₹ in lakhs)

<b>Name of Associates Company</b>	<b>SL Lumax Limited</b>
1. Latest Audited Balance Sheet Date	31 March 2020
2. Shares of Associate Company held by the Company on the year end	
a. No.	32,98,986
b. Amount of Investment in Associate Company	354.74
c. Extend of Holding in %	21.28%
3. Description of how there is significant influence	Due to percentage of Share Capital
4. Reason why the Associate company is not consolidated	N.A.
5. Net worth attributable to shareholding as per latest audited Balanced Sheet	8,839.24
6. Profit/Loss for the year	
a. Considered in Consolidation	1,234.34
b. Not Considered in Consolidation	

**For and on behalf of the Board of Directors of Lumax Industries Limited**

**Deepak Jain**

Chairman & Managing  
Director  
DIN: 00004972

Place: New Delhi  
Date: 18 June 2020

**Vineet Sahni**

CEO & Senior Executive  
Director  
Din: 03616096

Place: Gurugram  
Date: 18 June 2020

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi  
Date: 18 June 2020

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi  
Date: 18 June 2020



# NOTICE

## LUMAX INDUSTRIES LIMITED

(CIN: L74899DL1981PLC012804)

Registered Office: 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi– 110046

Website: www.lumaxworld.in/lumaxindustries, Tel: 011 49857832, E-mail: lumaxshare@lumaxmail.com

Notice is hereby given that the **Thirty-Ninth (39th)** Annual General Meeting (“AGM”) of the Members of Lumax Industries Limited (“Company”) will be held as per below mentioned schedule:

Day : **Friday**  
Date : **28 August 2020**  
Time : **10:30 A.M.**

via two-way Video Conferencing (“VC”) or Other Audio - Visual Means (“OAVM”) to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31 March 2020, the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March 2020 and the Report of Auditors thereon.
2. To declare final dividend of ₹ 6/- per equity share as recommended by the Board of Directors and to confirm an interim dividend of ₹ 17.50 per equity share, already declared and paid for the financial year ended 31 March 2020.
3. To appoint a Director in place of Mr. Anmol Jain (DIN: 00004993), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. Ratification of Remuneration of Cost Auditor for the Financial Year 2020-2021

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

“Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), or re-enactment thereof, for the time being in force), the consent of members of the Company be and is hereby accorded to the ratification of the remuneration of ₹ 1,75,000/- (Rupees One Lakh Seventy Five Thousand only) excluding taxes and reimbursement of out of pocket expenses at actuals payable to M/s Jitender Navneet &

Co., Cost Accountants (Firm Registration No. 000119), appointed as the Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year 2020-2021. .

**Resolved further that** the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution”.

#### 5. Regularization of Mr. Kenjiro Nakazono (DIN: 08753913) as a Director

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

“RESOLVED THAT Mr. Kenjiro Nakazono (DIN: 08753913), a nominee of Stanley Electric Co. Ltd., Japan, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18 June 2020, in terms of the provisions of Section 161 (1) of the Companies Act, 2013 (“Act”) and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation.

#### 6. Appointment of Mr. Kenjiro Nakazono (DIN: 08753913) as an Executive Director, Whole Time Director (Key Managerial Personnel) of the Company

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

“Resolved that in accordance with the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), Articles of Association of the Company and subject to the approval

## NOTICE (Contd.)

of Central Government and such other approvals as may be required under the Act, and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Kenjiro Nakazono as an Executive Director, Whole Time Director of the Company, for a period of three (3) Years with effect from June 18 2020 on the terms and conditions including remuneration as set out in the Explanatory Statement as annexed to the Notice convening this meeting, with liberty and authority to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions including as to remuneration, subject to the provisions of applicable laws and approvals and/ or as may be directed by the Central Government, and agreed to by the said Executive Director.

**Resolved further that** since the period of office of Mr. Kenjiro Nakazono as Director is liable to determination by retirement of directors by rotation, he shall continue to hold office of Executive Director, Whole Time Director as soon as he is reappointed as a director immediately on retirement by rotation and such reappointment as director shall not be deemed to constitute a break in his appointment as Executive Director.

