Date: 25.06.2018

To,

BSE Limited
Ist Floor, Rotunda Building
P.J Towers, Dalal Street, Fort
Mumbai - 400 001

The National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai-400051

Company Code: 517206

Company Code: LUMAXIND

Sub.: **Notice of 37th Annual General Meeting (AGM) and Annual Report**

Sir,

Please find enclosed herewith Annual Report of Lumax Industries Limited for the Financial Year ended 31st March 2018 alongwith the Notice of AGM scheduled to be held on 18th July, 2018.

The above is for your information and records.

Thanking You,

Yours faithfully,

For **LUMAX INDUSTRIES LIMITED**
ANKITA GUPTA Digitally signed by ANKITA GUPTA Date: 2018.06.25 17:36:17 +05'30'
ANKITA GUPTA
COMPANY SECRETARY
M. NO.: A50166

Encl.: as above

CIN: L74899DL1981PLC012804

Lumax Industries Limited
Plot No. 16, Sector-18,
Maruti Complex,
Gurugram - 122015
Haryana, India

T +91 124 2341090, 2341324, 2397298, 2341328
E lil.ho@lumaxmail.com

www.lumaxworld.in

Lumax Industries Limited - REGD. OFFICE : 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi - 110046
T - +91 11 4985 7832, E - cao@lumaxmail.com

DK JAIN GROUP

LUMAX

THINKING FUTURE.
ACTING TODAY.

LUMAX INDUSTRIES LIMITED

ANNUAL REPORT 2017-18

DK JAIN
GROUP

CONTENTS

To view our online reports please log on to www.lumaxindustries.com

In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make forward looking statements that set out anticipated performance/results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and realization of assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

CHAIRMAN EMERITUS & CHIEF MENTOR

Mr. D. K. Jain was appointed as the Chairman Emeritus and Chief Mentor to the Board of Lumax Industries Limited with effect from 1st April 2018.

Previously serving as the Chairman of the Company, Mr. D. K. Jain is an Industry veteran with over 50 years of experience in auto components sector. He has been instrumental in making Lumax Industries, a leader in the Indian Automotive Lighting industry. The Company's business model and culture of innovation are due to his vision and leadership. In his new profile, he will continue to inspire, guide and support the Company with his vast knowledge to ensure future growth and expansion and alongside pursue his philanthropic interests.

Mr. D. K. Jain is an MBA from Delhi University and a Harvard Business School alumnus. A stalwart in the Indian Automotive industry, he has held various industry positions like the President of ACMA, President of Suppliers Association- Toyota Kirloskar Motors, Chairman of Trade Affairs Committee ACMA, co-Chairman of Regional Committee on Membership of Northern Region-CII and Chairman, Regional Committee-CSR, Northern Region-CII

On behalf of all the people associated with Lumax Industries, the Company extends heartfelt gratitude to Mr. D. K. Jain for his leadership, passion and integrity and his continuous guidance.

THINKING FUTURE. ACTING TODAY.

The ability to envisage the future and act on it today makes tomorrow a reality.

The Indian automotive industry is at the cusp of a major change with vehicle manufacturers and customers increasingly seeking energy-efficient and stylish auto components. Vehicle lighting is an integral part of this change with the demand for aesthetically pleasing, technologically advanced and greener lighting solutions rising across all categories of vehicles.

With the BS-VI rollout in 2020, the mandate for cleaner, safer, and sustainable vehicles is only going to increase further.

Propelled by these developments, automotive lighting is aggressively moving from conventional lighting to LED Lighting.

To put it in perspective, the Indian automotive market for LED lights is currently less than 5 per cent; however, by 2020 the market is expected to see a paradigm shift.

At Lumax Industries, we clearly see where the industry is headed and keeping pace with the velocity of change, we are acting today for reaping tomorrow's gains.

Growing our capabilities and capacities, we are ready to meet emerging needs. Our investments in R&D, infrastructure, relationships and technologies will enable us to reinforce our position as a superior supplier in the automotive lighting industry.

Our Group Purpose

We deliver **pride** and **progress** with **positivity**

Our Vision

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

Our Values

Respect
Integrity
Passion
Excellence

ABOUT
DK JAIN GROUP

The DK Jain Group is a leading manufacturer of automotive components in India. With over seven decades of industrial experience and strong support of technology and innovation, the Group has always stayed in the forefront. Through it's 14 entities, the DK Jain Group caters to diverse and reputed OEM customers across the world.

Perfectly placed to achieve our future potential

70+
Years of industry experience and expertise

9
Partnerships

27
World-class manufacturing facilities

3
R&D Centres

1
Design Centre in Taiwan

BACKWARD INTEGRATION
PCBs, a main element of LED lights, are manufactured in-house within the Group

READY FOR BSVI
Even before the roll out of the regulation in 2020

CORPORATE SNAPSHOT

Lumax Industries Limited ('the Company') is engaged in the production of stylish, high-class end-to-end automotive lighting solutions. Started business as Globe Auto Industries in 1945, the Company has traversed an eventful journey to evolve from very humble beginnings into a pioneering and leading automotive lighting solutions manufacturer. The Company's operations span from two-wheelers to four-wheelers and farm equipment segments for leading OEMs (Original Equipment Manufacturers). With strong collaborations, innovation and excellence, the Company is a trusted supplier for OEMs in India, accounting for a significant market share in the automobile lighting segment.

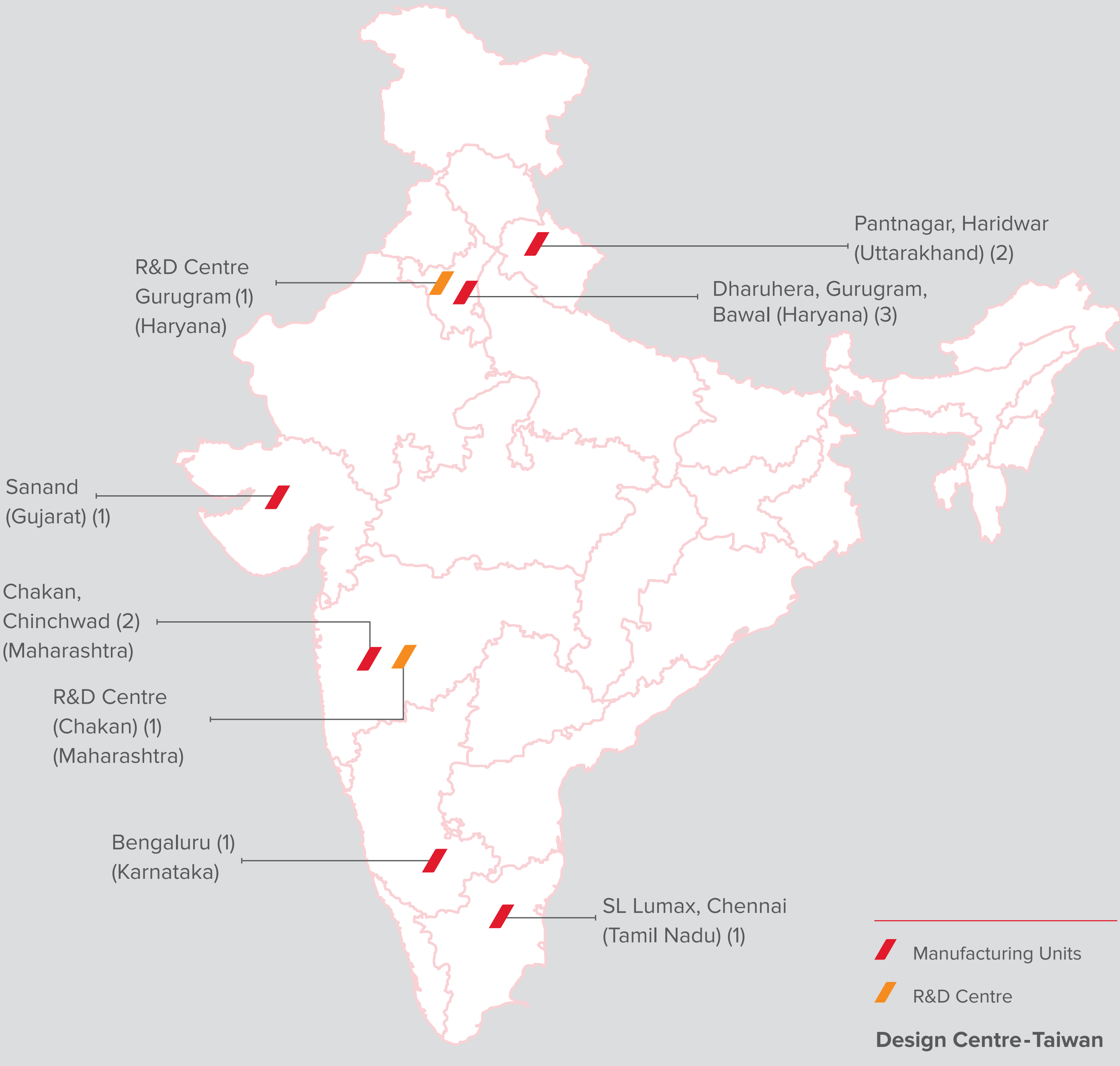
Product Portfolio

Incorporating the attribute of 'Luminosity Maxima', the Company's products have taken automotive lighting solutions to an entirely new level. This is completely in sync with the current customer demands in the present highly competitive market. The product portfolio includes a wide array of high-level, stylish lighting systems like premier quality Headlamps, Rear lamps, Sundry and Auxiliary lamps for four-wheelers, two wheelers, trucks, buses, farm equipment, earthmovers and other segments.

Collaborations

The passion to think beyond what is possible today and pursue the technology breakthroughs of tomorrow is the key motivator behind the Company's collaboration with the best in the industry. Lumax Industries has a strong partnership with Stanley Electric Co. Ltd., Japan-a world leader in comprehensive vehicle lighting and illumination products, spanned over three decades. The associate company, SL Lumax, has a two-decade long collaboration with SL Corporation, Korea-a global leader in automotive parts. With the advantage of their technical expertise and financial strength, the Company has successfully delivered superior products to OEMs.

Regional Presence



Note: Map not to scale

Customer Portfolio

...Servicing almost 90% of OE customers in India

Four-Wheeler

MARUTI SUZUKI Way of Life!
Mahindra Rise.
HONDA
TOYOTA
TATA
HYUNDAI
NISSAN
RENAULT Passion for life
FIAT
MG
GM

Two-Wheeler

Hero
HONDA
Mahindra Rise.
SUZUKI
TVS
YAMAHA
PIAGGIO

Commercial Vehicle

Mahindra Rise.
ASHOK LEYLAND
TATA
VOLVO
FORCE MOTORS
DAIMLER
SML ISUZU
PIAGGIO

Exports

Audi
CNH Case New Holland
NISSAN
John Deere
Truck-lite

Tractor/FES

Mahindra Rise.
John Deere
TAFE

BUSINESS MODEL

High focus on product development

Keeping the future in sight is amply reflected in our actions in the domain of product development. We are passionately focussed towards developing new products as well as better versions of existing products to meet the ever-changing needs of the automobile industry. The strength in product development finds its roots in two in-house R&D centres in India and one overseas design centre in Taiwan.

Material Procurement

Reliable supply chain is critical for providing the quality and service expected by our customers. Keeping this in mind, we have laid strong emphasis in selecting the right suppliers for raw material procurement. While ensuring uninterrupted supply of quality inputs, our robust supply chain ensures a smoother ride through lower operational costs and risks. Our stable and strong supply chain also speeds up product flow to customers.

Leverage technology

Embracing technological upgradation is essential to any organisation in order to stay updated and exhibit efficiency in business operations. Our commitment to adoption of industry leading technology is reflected in our almost three decade long partnership with Stanley Electric Co Ltd., Japan. Today, through this collaboration and by implanting cutting edge technologies in our own facilities, we are pioneers in bringing advanced automotive lighting solutions to the market as also setting up a disign center in Taiwan.

State-of-the-art plants

We have nine world-class manufacturing facilities replete with modern facilities. These facilities are located across five states in India and comply with internationally recognised benchmarks. The facility in Sanand, Gujarat is one such state of art facility equipped with latest international machinery and testing equipment and embedded with updated engineering software and simulation facilities. The plant is equipped to produce 300,000 car sets annually and enables us to deliver our promise of quality products. The Company's Bawal plant won the JIPM Award for TPM excellence, becoming the second plant after Pantnagar to have received this prestigious award. We are continually investing in our capabilities and capacities to ensure that we stay a step ahead in manufacturing.

Strong relations with customers

It is imperative to keep abreast with customer feedback, new technology and trends. At Lumax, we are an agile, responsive team that is moving faster than the pace of change to exceed customer expectations. This high degree of customer understanding, process efficiency and speed to market enables us to foster long standing relations with our customers as well as open opportunities to build new relationships.

MANAGEMENT MESSAGE

Dear Shareholders,

It gives us immense pleasure and satisfaction to present the Annual Report of your Company for the financial year (FY) 2017-18. All over the world, there is a pressing need to conserve energy. At the core of this need is innovation and readiness to ensure a sustainable future. Our theme for this year's Annual Report, "Thinking Future, Acting Today", mirrors our passion towards innovation and our commitment to be fully prepared to meet the demands of tomorrow.

Our theme is also in sync with the belief of our Chairman Emeritus Mr D. K. Jain to think beyond today for a better tomorrow. Instrumental in setting up the DK Jain Group and leading the Company from the front, his vision will continue to inspire our growth and success. We thank him for his outstanding stewardship and are delighted as we continue to leverage his industry knowledge in his new capacity.

Post the appointment of Mr D. K. Jain as Chairman Emeritus and Chief Mentor of Lumax Industries, Mr Deepak Jain has been elevated from the position of Managing Director to Chairman & MD. Additionally, Mr. Vineet Sahni has been appointed as the CEO & Senior Executive Director of the Company, Mr. Vineet Sahni is an industry veteran and we are confident his experience and leadership will steer the Company to greater heights.

Favourable Environment

Just recovering from the slowdown due to demonetisation, coupled with temporary disruptive nature of the Goods and Services Tax (GST), the Indian economy recorded GDP growth of 6.6 per cent for FY2017-18 as compared to 7.1 per cent in the previous financial year. Notwithstanding a past year of subdued growth, the mood remains upbeat about the current fiscal. Supportive global growth and the government's intense focus on stabilising reforms and infrastructure creation are expected to spur growth in FY2018-19.

The automotive industry growth has a direct correlation with the economic growth outlook. While in FY2017-18, sector revival was led by urban growth, strong rural demand is likely to spur the industry performance in the current year. Two normal monsoons and higher government spending for rural sector augurs well for the demand for Automobiles. Vehicle uptick is also expected to continue in the urban areas with improved disposable income and lower financing rates. On the whole, the industry is presently in good shape as macroeconomic factors and consumer sentiment continue to be favourable.