**Resolved further that** in the event of absence of or inadequacy of net profits in any financial year during the tenure of Mr. Kenjiro Nakazono, the remuneration to the

Executive Director shall be further restricted within the ceiling specified in Section II Part II of Schedule V of the Companies Act, 2013.

**Resolved further that** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised on behalf of the Company, to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with powers on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.”

**By Order of the Board**  
**For Lumax Industries Limited**

**Pankaj Mahendru**  
Company Secretary  
M. No. A 28161

Place: New Delhi  
Date: 18 June 2020

**Registered Office:**

2nd Floor, Harbans Bhawan-II,  
Commercial Complex, Nangal Raya, New Delhi– 110046  
Website: <https://www.lumaxworld.in/lumaxindustries>  
Email id: lumaxshare@lumaxmail.com  
CIN: L74899DL1981PLC012804

## Notes for AGM Notice:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) can be held through video conferencing (VC) or other audio visual means (OAVM). Further, Securities and Exchange Board of India ("SEBI") vide its Circular dated May 12, 2020 ("SEBI Circular") has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Friday, August 28, 2020 at 10.30 a.m. (IST). Hence, the Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars, the Annual General Meeting of the company is being conducted through Video Conferencing/Other Audio Visual Means (VC/OAVM) herein after called as AGM.
3. **AGM:** Company has appointed National Securities Depository Limited (NSDL), to provide Video Conferencing facility/Other Audio Visual Means (VC/OAVM) for conducting the AGM.
4. Pursuant to the provisions of the Circular No. 14/2020 dated 8 April 2020, issued by the Ministry of Corporate Affairs (MCA) on the VC/OAVM (AGM)
  - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.
  - b. Facility for appointment of proxy to attend and cast vote on behalf of the members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
  - c. Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The Members can join the AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.
6. Institutional Investors, who are Members of the Company, are encouraged to attend the AGM through VC/OAVM mode and vote electronically. Corporate Members intending **to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to KFin Technologies Private Limited, Registrar and Share Transfer Agent of the Company, by e-mail at [einward\\_ris@kfintech.com](mailto:einward_ris@kfintech.com) with a copy marked to the Company at [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com).**
7. The attendance of the Members (members logins) attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special business to be transacted at the AGM is furnished hereunder. The relevant details of the Directors seeking appointment/re-appointment at the Annual General Meeting as required by Regulation 36(3) of the Listing Regulations and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed as **Annexure - I**.
9. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations, and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system (prior to AGM) and e-voting (during the AGM) will be provided by NSDL.  
  
Only those Members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are

## Notes for AGM Notice: (Contd.)

otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

10. In line with the MCA Circular No. 17/2020 dated 13 April 2020, MCA Circular dated 05 May 2020 and SEBI Circular dated 12 May 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Further, the Notice of the AGM has been uploaded on the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
11. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name appears in the Register of Members / list of beneficiaries received from the Depositories/RTA as on Friday, 24 July 2020.
12. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 22 August 2020 to Friday, the 28 August 2020 (both days inclusive) for annual closing and determining the entitlement of shareholders to the Final Dividend for the Financial Year 2019-20, as may be approved by the members at the annual general meeting (AGM).
13. **Dividend Entitlement:** Dividend on Equity Shares, as recommended by the Board of Directors, if approved at the AGM will be payable to those Members whose names appear on the Register of Members of the Company, in the case of beneficial owners as at the close of **August 21, 2020 (the Cut-off Date/Record Date)**, as per the beneficial ownership data to be furnished by NSDL/CDSL/RTA for the purpose and in respect of shares held in physical form after giving effect to all valid shares transfers/transmission(s), which are lodged with the Company / RTA before August 21, 2020.

The Board of Directors had recommended a dividend of ₹ 6/- per equity share of the face value of ₹ 10 each (@60%), payable to those Shareholders whose names appear in the Register of Members as on the Cut-off Date/Record Date (subject to the approval of the same by the Shareholders in the ensuing AGM).

Further, the Board of Directors in their meeting held on 16 March 2020 considered, approved and declared an interim dividend of ₹ 17.50 per equity share of the face

value of ₹ 10 each (@ 175 %) for the financial year 2019-2020.

Cumulatively, the Board of Directors has declared / recommended a total Dividend of ₹ 23.50 per equity share of the face value of ₹ 10/- each (@ 235 %) for the Financial year 2019-2020.

Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1 April 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates as per Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents through e-mail by Friday, 14 August 2020.

The note for '**Communication on Tax Deduction on Dividend**' is annexed with this notice.

Dividend amount for Members holding shares in Electronic Form and to those Members holding in Physical Form, who have given their Bank details, will be credited to their respective Bank Account through Electronic Clearing Service (ECS), wherever such facilities are available, soon after the declaration of the Dividend in the AGM, subject to deduction of income-tax at source ('TDS'). For others, Dividend Demand Drafts (DD's) will be posted at the earliest depending upon the resumption of the Postal Services. In order to avoid any fraudulent encashment, such Members are requested to furnish their Bank Account Number and Bank's name so as to incorporate the same in the Dividend DD, immediately, if not submitted earlier. If there is any change in the Bank Account of Demat Members, they are requested to intimate the same to their respective Depository Participants for their further action.

Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending the below mentioned documents to the RTA of the Company viz Kind Attn: Mr. Rajeev Kumar, KFin Technologies Private Limited (formerly Karvy Fintech Private Limited), Unit: Lumax Industries Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032

## Notes for AGM Notice: (Contd.)

- a. a signed request letter mentioning name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
  - i) Name and Branch of Bank and Bank Account type;
  - ii) Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
  - iii) 11 digit IFSC Code;
- b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. self-attested scanned copy of the PAN Card; and
- d. self-attested scanned copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest possible.

14. **Transfer of Unclaimed/Unpaid dividend amounts to the Investor Education and Protection Fund (IEPF):**

Members are requested to note that pursuant to the provisions of Section 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the amount of dividend which remains unclaimed or unpaid for a period of 7 (Seven) years from the date of transfer of the amount to Unpaid dividend account, shall be transferred to the Investor Education & Protection Fund set up by Government of India and no claim shall lie against the Company after the transfer of Unpaid or Unclaimed dividend amount to IEPF.

Accordingly, the amount lying in the Unpaid Dividend Account for the year 2011-12 has been transferred to the IEPF on 5 October 2019. The unpaid dividend amount for the Financial year 2012-13 is due for transfer to the IEPF by September 04, 2020. Members who have not yet encashed their dividend for the year 2012-2013 and onwards are therefore, requested in their own interest

to make their claims to the Company immediately for outstanding dividends.

The Members are also requested to note that all shares on which dividend remains unclaimed for seven consecutive years or more shall be transferred to the IEPF account in compliance with Section 124 of the Companies Act, 2013 and the applicable IEPF Rules. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline as mentioned above. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. Members are requested to contact with the Registrar and Share Transfer Agent of the Company, M/s Kfin Technologies Private Limited (KFintech) for aforesaid purpose.

The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application in Form no. IEPF-5 to the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

15. Members are requested to support our Green Initiative by choosing to receive the Company's communication through e-mail and are requested to update their email addresses with their depository participants / KFintech.
16. **Change of Address:** The Members holding shares in physical mode are requested to intimate to the Registrar and Share Transfer Agent i.e. M/s Kfin Technologies Private Limited (KFintech) immediately, if there is any change in their registered address. Members holding shares in Demat Mode should inform the change of address to their respective Depository Participants.
17. Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 08, 2018, which provides that with effect from **December 05, 2018**, no request for transfer of securities shall be processed by the Company or RTA, as the case may be, until and unless the securities are held in the dematerialized form with a depository.
 

In view of above, the Members holding shares in physical form are requested to consider the same and convert their holding into dematerialized form to eliminate all risk associated with the physical shares. Members can contact the Company or RTA for any further assistance in this regard.
18. As per the provision of Section 89 read with Section 90 of the Companies Act, 2013, the combined effect of both the sections is that every person who is holding a beneficial

## Notes for AGM Notice: (Contd.)

interest in the shares of the Company shall submit his/her declaration to the Company in the prescribed form and thereafter the Company shall intimate to the Registrar in the prescribed form along with such declaration.

Every member(s) of the Company is requested to provide the declaration(s) regarding their beneficial interest, if any in the shares of the Company under the aforesaid provisions of the Act. The shareholders are further advised to refer Companies (Significant Beneficial Owners) Amendment Rules, 2019 before making declaration in respect of Beneficial Owner and Significant Beneficial Owner.

19. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company//Depository/KFintech. Members are requested to refer to the important instructions given in **Annexure – II** of this Notice.

Electronic copy of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

21. Members, who would like to ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com) at least 7 days in advance before the start of the AGM i.e. by August 21, 2020 by 05:00 P.M. IST. Those Members who have registered themselves

as a speaker shall be allowed to ask questions during the AGM, depending upon the availability of time. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

22. **Voting through electronic means:** In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and Regulation 44 of the Listing Regulations, the Company is providing remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to Members holding shares as on August 21, 2020, being the Cut-off date for the purpose of Rule 20(4)(vii) of the Rules fixed for determining voting rights of Members, entitled to participate in the remote e-voting process, through the e-voting platform provided by National Securities Depository Limited (NSDL) i.e. <https://www.evoting.nsdl.com/> or to vote at the Annual General Meeting.
23. The e-voting period shall commence on Tuesday, the August 25, 2020 (9:00 a.m. IST) and ends on Thursday, the August 27, 2020 (5:00 p.m. IST). During this period Members holding shares either in physical or dematerialized form, as on cut-off date i.e. August 21, 2020 may cast votes electronically. A person, whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, shall be entitled to avail the facility of remote e-voting.  
  
The remote e-voting module will be disabled by NSDL for voting thereafter. A shareholder shall not be allowed to vote again on any resolution on which vote has already been cast.
24. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote(s) through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, who have cast their votes, the e-Voting will be closed with the formal announcement of closure of the AGM.
25. The recorded transcript of the forthcoming AGM on August 28, 2020, shall also be made available on the website of

## Notes for AGM Notice: (Contd.)

the Company [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries) in the Investor Section, as soon as possible after the Meeting is over.

26. The Board of Directors has appointed Mr. Maneesh Gupta, Practicing Company Secretary, New Delhi as the scrutinizer to the e-voting during the AGM and remote e-voting process in a fair and transparent manner.
27. The Scrutiniser shall, after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unlock the votes cast through remote e-voting, and shall submit a consolidated Scrutiniser's report, of the total votes cast in favour or against, invalid votes, if any, to the Chairman of the Company or any authorised person who shall countersign the same, within 48 hours of the conclusion of the meeting.  
  
The Scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the Scrutiniser's report shall be placed on the Company's website [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries) and National Securities Depository Limited (NSDL) i.e. <https://www.evoting.nsdl.com/> and shall also be communicated to the Stock Exchanges.
28. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the meeting i.e. 28 August 2020.
29. Notice of this AGM, Audited Financial Statements for Financial Year 2019-20 together with Directors' Report and Auditors' Report are also available on the website of the Company [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries). Person who is not a member as on the cut-off date should treat this Notice for information purposes only.
30. Instructions for attending the AGM through VC/OAVM and remote e-voting are given below:

### A. Instructions for Members for attending the AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at

<https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

### B. The instructions for remote e-voting are as under:

The remote e-voting period shall begin on Tuesday, the 25 August 2020 at 09:00 a.m. and ends on Thursday, the 27 August 2020 at 5.00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter.

### How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

## Notes for AGM Notice: (Contd.)

**Details on Step 1 is mentioned below:**

### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Digit DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if EVEN is 101456 and your folio number is 001*** then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.



## Notes for AGM Notice: (Contd.)

**Details on Step 2 is given below:**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company i.e. Lumax Industries Limited, to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [guptamaneeshcs@gmail.com](mailto:guptamaneeshcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories, for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self -attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) by sending a request to KFin Technologies Private Limited (formerly Karvy Fintech Private Limited), Registrar and Share Transfer Agent at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) and also to [lumax-share@lumaxmail.com](mailto:lumax-share@lumaxmail.com).

In case shares are held in demat mode, Please contact your DP and register your e-mail address in your demat account, as per the process advised by your DP.

### **C. The instructions for members for e-voting on the day of the AGM are as under:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:
  - Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or at telephone number :+91-22-24994360.
  - Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone number +91 22 2499 4545.