Highlights

We are pleased to share that your Company successfully navigated the challenges of GST implementation and raw material price increase in the year under review. Revenue grew by 30 per cent on year-on-year basis. Volume increase, new product lines and value addition of modern technology lighting components contributed to our stellar performance. PBT grew by 61 per cent led by our continued focus on cost control and supplier rationalisation.

Through seven decades, Lumax Industries has achieved phenomenal success for its lighting products. A significant amount of investments were made in the area of infrastructure and R&D to ensure that the Company continues to lead. In FY 2017-18 we inaugurated a new plant in Sanand, Gujarat with an initial capacity of 300,000 car sets per year. With a buoyant outlook for LED automotive lighting, our actions today position us well to seize future opportunities. The Bawal plant also features among the highlights of the year. It received the prestigious JIPM Award for TPM excellence, becoming the second plant after Pantnagar to receive this award.

The Road Ahead

The future of automotive lighting belongs to LED. Energy-efficient, durable and stylish, LEDs are also favoured for their design versatility giving OEMs the advantage of differentiating their vehicle from competition. Further, the rollout of BS VI in 2020 and advent of Electric Vehicles are expected to lead to a paradigm shift for LED lights. At Lumax, we are ready for the road ahead. Our facilities boast of cutting-edge technology and industry leading processes to serve OEMs with the latest automotive lighting solutions.

Enhancing efficiencies across our operations through a leaner operating model and deployment of advanced technology remains a key focus. We will continue to keep a laser-sharp focus on quality through proactive control systems at all our manufacturing facilities. For harnessing new opportunities, we will continue to expand our product lines as well as reach out to new customers.

Outlook

The Company has a robust order size from existing customers, achieved through years of relentless cooperation resulting in strong customer relations. We remain upbeat about new business developments as we are in advanced stages of talks with several new customers as well as existing customers for new product lines. With the demand transition to LED lights, we expect the proportion of revenue from LED lights to conventional lights increase from 25:75 to 50:50.

Finally, we would like to thank all our employees, partners, vendors and shareholders for their continued support and our customers for their confidence in our products. We are ready for the future and will continue to create value for all our stakeholders.

Thank You

DK Jain
Chairman Emeritus

Deepak Jain
Chairman & MD

Anmol Jain
Joint MD

NEW BRAND
NEW ENERGY

Starting as a trading company in 1945, Lumax today has evolved into a diverse, multi-location, multi-product, multi-partner organisation with a global footprint. With our impressive business evolution, built on our founder's firm belief in the values of humility, hard work, a long-term association with our partners and customer first, we felt that we needed a stronger identifiable image.

After careful consideration, we chose a new logo that reflects a contemporary yet mature look and captures our vision - "Building an admired high performance global organisation in whom all stakeholders have absolute trust." The logo, christened with the 'WinteGreat wheel' is the guiding star and stands for Winning, Integrity, Integration and Greatness. The blades of the 'WinteGreat wheel' symbolise confidence, dynamism, passion and commitment for accelerated growth. Respect, Integrity, Passion and Excellence as the core values, form the soul of the organisation, enshrined in the very heart of the 'Wintegreat wheel' in the form of a prism.

PYRAMID ANGLED FOR PROGRESS

PROPELLER

PROPELLING TOWARDS PROGRESS

Red is the colour of passion and energy. It has always been the flagship brand's colour and takes pride of place in the group brand's new logo. Orange symbolises warmth and positivity, in keeping with the organisation's kind and optimistic ethos. Purple stands for heritage and stability. It lends balance to the power and movement of the more dominant colours.

The brand is our promise, it demonstrates what we believe in and our commitment of business success to us is about the growth of every stakeholder. Further, our products are more than just products; they are a platform for continuing development and achievement for all our stakeholders.

THE FUTURE SHINES ON LED LIGHTS

The future is bright for LED lighting in the automotive sector. Just an option today, but with multiple advantages of energy-efficiency, ample illumination, design flexibility and product durability, LED lighting will soon become the norm.

Bharat Stage - VI Is Almost Here

By April 2020, the Indian Government will introduce BS - VI norms that will regulate emission, energy-efficiency and even safety factors in vehicles. Under the regulation, both two-wheelers and four-wheelers will have to use oxygen sensors to reduce energy consumption. This regulation, in turn, will trigger the shift from conventional incandescent halogen lamps to modern LED lighting solutions. LEDs are energy-efficient, thus reducing the load on engines.

Switch On Safety

The focus on safety norms is increasing with every passing day. A lot of R&D has gone into complying with safety norms which is why all two-wheelers these days are equipped with the AHO (Automatic Headlamp On) feature and all passenger vehicles are equipped with DRL (Daytime Running Light) solutions. Easier to spot vehicles with headlamps on, even in bright sunlight, the AHO and DRL feature is also important during dusk, dawn and inclement weather when visibility falls. As the new vehicles come fitted with these lamps, the demand for LED lighting will increase.

Design Edge

With aesthetics playing an important role in influencing purchase decisions, vehicle lighting is slowly but surely becoming an important factor for every automobile – be it two, three or a four-wheeler. LED lighting is very stylish and is being used for vehicle exteriors as well as interiors, giving the vehicle a premium look. One of the biggest advantages of LED is its design versatility that lets the OEMs customise their components so that they can differentiate their own models from their competitors. In order to drive strong brand connect, OEMS will have to use LEDs to provide unique and appealing designs.

Demand Dynamics

The increase in disposable income has consequently led to rise in demand and sale of passenger and commercial vehicles. As Indian OEMs ramp up their capacities to meet the

rising demand, the auto-ancillary industry will also experience growth, create employment opportunities and contribute significantly to the Indian socio-economic development. The Indian Government's flagship initiative, 'Make in India' to make India the global auto manufacturing hub will have a relay effect in benefiting the auto ancillary industry as well. There are global OEMs who are investing in India, well aware of the country's demographic advantage. The future belongs to Electric vehicles, and LEDs will be significantly efficient on these vehicles.

Aligned to these developments, the automotive industry is expected to witness steady growth, and the automotive lighting industry will be a natural beneficiary.

READY FOR FUTURE, TODAY

With evolving Government and industry demands, Automotive OEMs require innovation quicker than ever alongwith consistent supply of LED lights. Lumax Industries can deliver at a lightning pace-thanks to our forward-thinking technologies, support of our partners, our world-class infrastructure and best processes.

Tomorrow's Technology

Technological advancement and increased integration of lighting products into vehicle styling is providing great opportunity to Indian manufacturers. Lumax Industries is embedding latest technology in automotive lighting, rapidly replacing the traditional incandescent halogen lamps with modern stylish LED lighting solutions. Our enduring partnership with Stanley Electric Co. Ltd., Japan, one of the global auto lighting company that manufacturers LEDs worldwide, has put the Company at a favourable position in bringing LED lights to the market. The Company has made sustained investments in R&D. This has been done to ensure that we stay future-ready and are able to offer OEMs the products they need.

Stronger Capabilities

We commissioned operations at our new facility in Sanand, Gujarat. The state-of-the-art plant has an initial capacity of 300,000 car-sets annually. Situated in close proximity to OEMs in the region, the plant will cater intensively to their LED lighting requirements. The Company's existing set of suppliers are sourcing to the Sanand facility as well, which helps as they are fully conversant with Lumax culture.

In order to maintain leadership position, all our plants are putting in enormous efforts each day to achieve 'zero defect, zero effect', product innovations and filing patents to maintain competitive edge over others.

Indigenous Production

Lumax promises to continue providing highest level of technology, benchmark processes to international standards and undertake designing, prototyping and product development. Plans are on the anvil to localise products, especially for electric cars, based on the Company's marketing strengths and knowledge of the Indian automotive market, once a feasible order level is reached. Hence, with these indigenous operations, we will keep introducing new technology in India and enable OEMs to optimise costs and get faster delivery of products.

Dedicated Supply Chain

The Company is associated with quality and reliable suppliers, which enables us to circumvent volatility in raw material prices and availability. During the year, we tied up with Maruti MACE Centre to upgrade our Tier 2 suppliers. Supplier capabilities have also been strengthened by bringing 17 suppliers under the Maruti Cluster programme. Several supplier conferences were held during the year to enhance engagement. The two-way communication programme enables us to share industry developments, market expectations, best processes and cost optimisation methods, among others.

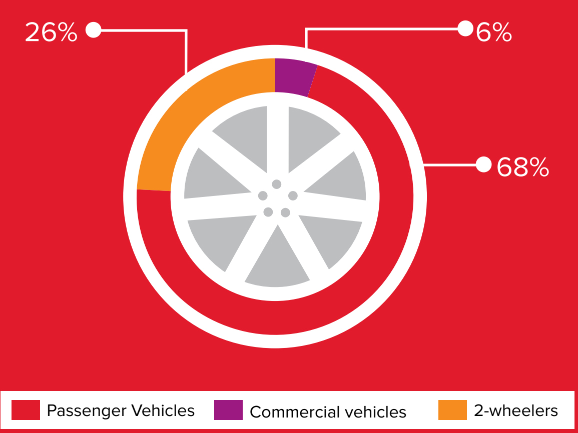
Operationally Efficient

Yesterday's solutions cannot meet tomorrow's expectations. At Lumax, latest technology has been deployed for enhancing operational efficiency.

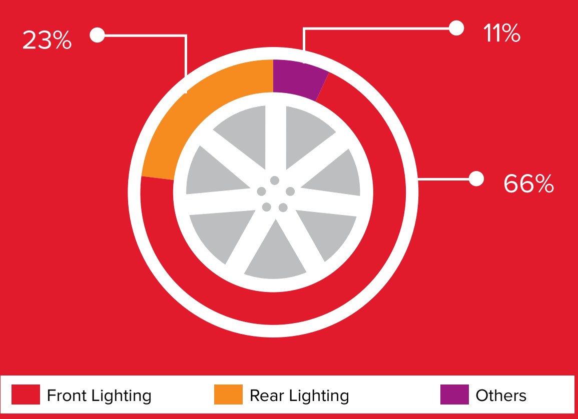
High-level of automation at our facilities ensures that we are able to deliver on the critical parameter of quality at all times. TPM has been adopted to avoid and reduce wastage, which will help control cost and time. Through a structured cost management process, every element of the bill of materials is monitored minutely to meet cost competitiveness. Further, we conduct value-engineering wherever possible to provide high-quality products with better functionality, without an increase in cost. Our Champions of Cost Cutting (CCC) teams have enabled us to reap the benefits of cost efficiencies and optimisations.

We have completed the digital transition for our banking and finance operations. With the digital shift, greater seamlessness has been achieved, thus lending us the agility to adapt and scalability to grow. The use of SAP S/4HANA platform across the business enables real-time data analysis, thereby facilitating better decision-making.

SEGMENT-WISE SALES FY 2017-18 (₹ 1,650 CRORES)



PRODUCT-WISE SALES FY 2017-18 (₹ 1,650 CRORES)



Empowered Team

We firmly believe that people are our biggest assets and sustained progress of the organisation depends largely on employee satisfaction and motivation. Continuous investment in the safety and empowerment of our valuable people resources through strategic development initiatives is done. A detailed HR exercise for designation banding and reducing the hierarchical structure was done during the year.

Further, to ensure skilled and trained manpower on the shop floor, the company ensures a month long training programme at 'Gurukul', the training centre established for the new recruits on the shop floor.

With the intent to involve shop floor workers at every level to be engaged with improvement within the organisation. The QCC involvement helped in building a quality culture in the organisation and focused on bringing continuous improvement in the operations. The awards received by the QCC teams from the Bawal and Haridwar plants at the international QC event held at Philippines are a testimony to this.

NEW PRODUCT LAUNCH

Front Lamp Grazia

The New Product development team at Lumax Industries, designed and developed a full LED Head Lamp I/H for two wheeler with very evolved aesthetics and strong light output, for the first time. The R&D team had a breakthrough as they achieved the light output of low beam, high beam and position from a single reflector and single PCB with just four LEDs used for both low and high beams. The new concept of inner reflector of aiming was implemented by the team using only two stopper plates. These first mover advantage helped Lumax gain an edge above its competitors and win the business opportunity.

The organisation was much appreciated by the customer for exemplary work for the 1st time right project. Encouraged by the success, Lumax is now geared to offer more innovative products to the OEMs.

Front Lamp Activa 5G

Honda Activa is one of the highest selling two wheeler model in India. A full LED Head Lamp I/H for two wheelers with advanced aesthetics and exceptional light output was designed and developed for the first time. The team achieved the light output of Low Beam, High Beam and position, with single reflector and single PCB. Only three LEDs have been used for low and high beam and a single LED for position function with inner lens. The vehicle comes with complete lamp aiming.

The impeccable team effort by the Company facilitated smooth launch of the new product range and the team work was much admired by the customer.

Front & Rear Lamp Swift

The car launched with great fanfare in February 2018 was Swift by Maruti Suzuki India Limited. Lumax worked closely with the core team to design and develop for the first time a Bi-LED Head Lamp I/H for four wheelers. The high aesthetics quotient comes coupled with high efficiency light output, primarily due to the Bi-LED Projector. This is one of India's first in the auto segment. This is a plastic type projector lamp with LED Unit to achieve the Low beam and High beam only with single Bi-LED projector.

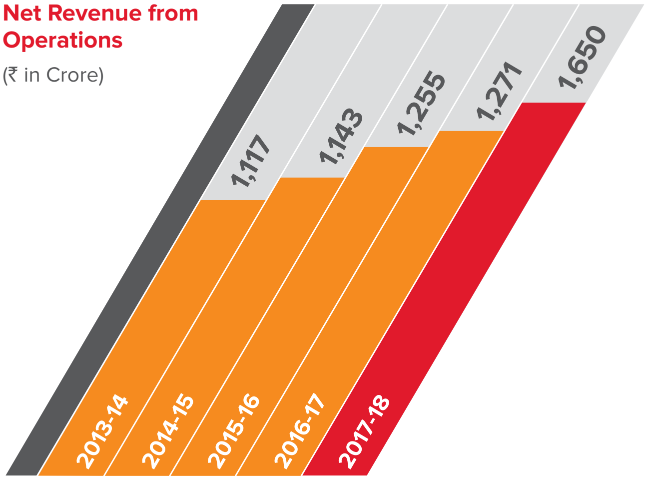
The DRL and Position Lamp have also been designed using LED. The thick lenses have been used to achieve enhanced light output.

Swift also has a new styling with very sleek rear position function that comes with light guide and LED.