**By Order of the Board  
For Lumax Industries Limited**

**Pankaj Mahendru**  
Company Secretary  
M. No. A 28161

Place: New Delhi  
Date: 18 June 2020

### **Registered Office:**

2nd Floor, Harbans Bhawan-II,  
Commercial Complex, Nangal Raya, New Delhi– 110046  
Website: <https://www.lumaxworld.in/lumaxindustries>  
Email id: [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com)  
CIN: L74899DL1981PLC012804

## EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013)

### Item No. 4

The Board on the recommendation of the Audit Committee, in its Meeting held on 18 June, 2020 have approved the appointment of M/s Jitender Navneet & Co., Cost Accountants (Firm Regn. No. 000119) as the Cost Auditor of the Company for audit of cost accounting records of the Company for the Financial Year 2020-2021 and fixed their fee at ₹ 1.75 Lakhs (Rupees One Lakh Seventy-Five Thousand) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

M/s. Jitender Navneet & Co., Cost Accountants (Firm Regn. No.000119) have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

Accordingly, ratification by the Members is sought to the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31 March 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested,

financial or otherwise, in the agenda as set out at Item No.4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for approval of the Members as an Ordinary Resolution.

### Item No. 5 & 6

The Board of Directors have at their Meeting held on 18 June 2020 approved the appointment of Mr. Kenjiro Nakazono, Nominee of Stanley Electric Co., Ltd., Japan, the Financial and Technical Collaborator, as Additional Director, on the Board of the Company w.e.f. June 18, 2020. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Nakazono, in his capacity as Additional Director shall hold office upto the date of this Annual General Meeting.

Further on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on June 18, 2020, have appointed Mr. Kenjiro Nakazono as Executive Director, Whole Time Director of the Company for a period of 3 (three) years with effect from June 18, 2020, on the remuneration and terms as set out herein, subject to the approval of the members in the Annual General meeting and such other approvals as may be required under the Companies Act, 2013.

### Particulars of Remuneration and perquisites:

S. NO.	PARTICULARS	AMOUNT
1.	Basic Salary	₹ 24,000 per month
2.	House Rent Allowance	₹ 12,000 per month
3.	Special/Other Allowance	₹ 1,25,000 per month
4.	Perquisites & Allowances for Mr. Kenjiro Nakazono	
a.	Proceeding/Outfitting allowance to self and his family.	Mr. Kenjiro Nakazono shall be eligible for proceeding/ Outfit allowance at the rate of maximum of two month's basic salary. Further he will be paid all travelling expenses and incidentals incurred in India. His spouse and each of his children of above 12 years age are eligible for proceeding/Outfit allowance subject to maximum at the rate of 50% of 2 months basic salary and at the rate of 25% in case of children below 12 years.
b.	Medical Aid	Expenses in connection with the medical checkup twice a year, Air fare from India to Japan and return and other medical expenses etc.
c.	Other Benefits	<ol style="list-style-type: none"> <li>The Company will provide a Chauffeur driven Car to him. The Company shall bear all the expenses in respect of car such as garaging charges, servicing, repairs, fuel, taxes, comprehensive insurance premium etc. including the salary for the Chauffeur.</li> <li>The Company will also provide the facilities of Telephone and Gas etc.</li> <li>The Company to pay to and fro traveling expenses of Mr. Kenjiro Nakazono and his family when he goes on special leave/holiday passage granted to him.</li> </ol>

All the perquisites and benefits shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules perquisites shall be evaluated at actual cost. Provided further that the use of Company maintained cars, telephones, mobile phone, travelling and hotel expenses incurred for business purposes shall not be included in the computation of perquisites and allowances for the purpose of calculating ceiling of remuneration.

The aforesaid proposal including remuneration has been approved and recommended by Nomination and Remuneration Committee considering financial position of the Company, trend in the Industry, appointee qualification and experience among others and also by the Board of Directors at their meeting, subject to the approval of members in the Annual General Meeting.

Notice under Section 160 of the Companies Act, 2013, proposing his candidature as Director has been received from a member of the Company. The Board considers that the appointment of Mr. Kenjiro Nakazono as Director as well as Executive Director will be beneficial for the Company considering his educational background, experience in the Auto lighting Industry and also he will extend required technical know how support to the Company as Nominee of Stanley, which will be in the overall interest and growth of the Company. Therefore, the Board recommends his appointment.

This explanatory statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. Kenjiro Nakazono as Executive Director of the Company.

Except Mr. Kenjiro Nakazono, Mr. Tadayoshi Aoki and Mr. Toru Tanabe, all being Nominee Directors of Stanley Electric Co., Ltd., none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at Item No. 5 & 6 of the Notice.

Mr. Kenjiro Nakazono does not hold Directorship or Membership of the Committee of the Board in any other Public Limited Companies.

Your Directors recommend the resolutions set forth in Item No. 5 & 6 for approval of the members as Ordinary Resolutions.

**By Order of the Board**  
**For Lumax Industries Limited**

**Pankaj Mahendru**  
Company Secretary  
M. No. A 28161

Place: New Delhi  
Date: 18 June 2020

**Registered Office:**

2nd Floor, Harbans Bhawan-II,  
Commercial Complex, Nangal Raya, New Delhi- 110046  
Website: <https://www.lumaxworld.in/lumaxindustries>  
Email id: lumaxshare@lumaxmail.com  
CIN: L74899DL1981PLC012804

## ANNEXURE I

**PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AND FIXATION OF REMUNERATION IS FURNISHED BELOW:**

<b>Names of Directors/DIN</b>	<b>Date of Birth/ Details of Shareholding</b>	<b>Qualifications/Nature of Expertise</b>	<b>Relationship with Directors Inter-se</b>	<b>Name of Listed Companies in which Directorship held other than Lumax Industries Limited</b>	<b>Chairmanship/ Membership in Committees of Other Public Companies</b>
Mr. Anmol Jain DIN: 00004993	04 April 1979 Shares held in the Company: 11,72,031	Bachelors in Business Administration in Finance & Supply Chain Management (Double major) from Michigan State University, U.S.A  He worked as a Management Trainee with GHSP, U.S.A. & subsequently, joined Lumax Group, & has over 20 years of experience.  He has held various positions in Industry associations like: <ul style="list-style-type: none"> <li>• The National Coordinator of ACMA-YBLF from 2014-16.</li> <li>• The Chairman CII Haryana State Council in 2012-13.</li> </ul> He is currently: <ul style="list-style-type: none"> <li>• President of Honda Cars India Supplier's Club</li> <li>• MC Member of Bajaj Auto Vendor Association</li> </ul>	Related as Brother of Mr. Deepak Jain, Chairman & Managing Director of the Company.	Lumax Auto Technologies Limited	Member of Audit Committee of Lumax Auto Technologies Limited.
Mr. Kenjiro Nakazono DIN: 08753913	29 April 1970 Shares held in the Company: Nil	Graduate from Hamamatsu Commercial High School. Having over 30 years of rich experience in Procurement, Planning, Audit and NPD.	Related to Mr. Tadayoshi Aoki and Mr. Toru Tanabe as Nominee Directors of Stanley Electric Co., Ltd.	Not Applicable	Not Applicable

**Notes:**

- The Directorships and Chairmanships/Memberships of Section 8 Companies is not included in above table
- For other details such as the number of meetings of the Board attended during the year, remuneration drawn in respect of above Directors, please refer to the Corporate Governance Report which is a part of this Annual Report.

## **IMPORTANT AND URGENT INFORMATION FOR THE SHAREHOLDERS**

## **ANNEXURE II**

### **Mandatory Updation of PAN and Bank Account details (Only for Physical Shareholding)**

Securities and Exchange Board of India (“SEBI”) vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018, has mandated Listed Entities to seek the subject details from the Shareholders holding shares in physical form with an objective to streamline the processes relating to maintenance of records, transfer of securities and seamless payment of dividend/interest/redemption amounts to the Shareholders.

Therefore, we request your good self to provide the following details for our records, which shall be linked to your respective folios:

1. Enclosed Format dully filled and signed by all the Shareholders.
2. Self-attested copy of PAN Card of all the Shareholders.
3. Original Cancelled Cheque leaf with Name (if the name is not printed, self-attested copy of Passbook duly attested by the Bank first page).
4. Self-attested copy of Address Proof of the Shareholder.

If the Shareholder is a resident of Sikkim, the Shareholder is required to submit a valid Identity proof issued by Government.