FINANCIAL HIGHLIGHTS

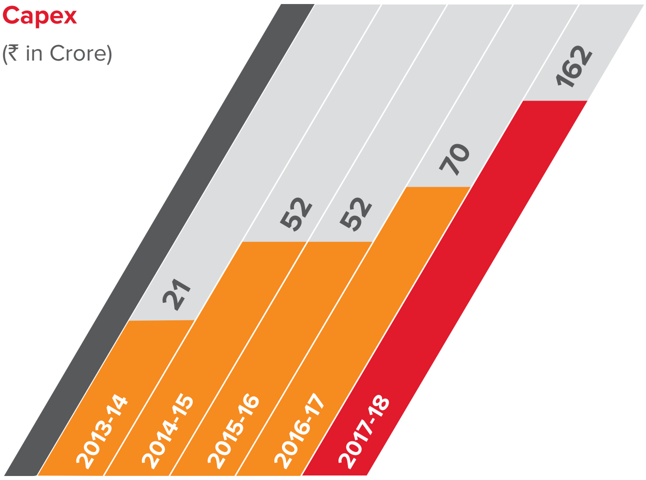
Net Revenue from Operations

(₹ in Crore)



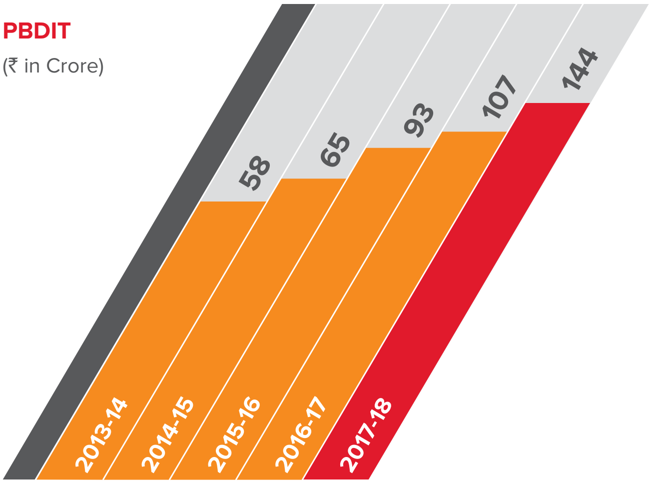
Capex

(₹ in Crore)



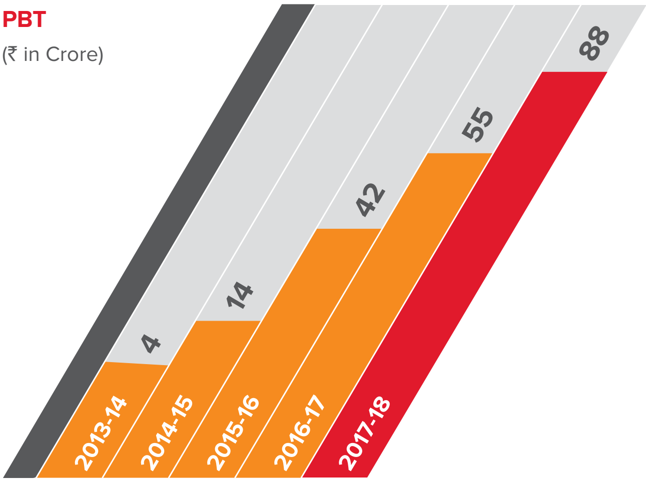
PBDIT

(₹ in Crore)



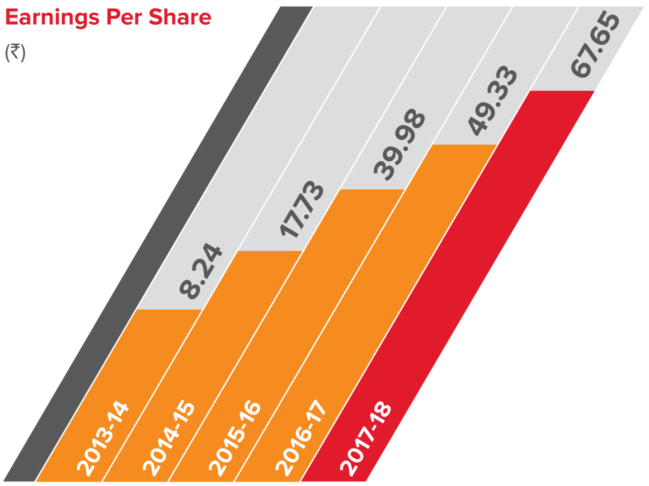
PBT

(₹ in Crore)



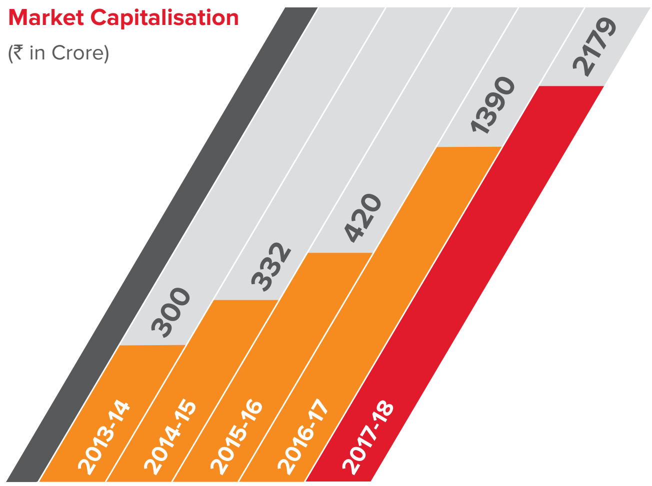
Earnings Per Share

(₹)

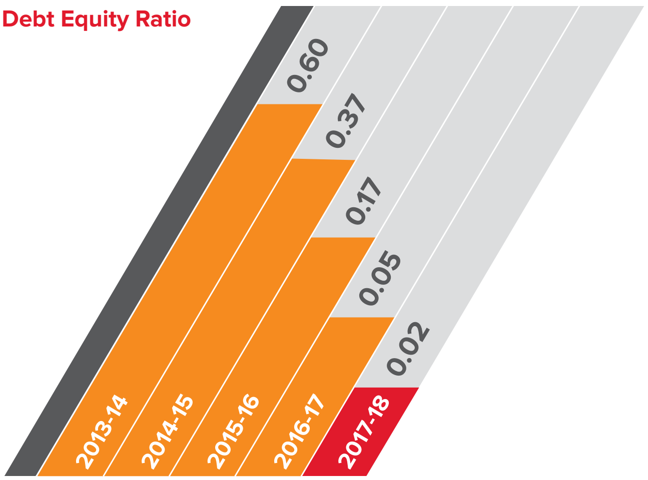


Market Capitalisation

(₹ in Crore)

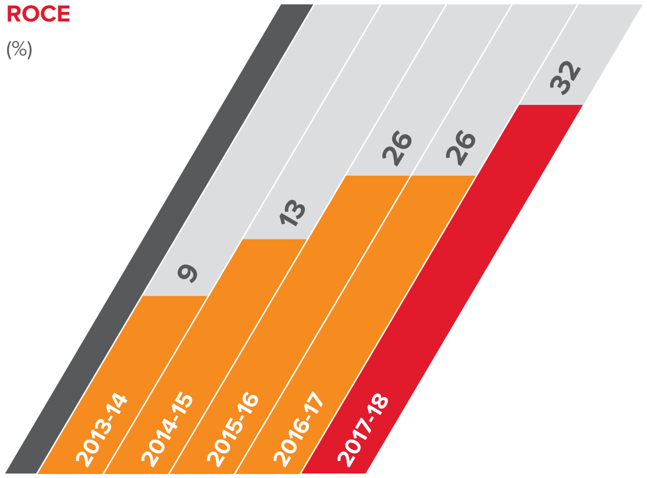


Debt Equity Ratio



ROCE

(%)



ACHIEVEMENTS

JIPM - TPM Excellence award in Category A was conferred to Lumax Industries Limited, Bawal in March, 2018

Maruti Suzuki India awarded Lumax Industries Limited for Overall Performance, Tier 2 Upgradation and Gujarat Localisation

Gujarat Plant Inauguration Ceremony

Award for New Product Development to Lumax Industries Limited by Honda Motorcycle & Scooters India

Teams from Lumax Industries Limited- Haridwar and Bawal won the Gold award at ICQC-2017, Philippines

BOARD OF DIRECTORS

Mr. Rattan Kapur
(Independent Director)

Mr. Koji Sawada
(Executive Director)

Mr. Anmol Jain
(Joint Managing Director)

Mr. Rajeev Kapoor
(Independent Director)

Mr. D.D. Gupta
(Independent Director)

Mr. A.P. Gandhi
(Independent Director)

(Board of Director as on March 31, 2018)

RESPONSIBLE CORPORATE CITIZENSHIP

As a responsible corporate, Lumax believes that the gains of business must percolate to the society at large. In keeping with this belief, the Company has, over the years, supported social activities of Lumax Charitable Foundation, a trust - promoted by Lumax DK Jain group - which takes up developmental work in places where the Group has manufacturing facilities.

A nation's children are its most important assets, their development is critical to ensure capable, robust citizens endowed with adequate skill and literacy, needed by the society. In the previous years, Lumax Charitable Foundation has honed its CSR programmes to focus on the areas of greatest need viz education and healthcare.

Education:

In the field of education, Lumax Charitable Foundation has carried forward initiatives to empower the girl child and encouraging further education of underprivileged children. The foundation encourages girl child enrolment in primary schools.

To further a holistic approach towards providing learning opportunities, e-learning is provided at the schools adopted by the foundation, as also infrastructure support, like, construction of classrooms, science laboratories, sanitation facilities, providing potable water etc.

Career counselling is an important component of education, giving direction to the children and guiding them towards a better future. The foundation provides end-to-end career counselling that includes, aptitude tests, orientation sessions, one-on-one counselling sessions, etc for students on the threshold of choosing career options, helping them choose suitable careers.

Health:

The Foundation has been operating a charitable Homeopathic clinic, specialised health camps and established linkages with hospitals for the purpose of providing healthcare facilities to the community.

Under its CSR initiative Lumax Charitable Foundation strives to make good health accessible to the local communities. Need based health interventions which are not only curative, but also preventive in nature have been the focus areas for Lumax.

As an extension of its core business of lighting, associated with vision and eyes, the Foundation in association with I-Care conducts eye screening camps and provides cataract surgeries free of cost. Cases that require referral services to hospitals for consultation or surgical intervention are identified and facilitated.

The homeopathic clinic has been running since 2010 providing free consultation and medication to the marginalised segment of society.

In association with Indian Cancer Society has organised several cancer awareness camps and screening facilities around the vicinity of its plants in Gurugram, Manesar, Dharuhera and Bawal. The screening process includes blood profile and physical examination by a surgeon, gynaecologist and ENT specialist as also radiology examination.

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. Tadayoshi Aoki
Senior Executive Director - Stanley Nominee

Mr. Koji Sawada
Executive Director - Stanley Nominee

Mr. Toru Tanabe
Non-Executive Director - Stanley Nominee

Mr. A.P. Gandhi
Independent Director

Mr. M.C. Gupta
Independent Director

Mr. D.D. Gupta
Independent Director

Mr. Rattan Kapur
Independent Director

Mr. Rajeev Kapoor
Independent Director

Board Committees:

Audit Committee

Mr. A.P. Gandhi – Chairman
Mr. M.C. Gupta – Member
Mr. D.D. Gupta – Member
Mr. Rattan Kapur – Member
Mr. Deepak Jain – Member
Mr. Tadayoshi Aoki – Member

Nomination and Remuneration Committee

Mr. Rattan Kapur – Chairman
Mr. A.P. Gandhi – Member
Mr. D.D. Gupta – Member

Share Transfer/Stakeholder Relationship Committee

Mr. D.D. Gupta – Chairman
Mr. Deepak Jain – Member
Mr. Tadayoshi Aoki – Member

Corporate Social Responsibility Committee

Mr. M.C. Gupta – Chairman
Mr. A.P. Gandhi – Member
Mr. Deepak Jain – Member
Mr. Anmol Jain – Member

Group Chief Financial Officer

Mr. Sanjay Mehta

Group Company Secretary

Mr. B.S. Bhadauriya

Chief Financial Officer

Mr. Shruti Kant Rustagi

Company Secretary

Ms. Ankita Gupta

Registrar & Share Transfer Agent

M/s Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad – 500 032
E-mail : einward.ris@karvy.com

Registered Office

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

Corporate Identity Number

L74899DL1981PLC012804

Bankers

HDFC Bank Ltd.
HSBC Bank
ICICI Bank Ltd.
IDBI Bank Ltd.
Societe Generale
Standard Chartered Bank
State Bank of India
Syndicate Bank
Yes Bank Limited
Citi Bank N.A
Axis Bank Ltd.
CTBC Bank Co. Ltd.
Kotak Mahindra Bank Ltd.

Statutory Auditors

M/s BSR and Associates LLP, Gurugram

Internal Auditors

M/s Grant Thornton, India

Key Changes in Board of Directors

A) W.e.f. 1st April 2018

1. Mr. D. K. Jain - Chairman Emeritus
2. Mr. Deepak Jain - Chairman & Managing Director
3. Mr. Vineet Sahni - CEO & Senior Executive Director

B) W.e.f 28th May 2018

1. Mrs. Pallavi Dinodia Gupta - Ceased to be an Independent Director

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.

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

Gujarat

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

Maharashtra

608-609, Chakan Talegaon Road, Mahalunge Ingle, Chakan, Pune, Maharashtra.
D2-43/2, M.I.D.C. Industrial Area, Chinchwad, Pune, Maharashtra.

Southern Region

Karnataka

Plot No. 69, Phase-II, Sector 2, Bidadi Industrial Area, Bangalore, Karnataka.

Boards' Report

Dear Shareowners,

Your Directors are pleased to present the 37th Annual Report on the business and operations together with Audited Balance Sheet and Profit & Loss Account of your Company for the year ended 31st March 2018.

1. Financial Performance

₹ in Lakhs

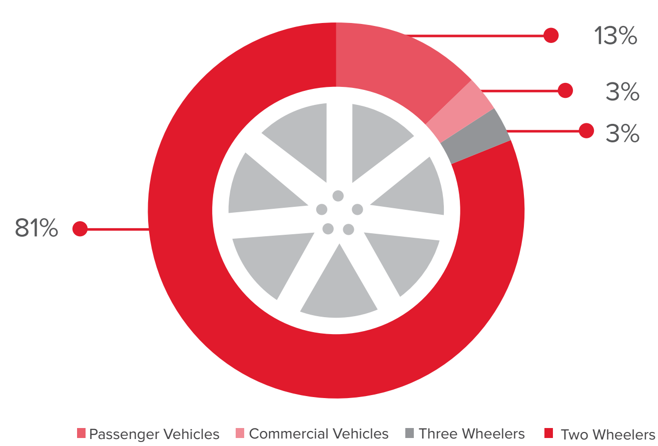
Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	**169176.59**	**142589.38**	**169176.59**	**142589.38**
Other Income	**925.43**	**649.94**	**546.05**	**600.45**
Total Income	170102.02	143239.32	169722.64	143189.83
Total Expenses	161309.74	137763.86	161309.74	137763.86
Profit Before Tax and Share in Net Profit of Associate	8792.28	5475.46	8412.90	5425.97
Profit of Associate	-	-	1342.04	1053.02
Profit Before Tax	**8792.28**	**5475.46**	**9754.94**	**6478.99**
Tax Expenses	2468.59	863.78	2618.71	1041.89
Profit For the period	**6323.69**	**4611.68**	**7136.23**	**5437.10**
Total other Comprehensive Income	**152.97**	**117.88**	**152.97**	**117.88**
Total Comprehensive Income	6170.72	4493.80	6983.26	5319.22
Paid-up Equity Share Capital	934.77	934.77	934.77	934.77
Earning Per Share (EPS) (not annualized) Basic/Diluted EPS	67.65	49.33	76.34	58.17

(Financial Results for the year ended 31st March 2018 are in compliance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of The Companies Act, 2013, and previous year figures for the year ended 31st March 2017, have been restated to make them comparable.)

(a) Company Performance

The Indian Automobile Industry is one of the largest in the world accounting for 7.1 per cent of the Country's Gross Domestic Product (GDP). It is currently the seventh largest automobile producer in the world, second largest two-wheeler manufacturer, and the fifth largest commercial vehicle manufacturer in the world.

During the Financial Year 2017-18, the overall Indian Automobile Industry registered a production growth of 14.78 per cent as compared to 5.41 per cent over the same period last year. The industry manufactured around 29.08 Million vehicles and the Domestic Market Share was as per the graph below:



(Source: SIAM)

In the above background and during the year under review, the performance of your Company is summarized as under:

Standalone performance:

On Standalone Basis the Company registered the growth of 18.64% for Revenue from operations. For the Financial Year 2017-18 the Profit before Tax stood at ₹ 8792.28 Lakhs as compared to ₹ 5475.46 Lakhs in the previous year witnessing a significant growth of 60.58%. The Profit for the period (after Tax) was recorded at ₹ 6323.69 Lakhs recording the growth at 37.12%. The Basic and Diluted Earning per share also grew by 37.14%.

Consolidate performance:

The Revenue from Operations grew by 18.64% whereas the Profit Before tax (PBT) and Profit for the Period showed a considerable increase by 50.56% & 31.25% respectively amounting to ₹ 9754.94 Lakhs & ₹ 7136.23 Lakhs respectively. The Basic and Diluted Earning per share also grew by 31.24%.

(b) Dividend

Your Company continues to deliver pride and progress with positivity and demonstrating it by way of consistently paying Dividend. The Board in its Meeting held on 28th May 2018 recommended Dividend of 230% (₹ 23.00/- per Equity Share) for the Financial Year 2017-18, (₹ 14.50/- per Equity Share in the previous year).

The above proposal is subject to the approval of Shareholders at the forthcoming Annual General Meeting (AGM) to be held on 18th July 2018.

The total amount of Dividend proposed to be distributed, amounts to ₹ 2587.70 Lakhs (Including Dividend Distribution Tax) as against ₹ 1631.30 Lakhs in the previous year. The Dividend pay out ratio comes to 40.92%.

(c) Reserves

A sum of ₹ 880 Lakhs has been voluntarily transferred to the General Reserve of the Company which is an appropriation out of profits of the Company. This reaffirms the inherent financial strength of your Company.

(d) Associate Company & Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its Associate are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The Consolidated Financial Statements reflect the status of S.L. Lumax Limited which is an Associate Company in which your Company holds 21.28% of total Equity Capital. The Associate is based in Chennai and engaged in business of manufacturing of Auto Parts which includes auto lamp assemblies, chassis, mirror and Front-End Modules (FEM).

During the year under review, the Associate achieved Total Revenue of ₹ 111276.97 Lakhs as against ₹ 107448.97 Lakhs in the year 2016-17.

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

The Audited Financial Statements, including the Consolidated Financial Statements and related information are available on the website of the Company i.e. www.lumaxindustries.com. These documents shall also be available for inspection by any Shareholder at the registered office of the Company.

2. State of Company's Affairs

The Financial Year 2017-18 has been one of the historic period for the Company in terms of growth and changes in regulatory reforms both qualitatively and quantitatively. The second half of the fiscal year was quite eventful as your Company witnessed and achieved two important milestones: Unveiling of New Brand Identity and Inauguration of New Manufacturing Facility in Sanand, Gujarat within a record time.

Your Company, unveiled the New Brand Identity on 8th November 2017, the new refreshed logo and the visual brand identity epitomises our journey and shall serve as the torchbearer of future growth and aspirations, it also rearticulated the Group Purpose and Vision.

During the year, we commenced manufacturing operations in Sanand by expanding our footprint further in Gujarat. With this addition, Lumax now has nine (9) State-of-Art manufacturing plants across the Country in 5 states. Keeping in view, the growth opportunities and expansion possibilities, your Company has pre-emptively, acquired landbank in the industrial area of Vasna, Kunpur in Gujarat for future expansion in the State.

In the recent years, the move to BSVI is proving to be the catalyst for the growth of LED market, most OEMs are adopting LED lighting. The Automotive LED lights, are fast-growing necessity and proactively keeping pace with this fast-changing industry need. Your Company has focused significantly on manufacturing defect free LED lamps by creating Electro-Static Discharge Zones (ESD) in all its manufacturing units and is focusing on continuous upgradation of skills to maintain the level of 'Zero defect' through its various training programmes.

Our efforts to have deeper outreach and cater to almost all OEMs domestically, continued fervently throughout the year. Your Directors are pleased to inform that, during the year your Company added two major OEMs as customers to its portfolio viz. MG Motors India & TVS Motors. This is in line with your Company's vision to advance growth. We also introduced wide innovative range of Head Lamps, Tail Lamps, Front Turn Signal Lamps, etc.

One of the significant and important changes in the Indian business environment, i.e. Implementation of Goods and Service Tax (GST), was efficiently and smoothly managed by the Company. The transition to Ind AS from Indian GAAP was another historic landmark change that has been proficiently implemented by the team and did not pose any significant impact on the Financials of the Company.

Owning to its commitment towards, continuous advancement towards Information Technology and SAP the Company upgraded to SAP S/4HANA in the Financial Year ending 2018. This will enhance Company's journey towards complete digitalization as a way forward. Similarly, efforts towards integrating GST regime within the SAP framework was implemented and successfully making the Company - "SAP GST Compliant".

(a) Adoption of Indian Accounting Standards (Ind AS)

Transition from Indian GAAP to Ind AS

India has joined the elite club of nations that have adopted the internationally recognized accounting norms and financial reporting standards. The steps to this milestone can be traced to almost a decade of efforts by several authorities and professionals and several practical challenges that encountered at various stages.

In February 2015, Ministry of Corporate Affairs (MCA) notified the final roadmap on Ind AS with implementation in a phased manner to be complied by the specified class of companies effective from 1st April 2016. Post above notification Ind AS has replaced existing Indian GAAP prescribed under Section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 according to applicability on specified entities. Accordingly, this is first year when the Company's financial statements for the year ended 31st March 2018 have been prepared in accordance with Ind AS and the financial statements for the year ended 31st March 2017 and opening balance sheet as at 1st April 2016 (the Company's date of transition) earlier reported in previous IGAAP, have been restated in accordance with Ind-AS to make them comparable.

(b) Goods and Service Tax (GST) - Implementation and Impact

The year 2017-18 started with biggest ever tax reform since independence, rolled out by Government of India on 1st July 2017, i.e. implementation of Goods and Service Tax (GST), followed by changes in GST rates through various notifications in November, 2017. GST implementation has introduced a single system of taxation across the nation absorbing most of the Indirect Taxes. GST is touted to simplify doing business in India, allowing supply chains to be integrated and aligned, as also providing greater transparency. However, the initial implementation phase alike all other industries remained challenging.

Though expecting this new Tax regime to be a game changer for Indian Economy, your Company has stabilised the processes adequately for compliance of law and is embracing this reform positively that unifies India into one market.

(c) Capacity Expansion / Modernisation of Facilities

During the year under review, the Company has made an investment to the tune of ₹ 16,263.00 Lakhs towards up-gradation of its Research and Development facilities, modernization of its existing manufacturing facilities including its Dharuhera, Bengaluru plants and setting up of Sanand plant.

The Company inaugurated its Nineth (9th) Lighting Manufacturing unit at Sanand, Gujarat; the State-of-Art automated facility has been setup with an initial capacity of 3,00,000 car sets annually. This plant was setup in record time of eight months and had commenced its Commercial Production with effect from 10th January, 2018.

Further, your Company has proactively invested in land in Vasna- Kunpur, Ahmedabad to meet any future demands of its customers and enhance capacities.

A detailed discussion on the business performance and future outlook is provided in the Management Discussion & Analysis Report (MDA) which is provided as an **Annexure A** to this Report.

(d) Technology and Quality

Your Company continues to excel in design, development and new product launches, in line with its strategy towards delivering competitive advantage to the customer and also to meet its business objectives. The Management ensures that the Engineers of your Company are fully aligned with the organization's strategy and towards this end, the Company celebrates 15th September as Innovation day, as a tribute to the greatest engineer Bharat Ratna Late Shri M. Visvesvaraya. This step will ensure building in-house engineering and design capability and also timely launch of new products.

In order to continuously create value for our customers in today's intense competitive environment, your Company continues to adhere to Zero Defect & Zero Effect initiative to deliver products following a first time right approach. This will help in improvement in quality, reduction in rejection cost and thereby optimize cost structures across your Company.

(e) Management Discussion & Analysis Report

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion & Analysis Report is annexed as part of this Report separately as an **Annexure A.**

(f) Change in the Nature of Business, If Any

There was no change in the nature of business of the Company during the Financial Year ended 31st March 2018.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms part of this Annual Report as an **Annexure B.**

(b) Directors & Key Managerial Personnel

Appointments

The Company in its Board Meeting held on 3rd February, 2018, had appointed Mr. Tadayoshi Aoki (DIN: 08053387) nominated by Stanley Electric Co. Ltd. as an Additional Director to be designated as Senior 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. Tadayoshi Aoki aged 52 years is a Mechanical Engineer from Tokyo Denki University, Japan, possessing over 28 years of rich experience in the field of Car Electronics, Engineering, Sales of car electronic parts and Sales Planning Division.

The Company on recommendation of Nomination and Remuneration Committee and in its Board Meeting dated 31st March 2018, had appointed Mr. Vineet Sahni (DIN: 03616096) as an Additional Director to be designated as CEO & Senior Executive Director of the Company with effect from 1st April 2018 for a period of 5 years, liable to retire by rotation.

Mr. Vineet Sahni is a B.E. Mechanical from Delhi College of Engineering and PG Diploma in Management from MSPI - Delhi. He has vast experience of successful Mergers & Acquisitions, managing overseas partner relationships, setting-up Greenfield projects, rich organisational turnarounds, establishing strong relationships with OEMs across segments - domestic & global, having a 360-degree holistic approach to continually enhance stakeholder value.

The Board appointed Ms. Ankita Gupta as Company Secretary of the Company w.e.f. February 3, 2018. She is a Law Graduate and an Associate Member of The Institute of Company Secretaries of India (ICSI), having about 4.5 years of experience and knowledge in secretarial/legal functions.

Re-appointments

In accordance with the Articles of Association of the Company and Section 152 of The Companies Act, 2013, Mr. Koji Sawada (DIN: 07582189), Executive Director is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Cessations

During the year, Mr. Eiichi Hirooka (DIN: 03570733), Senior Executive Director, ceased to be a Director of the Company w.e.f. 3rd February 2018. The Board of Directors place on record its appreciation towards Mr. Hirooka's contributions during his tenure as Senior Executive Director of the Company.

Mrs. Pallavi Dinodia Gupta (DIN: 03570733), Independent Director on the Board of the Company, ceased to be Director of the Company w.e.f. 28th May 2018. The Board of Directors place on record its appreciation towards her contributions during her tenure as an Independent Director of the Company.

Mr. Shwetank Tiwari ceased to be Company Secretary of the Company w.e.f. 12th November 2017. The Board took note of same in its Board Meeting held on 3rd February 2018.

(c) Number of Meetings of Board of Directors

The Board of Directors met Five (5) times during the Financial Year under review viz. 13th May 2017, 22nd July 2017, 4th November 2017, 3rd February 2018 and 31st March 2018. The maximum gap between any 2 meetings did not exceed 120 days.

A separate Meeting of Independent Directors was also conducted on 19th March 2018, without the presence of Non- Independent Directors and Management. The details on Attendance during the Board Meetings and other Committee Meetings of Board of Directors are provided in Corporate Governance Report which forms part of the Boards' Report as an **Annexure B.**

(d) Directors Responsibility Statement

As required under Section 134(5) of The Companies Act, 2013 the Directors state:

(i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March 2018, the applicable Accounting Standards have been followed along with proper explanation relating to material departures in the Auditor Report and Notes to Accounts;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

(iii) 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;

(iv) that the Directors have prepared the Annual Accounts on a "going concern" basis.

(v) 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.

(vi) 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

In compliance with the provisions of Section 149 (6) of The Companies Act, 2013 requisite declarations have been received from the Independent Directors regarding Meeting the criteria of Independence.

(f) Policy on Appointment and Remuneration of Directors

Pursuant to the provisions of section 178(1) of the Companies Act, 2013, the Board of Directors of the Company have approved a policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee.

The main features of the Policy are as follows –

1. Purpose
2. Objectives
3. Applicability & Accountability
4. Responsibility of Nomination & Remuneration Committee
5. Matters relating to appointment and remuneration of Directors
6. Remuneration to Independent Directors

7. Remuneration to other Employees

8. Term & Tenure

The Company's Policy relating to appointment of Directors, 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.**

(g) Performance Evaluation of Board, Committee and Directors

In accordance with applicable provisions of The Companies Act, 2013 and Listing Regulations, the evaluation of the Board as a whole, Committees and all the Directors was conducted, as per the internally designed evaluation process approved by the Board. 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 completion 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'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 effective controls, with a balanced focus on policy formulation and development of operational procedures. It was acknowledged that the management afforded 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 31st March 2018 the Audit Committee of Board comprised of seven (7) Members viz. Mr. A.P. Gandhi, Mr. M.C. Gupta, Mr. D.D. Gupta, Mr. Rattan Kapur, Mrs. Pallavi Dinodia Gupta, Mr. Deepak Jain and Mr. Tadayoshi Aoki. The details regarding changes and category of Members 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 it.

(i) Particulars of Contracts or Arrangements with Related Parties

For the Financial Year 2017-18, 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 SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 (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 RPT 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 RPT is proposed in the ensuing Annual General Meeting as stated under Regulation. The Company has formulated a policy on Related Party Transactions, which is available on the Company's website at http://www.lumaxindustries.com/pdf/related-party-transaction-policy.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 policy, in accordance with the provisions of The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The 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.lumaxindustries.com. To further strengthen this mechanism, the Company has launched an Employee App which is available for both android and iOS users to facilitate easy expression of their opinions/suggestions/ complaints.

(k) Particulars of Employees

Information on Particulars of 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 up to the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

(l) 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 Internal Financial Statement

The Company has a comprehensive Internal Control System 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.

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 variances notices 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. Changes in Accounting Policies, if any are approved by the Audit Committee in consultation with the statutory Auditors.

The Company get 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 has adopted an enterprise Risk Management Policy and established a Risk Management Framework with an objective of timely identification, mitigation and control of the risks, which may threaten the existence of the Company, in accordance with the provisions of The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also constituted a Risk Management Committee to review the risk trend, exposure, potential impact and their mitigation plans and periodically the key risks are also discussed at the Audit Committee.

(c) Auditors

Statutory Auditors

M/s. BSR & Associates LLP, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 22nd July, 2017, for a term of five consecutive years i.e. till the conclusion of 41st Annual General Meeting to be held in the year 2022.

In accordance with The Companies Amendment Act, 2017, enforced on 7th May 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

Statutory Auditors Report

The Report given by the Statutory Auditors on the Financial Statement of the Company is part of this Annual Report. The Auditor Report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Auditors

The Board has re-appointed M/s Jitender, Navneet & Co. as the Cost Auditors of the Company in accordance with Section 148 and other applicable provisions, if any, of The Companies Act, 2013, for the audit of the cost accounts of the Company for the Financial Year 2017-18.

Cost Audit Report

The Cost Audit Report for the Financial Year 2016-17 has been filed with the Central Government within the stipulated time on 21st August 2017.

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 Company has appointed Mr. Maneesh Gupta, Practicing Company Secretary as the Secretarial Auditor of the Company to undertake the Secretarial Audit for the Financial Year 2017-18.

Secretarial Audit Report

The Report of the Secretarial Auditor in the prescribed Form MR-3 is annexed herewith as an **Annexure F**. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

(d) Details in Respect of Frauds Reported by Auditors under sub-section (12) of section 143 of The Companies Act, 2013 other than those which are Reportable to the Central Government:

There were no frauds which were reported by Auditors for the year under review.

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, 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 2.03% 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.lumaxindustries.com/pdf/CSR-policy.pdf.

(a) Key Activities

Education:

Working towards our endeavour to provide holistic education, the foundation works towards enrolment of girl child in schools, provides learning aids, starter kits, excursion trips and festival celebration as also infrastructure support after assessing the needs like, construction of classrooms, science laboratories, sanitation facilities, providing potable water etc. Inclusive learning opportunities, like that of e-learning is provided at the schools adopted by the foundation. The foundation also provides end-to-end career counselling that includes, aptitude tests, orientation sessions, one-on-one counselling sessions, etc. for students on the threshold of choosing career options, helping them choose suitable careers.

Health:

The Foundation has been operating a charitable Homeopathic clinic, organising specialised health camps in association with I-Care to conduct eye screening and provide cataract surgeries free of cost. In association with Indian Cancer Society, the foundation has organized several cancer awareness camps and screening camps around our plants. The screening process includes blood profile and physical examination by a surgeon, gynecologist and ENT specialist as also radiology examination.

(b) Constitution of CSR Committee

During the Financial Year 2017-18, the Company has constituted CSR Committee of the Board of Directors which comprised of five (5) Members namely, Mr. M.C. Gupta, Mr. A.P. Gandhi, Mr. D.K. Jain, Mr. Deepak Jain and Mr. Anmol Jain. Further, the Board of Directors have also adopted the CSR Policy of the Company as approved by the Corporate Social Responsibility Committee which is also available on the website of the Company at www.lumaxindustries.com. The contents of the said policy are as below:

1. Purpose
2. Policy Guidelines
3. Scope
4. Areas Covered
5. CSR Committee & Responsibility
6. Board Responsibility
7. Budget
8. Implementation
9. Management Commitment

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

6. Other Disclosures

(a) Material Changes and Commitments

No other material changes and commitments affecting the Financial position of the Company have occurred between 1st April 2017 and the date on which this Report has been signed except that the Company has in its Board Meeting dated 28th May 2018 has approved purchase of Industrial Land in Bawal, Haryana for setting up electronics business from one of its Group Company.

(b) Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantees and investments as on 31st March 2018 are covered under the provisions of Section 186 of The Companies Act, 2013 is given in the Notes to Financial statements of the Company.

(c) Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

In today's world, the Conservation of Energy has become need of an hour. With the growing operations, the commitment of the Company towards Energy Efficiency and conservation also continues to gain momentum. Your Company has a dedicated team in place which conducts significant in-house audits in various manufacturing units to assess and identify the possible areas for Energy Conservation and Management. These audits are further reviewed by External Agencies, who with their expertise and technical know how in the said area aid in better analysis of the areas having scope for Energy Conservation.

During the Financial Year under review, innovative ways and new technologies were constantly explored to achieve an optimum balance between the operations of the Company and the energy being used for running those operations. Lately, the concept of Internet of Things (IoT), which has evolved due to convergence of multiple technologies, real-time analysis, real time equipment energy efficiency monitoring, commodity sensors embedded systems etc., has gained wide importance and acceptance. Keeping its pace in line with IoT, the Company successfully implemented an Energy Management I- Cloud software in its two (2) units viz. Bawal and Chakan which tracks actual consumption of energy on real time basis and enables to identify excess energy being used or any other related errors in the unit which was successfully commissioned during the Financial Year 2017-18.

As a way forward, your Company shall continue to remain conscious of the environmental impact of its business activities and has plans to install the software across all its other units to have a uniform and enhanced focus towards Conservation of Energy.

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 separately as an **Annexure H.**

(d) Extract of Annual Return

In accordance with the requirement of Section 92 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 as an **Annexure I.**

(e) Details of Fixed Deposits

During the year under review, the Company has not accepted any Deposit under Section 73 of The Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. It is further stated that the Company does not have any deposits which are not in compliance with the requirements of Chapter V of The Companies Act, 2013.

(f) Names of Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the Year

During the Financial Year 2017-18, 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.

(g) Internal Auditors

In compliance with the provisions of Section 138 of Companies Act, 2013, read with Companies (Accounts) Rules, 2014, your Company has appointed M/s Grant Thornton, India LLP as Internal Auditors for the Financial Year 2017-18.

(h) 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.

(i) Policy on Sexual Harassment

In accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted the "Prevention of Sexual Harassment at Workplace Policy" and constituted an Internal Complaints Committee (ICC) for Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the related aspects.

The Committee meets as and when required, however minimum one meeting is ensured during the Financial Year to discuss strengthening safety of employees at workplace and also to resolve/address related issues, if any reported during the year.

During the year under Review i.e. 2017-18 Twenty-three (23) meetings of ICC across all plant locations were held. Further, as per the applicable provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 your Company continues to submit Annual Report to the District Officer consisting of details as stipulated under the said Act.

(j) Environment, Health, Safety

The Company works with full focus on "Safety Culture Building" by maintaining a number of Safety Management Systems to manage the risk and as a result reduction in number of incidents and injuries. These systems include safety rules, safety procedures, safety training, hazard identification and correction, incident reporting and investigation, capturing near miss accidents, safety communications and safety suggestions. Each Safety Management System has an important contribution to not only improving workplace safety but also influencing the organization's safety culture.

Apart from the above, your Company is also performing below activities sincerely since 2015:

- Regional Safety Meeting for all regions.
- ST/ Duct cleaning for locations where paint material & chemicals are used
- KYT - Kiken Yochi Training (Identifying hazard and taking corrective measures with the help of actual users)
- Safety Gemba Audit (Identifying the potential hazard)
- Hazards specific Safety training
- Maintaining Standard Operating Procedures

The Company has Constructed world class lacquer storage room to store the hazardous chemical safely (where flammable liquids\chemicals are used) and installed Sprinkler System in Surface Treatment all across.

By ensuring all the above, zero accident level is maintained for last two years. Induction programme & regular training of employees and the introduction of formal safety management system help us to mitigate any future incidents.

During the year under review, our Manufacturing Units situated in Gurugram, Dharuhera, Bawal, Chakan and Bangalore achieved OHSAS Certification.

(k) Investor Education and Protection Fund

Transfer of Unpaid Dividend

Pursuant to the provisions of Section 124(5) the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), 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. Consequently, your Company has transferred ₹ 3,70,590 / during the year to the Investor Education and Protection Fund, lying with it for a period of seven years pertaining to year 2009-10.

Transfer of Shares underlying Unpaid Dividend

Further, pursuant to provisions of Section 124(6), the shares in respect of which Dividend has not been paid or claimed by the Shareholders for Seven (7) consecutive years or more shall also be transferred to the Demat Account of IEPF Authority. Accordingly, 59964 Shares underlying Unpaid Dividend have been transferred as per the requirement of IEPF Rules.

It may be noted that Unclaimed Dividend/ Underlying shares for the Financial Year 2010-11 declared on 9th August 2011, can be claimed by the Members by 13th September 2018. 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 Newspaper inviting the attention of the Shareholders to claim their Dividends.

(l) Unclaimed Suspense Account

During the year under review, there are 10 Shareholders who approached the Company for release of their Shares from the Unclaimed Suspense Account and the Company has released total 407 Shares from the Unclaimed Suspense Account. As at 31st March 2018, there are 5123 Shares lying in the Unclaimed Suspense Account.

(m) 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 dues are outstanding more than six months. The Company ensures payment of all dues to exchequer well within timeline as applicable.

Acknowledgement

We would like to thank to all our Stakeholders viz. Shareholders, Investors Bankers, customers, suppliers, Government agencies, stock exchanges and depositories, Auditors, legal advisors, consultants, business associates, service providers for their continued commitment, and invincible enthusiasm which made this year productive and pleasurable. The Board also places on record, their deep sense of appreciation towards all its Employees at all levels for adopting the values of the Company and their hard work during the year and a sincere thanks 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 of
Lumax Industries Limited

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Place : New Delhi
Dated : 28th May 2018

Corporate Overview Statutory Reports Financial Statements

Management Discussion and Analysis

Global Economy

After couple of challenging years of stalled growth and financial market turbulence, calendar year 2017 witnessed a broad based cyclical global recovery. The global output is expanded by 3.8 per cent in 2017, supported by a broad-based recovery that covered more than half of the world's economies. Accommodative policies combined with benign commodity prices resulted in a revival and improved business sentiments across both advanced economies and emerging market and developing economies.

Real GDP growth (Annual percentage change)	2015	2016	2017	2018 (E)	2019 (E)
Advanced economies	2.2	1.7	**2.3**	2.5	2.2
Emerging market and developing economies	4.3	4.3	**4.8**	4.9	5.1
World	3.4	3.2	**3.8**	3.9	3.9

(Source: IMF, April 2018 Outlook)

Growth in advanced economies is estimated to have rebounded to 2.3 per cent on the back of pick up in capital spending, a turnaround in inventories and strengthening external demand. US economy's 2.3 per cent growth was largely supported by strengthening private investment.
(Source: World Bank report)

Private consumption continued to grow at a brisk pace despite modest real income gains and moderate wage growth. Further, lowering of tax rates are expected to spur the investment activity and overall growth rate. Euro region as well picked up substantial momentum in 2017 on the back of policy stimulus and strengthening global demand. The overall fiscal stance in the region remained expansionary during the year. Unemployment has reached it's lowest level since 2009. The uptick is likely to sustain over the coming year, although at a moderated pace. The Japanese economy also grew at a healthy pace primarily aided by firm domestic demand, gradual recovery in consumer spending and investment as well as implementation of fiscal stimulus package.

Growth in emerging markets and developing economies is estimated to have accelerated to 4.8 per cent in 2017 mirroring firm activity in commodity exports and continued solid growth in commodity importers. The EMD Economy is expected to maintain its growth rate as the headwinds surrounding commodity exporters dissipate. The Chinese economy grew better than the anticipated rate of 6.9 per cent in 2017, on the back of continued fiscal support, effects of reforms, as well as a stronger than expected recovery of exports.
(Source: World Bank report)

Key activity drivers continued to sway away from state led investment as the country continues to transition itself from manufacturing to services driven economy. The growth though is expected to reduce marginally going forward owing to policy tightening.

Indian Economy

Domestically, the Indian economy saw implementation of major structural reforms during the year - Goods & Services Tax (GST) and new Indian Bankruptcy code. Teething issues surrounding the uncertainties associated with implementation of such reforms combined with continuing pressure, from the implementation of demonetisation in the previous year impacted business sentiment and growth rate during the first half of the fiscal. The economy has however stabilized and started showing early signs of revival during the second half of the year.

Real GDP growth (Annual percentage change)	2015	2016	2017	2018	2019
India	8	7.1	**6.7**	7.4	7.8

(Source: IMF)

Growth in GDP during financial year 2017-18 is estimated at 6.7 per cent as compared to the growth rate of 7.1 per cent in financial year 2016-17. As per IMF, April 2018 outlook, Indian economy is expected to achieve 7.4 per cent growth for the financial year ending March 2019.

A number of factors are expected to contribute to this growth. Aside from the above mentioned measures, strong FDI inflows and a visible intent of the Government to make India more business friendly will go a long way to drive sustainable growth.

Higher procurement prices combined with agricultural reforms and several initiatives towards drip irrigation and improved logistics will help drive growth in agriculture which is a key segment of the economy and offers immense ripple benefits.

All these initiatives are expected to result in robust private consumption and public investment. Improving economies of developed nations will also offer the necessary fillip to exports on the back of better demand.

The rewards from all the structural reforms and measures being taken are visible in Moody's rating agency, upgrading India's local and foreign currency issuer rating to Baa2 with a stable outlook from Baa3 on the expectation that continued progress in India's economic reforms will enhance India's growth potential over time. According to World Bank's Ease of Doing Business 2018 Report, India's ranking improved by 30 positions to 100th rank in 2018. Further as per the World Economic Forum, India's rank in Global Competitiveness Index is 40 out of 137 countries in 2017-18, improvement over 71 out of 144 countries in 2014-15 and 55 out of 140 countries in 2015-16. India's foreign exchange reserves (forex) also expanded by $1.217 billion to touch a life-time high of $426.082 billion in April, 2018.

(Source: http://www.worldbank.org/en/news/press-release/2017/10/31/india-jumps-doing-business-rankings-with-sustained-reform-focus https://www.thehindubusinessline.com/economy/india-is-worlds-40th-most-competitive-economy-wef/article9874911.ece)

Improving global macros, combined with persistent government efforts towards reviving the investment cycle is expected to help the country retain its tag of the fastest growing large economy in the world.

Industry Overview

Automobile industry

India is expected to become the 4th largest automobiles producer globally by 2020 after China, USA and Japan. The auto components industry is also demonstrating commensurate growth and is expected to become the 3rd largest in the world by 2025.
(Source: SIAM)

The Indian auto industry which is a key contributor to GDP and employment, continued to perform well delivering strong growth. Improving rural demand has translated a strong growth for the two-wheeler segment. Commercial vehicles too witnessed healthy demand in medium and heavy-commercial vehicles. The passenger car segment also maintained its encouraging growth performance, supported by new launches and improving purchasing power.

A recent industry trend is the increasing transition of players from un-organized to organized segment. Although, the number of manufacturing units in the un-organised sector is still far higher than those in the organised one, the organised sector still accounts for over 85 per cent of total industry turnover.

Production and Sales

The industry has expanded by 14.78 per cent over the period April-March 2018 as compared to same period in the previous year. On volume basis, the industry produced a total 29,075,605 vehicles, including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle in April-March 2018, against 25,330,967 in April-March 2018.

Almost all categories have contributed to this growth. During the year, sale of passenger vehicles improved by 7.89 percent. Within the passenger vehicles segment, passenger cars, utility vehicles and vans grew by 3.33 per cent, 20.97 per cent and 5.78 per cent, respectively during April-March 2018 as compared to same period in the previous year.

The commercial vehicles segment grew by 19.94 percent in April-March 2018, compared to the same period in the previous year. Medium & Heavy Commercial Vehicles (M&HCVs) also grew by 12.48 per cent and Light Commercial Vehicles grew by 25.42 percent during April-March 2018 over the same period in the previous year.

Auto components

This growth has been attributed to robust demand for auto components from domestic original equipment manufacturers (OEMs), particularly the two-wheeler and passenger-vehicle industries that together constitute about two-third of overall ancillary industry size. Additionally, stellar growth in commercial vehicles as well as the tractor segment has further supported overall volume growth. A further pick up in rural income combined with overall improved demand outlook and increased construction and mining activities bodes well for the growth to sustain.

(Source: http://businessworld.in/article/Auto-Components-Industry-To-Record-Higher-Growth-Of-13-15-For-FY18-ICRA/02-03-2018-142243/)

Automobile Production Trends

Category	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Passenger Vehicles	32,31,058	30,87,973	32,21,419	34,65,045	38,01,670	**40,10,373**
Commercial Vehicles	8,32,649	6,99,035	6,98,298	7,86,692	8,10,253	**8,94,551**
Three Wheelers	8,39,748	8,30,108	9,49,019	9,34,104	7,83,721	**10,21,911**
Two Wheelers	1,57,44,156	1,68,83,049	1,84,89,311	1,88,30,227	1,99,33,739	**2,31,47,057**
Grand Total	**2,06,47,611**	**2,15,00,165**	**2,33,58,047**	**2,40,16,068**	**2,53,29,383**	**2,90,73,892**

(Source: SIAM)

A revival in demand from the rural markets and rise in infrastructure spending has been a key factor driving the growth of the automobile sector.

Automobile Domestic Sales Trends

Category	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Passenger Vehicles	26,65,015	25,03,509	26,01,236	27,89,208	30,47,582	**32,87,965**
Commercial Vehicles	7,93,211	6,32,851	6,14,948	6,85,704	7,14,082	**8,56,453**
Three Wheelers	5,38,290	4,80,085	5,32,626	5,38,208	5,11,879	**6,35,698**
Two Wheelers	1,37,97,185	1,48,06,778	1,59,75,561	1,64,55,851	1,75,89,738	**2,01,92,672**
Grand Total	**1,77,93,701**	**1,84,23,223**	**1,97,24,371**	**2,04,68,971**	**2,18,63,281**	**2,49,72,788**

Automobile Exports Trends

Category	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Passenger Vehicles	5,59,414	5,96,142	6,21,341	6,53,053	7,58,727	**7,47,287**
Commercial Vehicles	80,027	77,050	86,939	1,03,124	1,08,271	**96,867**
Three Wheelers	3,03,088	3,53,392	4,07,600	4,04,441	2,71,894	**3,81,002**
Two Wheelers	19,56,378	20,84,000	24,57,466	24,82,876	23,40,277	**28,15,016**
Grand Total	**28,98,907**	**31,10,584**	**35,73,346**	**36,43,494**	**34,79,169**	**40,40,172**

The Indian Automotive Component Sector – An Environmental Perspective

Substitutes	**Bargaining Power of Suppliers**	**Competition**	**Bargaining Power of Buyers**	**New Entrants**
Impact: Positive	Impact: Moderate	Impact: Negative	Impact: Moderate	Impact: Moderate
• Public transportation still ill equipped in several cities • Fast growing economy places more emphasis on faster travel	• An increasing number of suppliers making extreme bargaining unfeasible • Suppliers are also backward integrating to be more efficient	• Deregulation resulting in entry of several foreign auto manufacturers sourcing from vendors across the globe • Cheaper imports of components from China is increasing	• High demand from automobile manufacturers makes bargaining difficult • Customers disinclined to shift unless compelled	• An open economy is resulting in newer players looking to establish presence in India

(Source: IBEF)

Growth Drivers - Auto Component Segment

Demand-side	Supply-side	Policy support
• Strong growth of automobile sector • Fast pace of road construction on the back of Increasing investments • Improving disposable incomes, increasing preference for appealing aesthetics and efficiency	• Competitive advantages – proximity to most markets facilitating India's emergence as an outsourcing hub • Technological shift; focus on R&D, efficiency	• Setting up of special auto parks and virtual SEZs for auto components • Lower excise duty on specific parts of hybrid vehicles • National Automotive Policy • Policy being formulated to focus on the holistic development of the Automobile sector in India

(Source: IBEF)

Exports

India is emerging as a global hub for auto component sourcing. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe.

Between April-March 2017-18 overall automobile exports grew 16.12 per cent year-on-year. As a result of several initiatives being taken by the Government of India and the major automobile players in the Indian market, India is set to become a leader in the 2-Wheeler and Four-Wheeler market in the world by 2020. In 2017-18, the overall automobile exports increased by 16.12per cent to reach 4.04 Million vehicles as compared to 3.48 Million in 2016-17.

Exports of passenger vehicles and commercial vehicles segment declined by 1.51per cent and 10.53per cent respectively, while that of three wheelers and two wheelers appreciated by 40.13per cent and 20.29per cent respectively.

(Source: SIAM)

Outlook

The Indian auto industry is expected to see significant changes with a growing number of electric vehicles (EVs), shared mobility and Bharat Stage-VI emission and safety norms. India's electric vehicle (EV) sales stood at 25,000 units during 2016-17 and are expected to only increase on the back of cheaper energy storage costs and the Government of India's stated vision of six million electric and hybrid vehicles in India by 2020.

Towards this objective, auto makers have begun investing heavily in various segments of the industry. The industry has attracted Foreign Direct Investment (FDI) worth USD 18.41 Million during the period April 2000 to December 2017, according to data released by Department of Industrial Policy and Promotion (DIPP).

India's projected production is around 8.7 Million passenger vehicles per year by 2020 with most of them being compact cars. Several companies are launching new vehicle models on the back of their earlier success in the Indian market.

In February 2018, Ministry of heavy industries and Public enterprise unveiled draft National Auto Policy. The objective of the policy is to create an enabling environment for the automotive industry and address the key issues impacting the industry.

Few of the proposed guidelines of the policy are as under:

- Implementation of a comprehensive long term roadmap to define the emission standards, with a target to harmonizing the most stringent global standards by 2028.
- Adopt reduction in CO2 through Corporate Average Fuel Economy (CAFÉ) regulations.
- Introduce a composite criterion based on length and CO2 emissions to classify vehicles for taxation.
- Implement measured to increase exports of vehicles and components.

Automotive lighting industry

Increasing vehicle production and sales combined with several other factors including technological advancements and tightened regulations regarding safety measures are all translating to a vibrant and growing automotive lighting market. Technology is evolving, leading to the development of eco-friendly, energy efficient, easy to operate products.

Volatile raw material prices and high R&D costs, however are restraining the automotive lighting market growth. The raw materials used in manufacturing are glass, tungsten, molybdenum, phosphorous, silicon, niobium, polymers, tantalum and mixture of inert gases; all of which have fluctuated massively putting pressure on manufacturers.

Lighting as a product has been transformed from being functional to more of a styling accessory for all vehicles and automobiles. Aesthetic designs remain the key characteristics for OEMs for their product differentiation to appeal to the customers.

Technological advancement in the lighting industry has led to an attractive outlook for the companies. Partnerships with automobile OEMs are set to improve the quality of new product development. The major challenge before the manufacturers is to develop cost-effective high quality lighting systems. Reducing the effect of bright light to decrease the driver distraction is another area of improvement. Increasing demand for environment friendly solutions has influenced manufacturers to develop energy efficient products for automotive lighting market.

Based on technology, the automotive lighting market share is classified as LED, halogen, and xenon. Based on application, the industry is divided into front/headlamps, rear, side and interior lighting. Major installation locations are headlights, rearlights, sidelights, fog lights, etc. On the basis of vehicle type, the automotive lighting market is segmented into Passenger Car, Light Commercial Vehicle, Heavy Commercial Vehicle Two Wheeler and Farm Equipments.

There are broadly two types of lighting

- Conventional Lighting where a Halogen Bulb is used
- LED Lighting which is further segmented based on content in two parts namely
  - Full LED and a LIT
  - Light with a small content of LED which is Gallium, Indium, Arsenic and rare-earth elements

The technologies used are also different in 2-W & 4-W.

Adaptive front automotive lightning market share is rapidly gaining popularity among customers. The features include auto on/off, bending/curve lights, cornering lights, headlight leveling and high beam assist. Organic Light-Emitting Diode (OLED) and laser are other examples of modern technologies used by the manufacturers.

Outlook

Rapid technological advancement, a growing emphasis on safety and a continuous search by auto owners for design options, all point towards significant potential and opportunity for the automotive lighting segment. Across the globe, aside from India, countries like China and South Korea are also taking the lead in the launch of new options.

Performance perspective and developments – Lumax Industries

Topline growth

Lumax Industries has been growing at 10 per cent CAGR since 2015, and this pace is expected to only further accelerate going forward on the back of several strategic initiatives. This growth is being enabled by an expanding customer base, widening product portfolio and a proven track record of migration from conventional to LED lights.

Growth is a combination of better volumes as well as prices. The introduction of new models which have fast gained customer acceptance have helped towards improved realisations.

Lumax Industries through its Joint Venture Stanley Electric Co., Ltd. a Japan based LED light manufacturer, has got access to the latest technologies thereby significantly enhancing its capabilities and reach.

Profit enhancement

From a profitability perspective, improved utilisations, enhanced operational efficiencies better negotiations with R&D and technology partners have all translated to an improved bottom-line. Superior technology and the best methodology to minimise wastage has been adopted throughout the company and contributed to considerable reduction in costs.

Another key success factor for the Company has been the ability to procure plastic raw materials at extremely competitive prices despite a rising price environment. This is the result of a strong vendor base and entering into back to back contracts with suppliers.

Despite, prices being extremely volatile, Lumax Industries has never had to endure any disruption of operations and has been able to consistently procure raw materials.

Strong and sustained relationships not only ensure continuity of supply but also help in understanding and appreciation of each other's work cultures which is particularly helpful during challenging times.

Quality focus

Concurrently, there is a strong focus on quality and consistent upgradation at company as well as at supplier's end to ensure quality.

Continuous technological upgradation is another important mantra for the Company. A dedicated team monitors progress on a continuing basis and has periodic discussions with the vendors. Vendors are encouraged to consistently improve technology.

Compliance with all regulatory requirements

Towards ensuring a smooth transition to the GST regime Lumax Industries appointed SAP India as its technology partner & Deloitte India as the legal advisor to the Company.

New Brand Identity

Lumax, DK Jain Group, revealed its new logo and launched a new visual brand identity in November, 2017 that epitomises its journey and serves as the torchbearer of future growth and aspirations. The logo, christened with the 'WinteGreat wheel' will be the guiding star, the philosophy that powers the path to build a lasting and admired business. The blades of the 'WinteGreat wheel' symbolize confidence, dynamism, passion and commitment for accelerated growth. The 'WinteGreat wheel' will always remind how to reach the goal. **Respect, Integrity, Passion and Excellence** as the core values, form the soul of the organization, enshrined in the very heart of the 'Wintegreat wheel' in the form of a prism.

Red is the colour of passion and energy. It has always been the flagship brand's colour and takes pride of place in the group brand's new logo. Orange symbolizes warmth and positivity, in keeping with the organization's kind and optimistic ethos. Purple stands for heritage and stability. It lends balance to the power and movement of the more dominant colours.

New orders, new operations

During the year ended 31st March 2018, Lumax Industries won a prestigious order for the supply of new age headlamps and rear lamps for the new generation Maruti Suzuki Swift.

Production of the same was started at the Company's new Sanand plant which was set up at a cost of ₹ 120 crore raised entirely from internal accruals. The facility with a capacity of 300,000 light sets annually is expected to also supply to Tata Tigor and Honda Motorcycle and Scooters India existing models in Gujarat aside from Maruti Suzuki.

The Company upgraded it's IT operations to SAP S/4HANA to integrate all the plants, making Lumax the First Auto company in India to go live. This first mover advantage will bring speed to business reporting backed with features like MIS Dashboards. The Company has 100per cent digitized all it's import payments. This provides various check points to prevent error, minimises paper work through automated processing. The Company's efforts have been recognised by HDFC Bank.

Outlook

Lumax Industries is confident of delivering sector outperforming growth. This confidence is supported by several factors which include a robust order book, state of the art facilities, strong vendor partnerships and established relationships with the leading entities in the sector.

The Company also sees significant opportunity in the implementation of BS-VI norms. The direct move from BS-IV to BS-VI helps will provide impetus to the Indian automotive industry.

Opportunities and Challenges

Opportunities

The key factors driving growth of automobile and automotive lighting industry in the country include:

- **Focus on road safety**: Road safety is a high priority area for manufacturers and policy makers globally. In India, the Government has stated its intent of reducing road accidents by 50per cent. With greater focus on safety norms all new 2-wheelers are sold with the Automatic Headlight On feature and all Passenger vehicles are sold with the Daytime Running Lamp (DRL). At the same time the focus on less energy consumption and improved aesthetics is driving the demand for LED lamps from OEMs. Currently, LED forms 25per cent of the sales and we expect to see an exponential growth in the demand in the coming years. The evident shift to LEDs has been a major growth driver; LEDs are preferred over halogen bulbs as they are energy efficient and have a longer life. The shift to BS-VI norms will induce the usage of LEDs further.

- **Aesthetics & luminosity**: Increasing preferences for design and aesthetics and making lighting and cars more appealing is driving innovation and quality focus. LED lamps are more aesthetically pleasing and provide scope for enhancing design. Moreover, the average luminous efficacy of these lamps is higher than traditional lamps, which enhances its effectiveness in dark as well as during the day.

- **Favourable industry scenario**: The automobile industry is supported by various factors such as availability of skilled labour at economical cost, well equipped R&D centers and low cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour. Furthermore, driven by rising affluence and low penetration, it is primed to deliver strong growth. The domestic market is expected to account for 71 per cent of total sales by 2021 with a total market size of USD 115 Billion.

- **Decline in LED prices**: As the technology evolves, LED lighting prices are expected to decline which increases its cost competitiveness and attractiveness.

Challenges:

- **High manufacturing costs**: High manufacturing cost is always a pain point, however, improved sourcing and more efficient operations is driving this down.

- **Availability of low-cost alternative**: While LED lighting is increasingly being preferred, availability of lower priced options from China is hurting Indian LED manufacturers.

- **Technology**: There is lot of scope of introducing new advanced technology in the Indian domestic market. On the back of its partnership with Stanley, Japan, Lumax has ensured global competitiveness by manufacturing quality products and reducing cost of production.

Product Wise Performance

The Company is engaged only in one segment of products viz. manufacture of end-to-end Automotive Lighting Systems. The Product wise performance during the year is as follows:

Product	Turnover (in ₹ Lakhs)
Automotive lamps	1,53,406.56
Tools	14,486.67
Miscellaneous items	1,283.36
Total	1,69,176.59

Risks & Concerns

Technology risk:

Lack of appropriate technological competence could hinder the Company's ability to develop competitive products and reduce costs.

Mitigation:

- The Company through its JV with Stanley, a world-leader in automotive lighting products, now has access to the most advanced technologies

- The Company has the benefit of state-of-the-art R&D facilities, advanced equipment and rich intellectual capital which further enhances its technological competence

Quality risk:

- Inability of the Company to adhere to quality standards, essential for supplying products to OEMs, can lead to loss of customers

Mitigation:

- The Company has a skilled workforce which periodically undergoes job skill enhancement training. It has also adopted various quality and productivity enhancing initiatives like Kaizen, Total Productivity Maintenance, Quality Circles, Total Quality Management, 5-S, 6 sigma, and 7-W processes

- As part of process it regularly connects with suppliers, supervises production and conducts personal audits at the plant to ensure raw materials are of required standard
- The Company monitors performance of suppliers and has discontinued its partnership with vendors who do not deliver quality products in desired time frames

Competition risk:

- Inability of the Company to manufacture relevant products catering to requirements of OEMs would result in loss of market share

Mitigation:

- The Company possesses state of the art R&D Centers and is well equipped to manufacture relevant and appropriate products besides innovating new designs and offerings
- The Company's partnership with Stanley also gives it access to the latest designs and products
- It enjoys long term relationships with leading automobile manufacturers in the country owing to years of unmatched quality and service standards
- Ability of the Company to modify auto-component designs along with undertaking initiatives to reduce costs enables it to be a leading player in the segment

Human Resources

The focus of the Human resources function is twofold - creating an engaging work environment and enhancing productivity.

As part of this plan, 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 a one-month training at Gurukul before being deployed on the shop floor. This is to ensure suitably trained shop floor employees. The number of permanent employee of the Company as on 31st March 2018 were 2,252.

IT is playing an increasingly important role for the HR function by continuous 2-way communication. Through a newly launched Employee app, any employee who has a grievance or observation can post his concern and this is to be resolved in a time bound manner. This also works as an excellent feedback mechanism.

During the year under review, of the 250 circles in the quality control sector Lumax Industries received 69 awards out of which 2 were International Gold. Quality circle as you know is a highly regarded tool used in Japan to monitor and ensure issue redressal. Lumax Industries' employee involvement is 88per cent and the Company aims to achieve 100 per cent in the coming year – a reflection of its strong emphasis on quality.

Internal Control Systems and Their Adequacy

The internal control system of the Company is commensurate to the size of its business and the nature of industry it operates in. These well-defined and adequately documented systems focuses on safeguarding the Company's assets, ensuring reliability of financials and maintaining effectiveness of organisation along with ensuring adherence to the procedures, laws, rules and statues that applies on it. The compliance activities are being strictly monitored by the Legal & Secretarial Department headed by the Senior Vice-President (Legal) and the Group Company Secretary.

(Sources: https://www.gminsights.com/industry-analysis/automotive-lighting-market
https://www.ibef.org/industry/autocomponents-india.aspx
https://www.ibef.org/industry/india-automobiles.aspx
http://www.siamindia.com
https://www.acma.in/
https://www.futuremarketinsights.com/reports/automotive-lighting-market)

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)]

A system of Good Corporate Governance focuses on the relationship of accountability between the principal actors of sound financial reporting-the Board, the Management and the Auditor. It holds the Management accountable to the Board, and the Board accountable to the Shareholders, and in the process, audit acts as a catalyst for effective financial reporting.

There's been a renewed focus on improved corporate governance: better structures, more rigorous checks and balances, and greater independence of all key gate-keepers including Boards and Auditors. The essence of Corporate Governance lies in securing the interests of all stakeholders which is a fiduciary duty of the Board.

The Securities and Exchange Board of India ('SEBI') on 28th March 2018 has accepted some of the recommendations of Kotak Committee on Corporate Governance. Subsequently, on 9th May 2018 the SEBI has amended (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Your Company shall ensure that its governance framework incorporates the applicable amendments introduced in the Listing Regulations and the same is proactively communicated and absorbed down the line with a view to strengthen its philosophy of Corporate Governance.

1. Company's Philosophy:

The Company continues to adhere to high standards of Corporate Governance. The Company believes that Corporate Governance is based on the principle of integrity, fairness, equity, transparency, accountability and commitment to values. Good Governance Practices stem from the culture and mindset of the organization.

We believe that sound Corporate Governance is critical to enhance and retain investors trust. Accordingly, we always seek to ensure that, we attain our performance rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long term Shareholder value and respect minority rights in all our business decisions.

Our Corporate Governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law.
- Corporate Governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Have a simple and transparent corporate structure driven solely by business needs.
- Management is the trustee of the Shareholders' capital and not the owner.

2. Board of Directors

The Board of Directors is and apex body constituted by the Shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the Shareholders are being served.

(a) Composition and Category of Board of Directors:

The Company's Board of Directors have an optimum combination of Executive and Non-Executive Directors who are eminent individuals

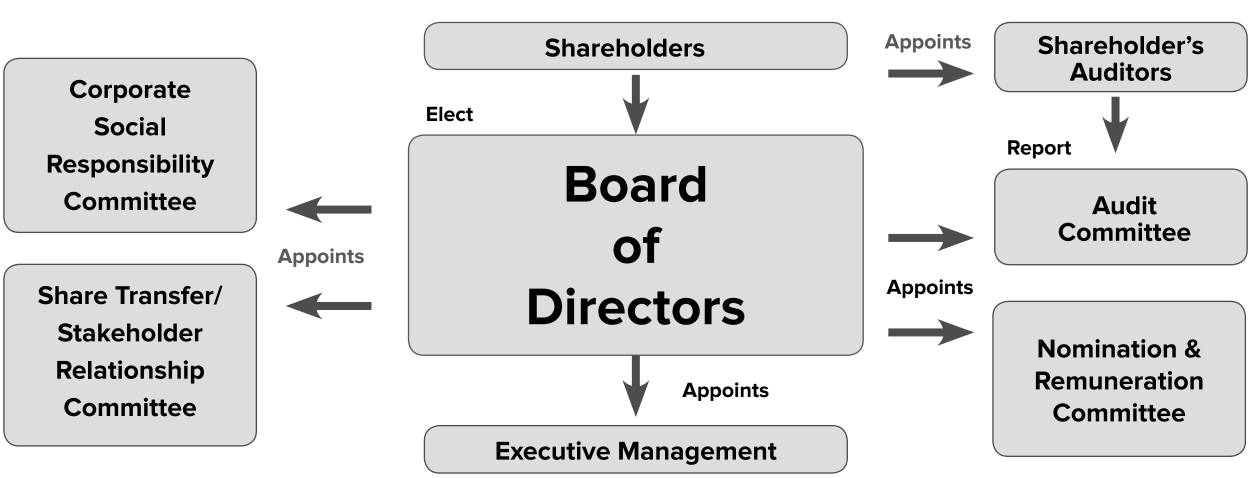


Diagram Representing Corporate Governance Structure

from Industrial, Mechanical, Technical, Financial, Marketing background. The Board consisted of twelve (12) Directors. Out of these Twelve (12) Directors, Four (4) Directors are Executive Director(s), Two (2) including the Chairman are Non Executive Directors and Six (6) are Non Executive Independent Director(s) including one Woman Director. The Managing Director is assisted by Joint Managing Director, Senior Executive Director, Executive Director and Senior Managerial Personnel in overseeing the functional matters of the Company.

Above information as at 31st March 2018 is presented as below:

S. No.	Name of Directors	Category
A.	**Promoter**	
1.	Mr. D.K. Jain*	Non-Executive Chairman
2.	Mr. Deepak Jain	Managing Director
3.	Mr. Anmol Jain	Jt. Managing Director
B.	**Non- Promoter**	
4.	Mr. Tadayoshi Aoki	Senior- Executive Director
5.	Mr. Koji Sawada	Executive Director
6.	Mr. Toru Tanabe	Non- Executive Director
7.	Mr. A.P. Gandhi	Independent Director
8.	Mr. M.C. Gupta	Independent Director
9.	Mr. Rattan Kapur	Independent Director
10.	Mr. Rajeev Kapoor	Independent Director
11.	Mr. D.D. Gupta	Independent Director
12.	Mrs. Pallavi Dinodia Gupta	Independent Director

* Retired as Non- Executive Chairman w.e.f. 31st March 2018 (post the Board Meeting dated 31st March 2018)

Key Changes in the Board of Directors w.e.f. 1st April 2018

- Appointment of Mr. D.K. Jain as **"Chairman Emeritus".**
- Elevation of Mr. Deepak Jain as Chairman of the Board and General Meetings of the Company and designated as Chairman & Managing Director of the Company.
- Appointment of Mr. Vineet Sahni, CEO as an Additional Director to be designated as CEO & Senior Executive Director subject to approval of Shareholders in the ensuing Annual General Meeting.

(b) Attendance of Each Directors at Board Meetings & Last Annual General Meeting (AGM)

During the year under review i.e. Financial Year 2017-18 the Board of Directors have met five (5) 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	Details of Meetings Held					AGM
		13.05.2017	22.07.2017	04.11.2017	03.02.2018	31.03.2018	22.07.2017
1.	Mr. D.K. Jain[1]	●	●	●	●	●	●
2.	Mr. Deepak Jain[2]	●	●	●	●	●	●
3.	Mr. Anmol Jain	●	●	●	●	▲	●
4.	Mr. Eiichi Hirooka[3]	●	●	●	●	○	●
5.	Mr. Tadayoshi Aoki[4]	○	○	○	○	▲	○
6.	Mr. Koji Sawada	●	●	●	●	●	●
7.	Mr. Toru Tanabe	▲	▲	💻	▲	▲	▲
8.	Mr. A.P. Gandhi	●	●	●	●	●	●
9.	Mr. M.C. Gupta	●	●	●	●	●	▲
10.	Mr. Rattan Kapur	●	●	●	●	●	▲
11.	Mr. Rajeev Kapoor[5]	○	●	●	●	●	▲
12.	Mr. D.D. Gupta	●	●	●	●	●	●
13.	Mr. Gursaran Singh[6]	○	○	○	○	○	○
14.	Mrs. Pallavi Dinodia Gupta[7]	▲	●	▲	▲	●	●

● Present ▲ Absent ○ Not Applicable 💻 Attended through Video-Conferencing

[1] Retired as Non- Executive Chairman w.e.f. 31st March 2018 (post Board Meeting dated 31st March 2018)
[2] Elevated to position of Chairman w.e.f. 1st April 2018 and designated as Chairman & Managing Director of the Company
[3] Ceased to be Senior Executive Director w.e.f. 3rd February 2018 (post Board Meeting dated 3rd February 2018)
[4] Appointed as an Additional Director designated as Senior Executive Director w.e.f. 3rd February 2018 (post Board Meeting dated 3rd February 2018)
[5] Appointed as an Independent Director w.e.f. 13th May 2017
[6] Ceased to be an Independent Director w.e.f. 19th April 2017
[7] Ceased to be an Independent Director w.e.f. 28th May 2018.

(c) **Scheduling and Selection of Agenda Items for Board Meetings:**

(i) Minimum four pre-scheduled Board Meetings are held every year. Apart from the above, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

(ii) The Meetings are usually held at the Company's office at Plot No. 16, Sector-18, Maruti Complex, Gurugram, Haryana-122015.

(iii) All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/ approval/decision at the Board Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board meetings.

(iv) The Board is given presentations by the Statutory Auditors, Internal Auditors and Head Finance covering Finance, Sales, major business segments and operations of the Company, all business areas of the Company including business opportunities, business strategy, the Risk Management practices and Internal Audit issues before taking on record the Quarterly / Annual Financial Results of the Company.

(v) The information required to be placed before the Board includes:

- General Notices of Interest of Directors.
- Annual operating plans of business, Capital budgets and any updates.
- Quarterly Results for the Company and its operating divisions or business segments.
- Dividend Declaration.
- Minutes of Meetings of Audit Committee and other Committees of the Board, as also Resolutions passed by circulation.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Internal Audit findings and Statutory Auditor Reports (through the Audit Committee).
- Details of any joint venture, acquisition of Companies or collaboration agreement, if any.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, subsidiaries, assets, which are not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if Material.
- Non-compliance of any regulatory, statutory or listing requirements and Shareholders service such as non-payment of dividend, delay in share transfer (if any) etc.
- Brief on statutory developments, changes in Government policies etc. with impact thereof, Directors' responsibilities arising out of any such developments.

(vi) The Chairman of the Board and the Company Secretary in consultation with other concerned Members of the Senior Management and Nominees of Technical and Financial Collaborator, finalize the Agenda papers for the Board Meetings.

(vii) Board Agenda

Detailed Agenda and Notes on Agenda are provided to the Directors in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted.

(viii) Recording Minutes of proceedings at Board Meetings

The Company Secretary records the Minutes of the proceedings of each Board and Committee Meeting. Draft minutes are circulated to all the Members of the Board / Committee for their comments. The final Minutes are entered in the Minutes Book within 30 days from conclusion of the meeting.

(ix) Post Meeting Follow-up Mechanism

The Guidelines for Board Meetings facilitate an effective post Meeting follow-up, review and reporting process for the decisions taken by the Board. The important decisions taken at the Board Meetings are communicated to the departments / divisions concerned promptly. Action taken report on the decisions/minutes of the previous Meeting(s) is placed at the immediately succeeding Meeting of the Board for noting by the Board.

(x) Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. She ensures that all relevant information, details and documents are made available to the Board and Senior Management for effective decision making. The Company Secretary while preparing the Agenda, Notes on agenda, Minutes etc. of the Meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the Rules framed there under and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

(d) Number of other Directorships and Chairmanships/Memberships of Committees of each Director in various Companies for the year ending on 31st March 2018.

S. No.	Name of the Directors	No. of Directorships in Other Public Companies [1]	No. of Committee Positions Held in Other Public Companies [2]		Relationship Interse
			Chairman	Member	
1	Mr. D.K. Jain*	8	-	1	Related as Father to Mr. Deepak Jain and Mr. Anmol Jain
2	Mr. Deepak Jain	7	1	-	Related as Son to Mr. D.K Jain and as Brother to Mr. Anmol Jain
3	Mr. Anmol Jain	8	-	2	Related as Son to Mr. D.K Jain and as Brother to Mr. Deepak Jain
4	Mr. Eiichi Hirooka**	-	-	-	Related as Nominee Directors of Stanley
5	Mr. Tadayoshi Aoki**	-	-	-	Related as Nominee Directors of Stanley
6	Mr. Koji Sawada	-	-	-	Related as Nominee Directors of Stanley.
7	Mr. Toru Tanabe	-	-	-	Related as Nominee Directors of Stanley.
8	Mr. A.P. Gandhi	8	2	4	Not related to any Director.
9	Mr. M.C. Gupta	2	2	1	Not related to any Director.
10	Mr. D.D. Gupta	5	-	3	Not related to any Director.
11	Mr. Rattan Kapur	2	-	-	Not related to any Director.
12	Mrs. Pallavi Dinodia Gupta	-	-	-	Not related to any Director
13	Mr. Rajeev Kapoor	1	1	-	Not related to any Director.

[1]Excludes Directorship in Foreign Companies and Companies Registered under Section 8 of the Companies Act, 2013.

[2]As per Listing Regulations, Committee here means "Audit Committee" and "Share Transfer/Stakeholders' Relationship Committee" and excludes the Committee positions held in Lumax Industries Limited

*Mr. D.K. Jain retired as Non- Executive Chairman of the Company w.e.f. 31st March 2018 and was appointed as "Chairman Emeritus" w.e.f 1st April 2018.

**Mr. Eiichi Hirooka ceased to be the Senior-Executive Director & Mr. Tadayoshi Aoki was appointed as an Additional Director designated as Senior-Executive Director w.e.f. 3rd February 2018 subject to approval of Shareholders in the ensuing AGM.

Directors who relinquished office during the year ended 31st March 2018

S. No.	Name of the Directors	Category of Directors
1.	Mr. D.K. Jain	Non-Executive Chairman
2.	Mr. Eiichi Hirooka	Sr. Executive Director (Stanley Nominee)
3.	Mr. Gursaran Singh	Independent Director

(e) Number of Board Meetings held and the dates on which held

The Board of Directors met five (5) times during the Financial Year ended 31st March 2018. The intervening period between two Board Meetings was well within the maximum time gap of 120 days, as prescribed under Listing Regulations, 2015. The details of Board Meetings held during the year are as under:-

S. No.	Date of Board Meeting	Board's strength	No. of Directors present
1.	13.05.2017	11	9
2.	22.07.2017	12	11
3.	04.11.2017	12	10
4.	03.02.2018	12	10
5.	31.03.2018	12	9

(f) Number of Shares and Convertible instruments held by Non-Executive Directors:

As on 31st March 2018, none of the Non-Executive Directors held any share in the Company except for Mr. D.K. Jain who had held 19,59,026 shares in the Company. (Mr. D.K. Jain ceased to be Non- Executive Chairman w.e.f. 31st March 2018)

(g) Separate Meeting of Independent Director

During the year, a separate Meeting of the Independent Directors of the Company was held on 19th March 2018 to discuss the following matters as prescribed under Schedule IV of Companies Act, 2013 and Regulation 25 of the Listing Regulations:

1. To review the performance of Non-Independent Directors and the Board as whole.
2. To review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
3. To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(h) Familiarization Program for Independent Directors

In accordance with Regulation 25 of the Listing Regulations, the Board has adopted a Familiarization Program for Independent Directors to familiarize the Independent Directors of the Company with the organization.

The Company through its Managing Director/Chief Executive Officer/Senior Managerial Personnel conducts programs/presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company and above all the Industry perspective & issues.

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 Familiarization Program for Independent Directors are uploaded on the website of the Company and the web link of the same is provided here under: http://www.lumaxindustries.com/pdf/familarisation-program.pdf.

3. Committees of the Board

The Board of Directors has constituted following Committees and every Committee has an important role to play within terms of its reference. The Committee Meetings are duly convened and held as considered appropriate from time to time. The process and procedure related to the Board Meetings are also applicable and followed in the Committee Meetings. The Committees Chairperson provide a brief committee update during the Board Meetings.

A Audit Committee

i) Brief Description of terms of reference

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013 and the guidelines set out in the Listing Regulations. The Audit Committee of the Company, inter-alia, provides assurance to the Board on the existence and adequacy of an effective Internal Control Systems that ensures:

- Efficiency and effectiveness of operations.
- Safeguarding of Assets and adequacy of provisions for all liabilities.
- Reliability of all financial and other management information and adequacy of disclosures.
- Compliance with all relevant statutes.

The Committee has powers as envisaged under Regulation 18 of the Listing Regulations and as specified by the Board of Directors of the Company.

a) Powers of Audit Committee

The Audit Committee shall have following Powers:

1) To investigate any activity within its terms of reference;

2) To seek any information from any employee.

3) To obtain outside legal or other professional advice.

4) To secure attendance of outsiders with relevant expertise, if considered necessary.

b) Role of Audit Committee

1) Oversight of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

4) Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:

   a. 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.

   b. Changes, if any, in Accounting Policies and practices and reasons for the same.

   c. Major accounting entries involving estimates based on the exercise of judgment by management.

   d. Significant adjustments made in the Financial Statements arising out of audit findings.

   e. Compliance with listing and other legal requirements relating to Financial Statements.

   f. Disclosure of any Related Party Transactions.

   g. Modified opinion(s) in the Draft Audit Report.

5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7) Review and monitor the Auditor's independence and performance, and effectiveness of Audit process;

8) Approval or any subsequent modification of transactions of the Company with Related Parties;

9) Scrutiny of inter-corporate loans and investments;

10) Valuation of undertakings or assets of the Company, wherever it is necessary;

11) Evaluation of Internal Financial Controls and Risk Management Systems;

12) Reviewing with the Management, performance of the Statutory and Internal Auditors, adequacy of Internal Control Systems;

13) 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;

14) Discussion with Internal Auditors on any significant findings and follow-up thereon;

15) 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;

16) 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;

17) 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;

18) To Review the functioning of Whistle Blower Mechanism, in case the same is existing;

19) Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the Finance function or discharging duties of that function) after assessing the qualifications, experience & background, etc. of the candidate;

20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

c) **Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:-

1) Management discussion and analysis of financial conditions and results of operations;

2) Statement of significant Related Party transactions (as defined by the audit committee), submitted by management;

3) Management letters/ letters of internal control weakness issued by the Statutory Auditors;

4) Internal Audit Reports relating to internal control weakness;

5) The appointment, removal and terms of remuneration of the Chief Internal Auditors shall be subject to review by the Audit Committee; and

6) 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).

d) **Any other matter with the specific permission of the Committee or referred by the Board.**

(ii) Composition, Chairperson, Name of Members

During the year under review the Audit Committee comprised of Six (6) Non-Executive Independent Directors, Managing Director and Executive Director. The Composition of the Audit Committee during the Financial Year 1st April 2017 to 31st March 2018 was as follows:

S. No.	Name	Status	Category of Membership
1.	Mr. A.P. Gandhi	Chairman	Non-Executive Independent Director
2.	Mr. M.C. Gupta	Member	Non-Executive Independent Director
3.	Mr. D.D. Gupta	Member	Non-Executive Independent Director
4.	Mr. Rattan Kapur	Member	Non-Executive Independent Director
5.	Mrs. Pallavi Dinodia Gupta	Member	Non-Executive Independent Director
6.	Mr. Rajeev Kapoor*	Member	Non-Executive Independent Director
7.	Mr. Deepak Jain	Member	Managing Director
8.	Mr. Eiichi Hirooka**	Member	Senior Executive -Director
9.	Mr. Tadayoshi Aoki**	Member	Senior Executive -Director

(* Mr. Rajeev Kapoor was appointed as Member of Committee in the Board Meeting held on 3rd February 2018.)

(** Mr. Eiichi Hirooka ceased to be Member and Mr. Tadayoshi Aoki was appointed as Member w.e.f. 3rd February 2018 after the Board Meeting held on that day.)

(iii) Meetings and Attendance

The Audit Committee had met Six (6) times during the Financial Year i.e. 1st April 2017 to 31st March 2018. The Meetings and Attendance of Directors in those Meetings are as under:

S. No.	Name of Directors	Details of Meetings Held						No. of Meetings Attended
		13.05.2017	22.07.2017	05.10.2017	04.11.2017	03.02.2018	19.03.2018	
1.	Mr. A.P. Gandhi	●	●	●	●	●	●	6
2.	Mr. M. C. Gupta	●	●	●	●	●	●	6
3.	Mr. D.D. Gupta	●	●	▲	●	●	●	5
4.	Mr. Rattan Kapur	●	●	●	▲	●	●	5
5.	Mrs. Pallavi Dinodia Gupta	●	●	●	▲	▲	●	3
6.	Mr. Rajeev Kapoor	○	○	○	○	○	●	1
7.	Mr. Deepak Jain	●	●	▲	●	●	▲	4
8.	Mr. Eiichi Hirooka	●	●	▲	●	●	○	4
9.	Mr. Tadayoshi Aoki	○	○	○	○	○	▲	-

● Present ▲ Absent ○ Not Applicable

The Statutory Auditors, Internal Auditors and Finance Head are invitees to the Audit Committee Meetings as and when required. The Company Secretary acts as the Secretary to the Audit Committee.

(b) Nomination and Remuneration Committee

(i) Brief Description of Terms of Reference

The Nomination and Remuneration Committee has been constituted in accordance with the requirements of Statutes and its terms of reference is in compliance with the governing provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

It consists of Independent and Non-Executive Directors to review and recommend payment of annual salaries, commission, reviewing service agreements and other employment conditions of the Executive Directors of the Company. The Committee fixes the remuneration after taking into consideration remuneration practices followed by Companies of similar size and standing in the Industry.

a) **Role of Nomination and Remuneration Committee**

1. 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;

2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

3. Devising a policy on diversity of Board of Directors;

4. 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;

5. 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;

(ii) Composition, Chairperson, Name of Members

As on 31st March 2018 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 nominated by the Board. The constitution of the Nomination and Remuneration Committee Meeting is as under:

S. No.	Name of Directors	Status	Category of Membership
1.	Mr. Rattan Kapur	Chairman	Non-Executive Independent Director
2.	Mr. A.P. Gandhi	Member	Non-Executive Independent Director
3.	Mr. D.D. Gupta	Member	Non-Executive Independent Director

(iii) Meetings and Attendance

The Nomination & Remuneration Committee had met thrice during the Financial Year viz. 1st April 2017 to 31st March 2018 to consider and recommend to the Board the following:

1. Re-appointment of Mr. Eiichi Hirooka as Senior Executive Director of the Company for a further period of Three (3) years.

2. Appointment of Mr. Rajeev Kapoor as an Independent Director of the Company for a period of Five (5) years.

3. Took note of Cessation of Mr. Eiichi Hirooka as Senior Executive Director of the Company.

4. Appointment of Mr. Tadayoshi Aoki as Senior Executive Director of the Company for a period of Three (3) years and fixation of remuneration.

5. Taking on record retirement of Mr. D.K. Jain as Non- Executive Chairman.

6. Appointment of Mr. D.K. Jain as Chairman Emeritus of the Company.

7. Appointment of Mr. Vineet Sahni as Senior Executive Director of the Company for a period of Five (5) years and fixation of remuneration.

8. Nomination of Mr. Vineet Sahni as Key Managerial Personnel of the Company.

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

S. No.	Name of Directors	Details of Meetings Held			No. of Meetings Attended
		13.05.2017	03.02.2018	31.03.2018	
1.	Mr. Rattan Kapur	●	●	●	3
2.	Mr. A.P. Gandhi	●	●	●	3
3.	Mr. D.D. Gupta	●	●	●	3

● Present

(iv) Performance Evaluation criteria for Independent Directors

The Board is responsible for undertaking a Formal Annual Evaluation of its own performance, its committees and Individual Directors as per the provisions of Companies Act, 2013 and Listing Regulations with a view to ensure that individual Directors and the Board as a whole work efficiently and effectively in achieving Company's objectives.

During the year, the Board with the assistance of Nomination and Remuneration Committee has completed the evaluation exercise as per the internally designed evaluation process approved by the Board. 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.

(c) Share Transfer/Stakeholder Relationship Committee

In line with provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations, the Company has constituted a Share Transfer/Stakeholder 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.

(i) Name of Non-Executive Director heading the Committee

Mr. Dhiraj Dhar Gupta, Non-Executive Independent Director has been heading the

Share Transfer/Stakeholder Relationship Committee. As on 31st March 2018, the Committee comprises of Three (3) members of which the Chairman is Non- Executive Independent Director and the other two being the Chairman & Managing Director and Senior Executive Director.

The composition of this Committee during the