### **Mandatory Dematerialization of Shares**

Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8 June 2018 read with BSE Circular No. LIST/COMP/15/2018-19 dated 5 July 2018 issued to all Listed Companies has directed for Dematerialization of Shares held in physical form. In order to Dematerialize your share, please open a Demat Account with any of Depository Participants (DP) and submit your physical share certificate to DP along with necessary documents in this regard.

### **Updation of Email ID**

To support “Green Initiative” and to further strengthen the communication and for providing the documents through electronic mode, the Shareholders are requested to get their Email Id’s registered with the Company.

### **Registration of Mobile No. and Merging of Multiple Folios**

Shareholders are requested to register their Mobile No. for direct and speedy communication and those Shareholders who are having Multiple Folios are requested to get the same merged in One Folio which will help in ease of communication.

## FORMAT FOR FURNISHING PAN AND BANK DETAILS

To

Kfin Technologies Private Limited  
 Karvy Selenium Tower B, Plot 31-32,  
 Gachibowli, Financial District, Nanakramguda,  
 Hyderabad - 500 032

Dear Sir/Ma'am,

**Unit: LUMAX INDUSTRIES LIMITED**

I/ We furnish below our folio details along with PAN and Bank mandate details for updation and confirmation of doing the needful. I/we are enclosing the self-attested copies of PAN cards of all the holders, original Cancelled Cheque leaf, Bank Passbook and Address Proof viz., Aadhaar Card as required for updation of the details:

Folio No.	
Address of the 1st named Shareholder as per the share certificate	
Mobile No.	
Email ID	

**Bank Account Details (for electronic credit of unpaid dividends and all future dividends):**

Name of the Bank									
Name of the Branch									
Account Number (as appearing in your cheque book)									
Account Type (Saving/ Current/ Cash Credit)	Saving			Current			Cash Credit		
9 Digit MICR Number (as appearing on the cheque issued by the bank)									
11 Digit IFSC Code									

	PAN No.	Name	Signature
First Holder :			
Joint Holder 1 :			
Joint Holder 2 :			

Place:

Date:

Note: The above details will not be updated if the supporting documents are not attached and not duly signed by all the Shareholders.

## COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

As per Finance Act, 2020, the Company would be under an obligation to deduct TDS in accordance with the provisions of the IT Act, from dividend distributed on or after 1 April 2020.

All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective Demat account/s maintained with the Depository Participant/s; or with the Company in case of shares held in physical form latest by August 14, 2020.

- A. Valid Permanent Account Number (PAN).
- B. Residential status as per the Income Tax Act i.e. Resident or Non-Resident for FY 2020-21.
- C. Category of the Member i.e. Individual, HUF, AOP, Firm, Trust, LLP, Domestic Company, Foreign Company, FPI, FII, Mutual Fund, Insurance Company, AIF category I and II, AIF category-III, Central/State Government
- D. Email Address.
- E. Address.

Documents required to be submitted by relevant category of Members to the Company latest by August 14, 2020 as per detail below:

### Section I. For Resident Members:

**NO TDS** if dividend paid to Mutual Funds, Category I and II Alternative Investment Fund, Insurance companies, Recognized Provident funds, Approved Superannuation fund, Approved Gratuity Fund, National Pension Scheme and Government (Central/State) subject to submission of certificate of identity.

For Any other Entity as per detail below:

- a) **TDS is required to be deducted @7.5% u/s 194 of the IT Act, if aggregate dividend distributed or likely to be distributed during the FY 2020-21 to individual shareholder exceed INR 5000 if PAN is available/provided otherwise 20% if no PAN**
- b) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.
- c) No TDS is required to be deducted on furnishing of valid Form 15G or Form 15H

### Section II. For Non-resident Members:

- i. FII: TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act.
- ii. Any entity entitled to exemption from TDS: Valid self-attested documentary evidence in support of the entity being entitled to exemption from TDS needs to be submitted.
- iii. Other non-resident Members:
  - a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 195 of the IT Act.
  - b) Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the Self-attested copy of **1) PAN, 2) TRC, 3) Form 10F and 4) No PE declaration**

Details and / or documents as mentioned above in Section I and Section II, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com) by August 14, 2020. Please note that no communication in this regard, shall be accepted after August 14, 2020.

**Note:** Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.







Lumax Industries Limited  
[www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries)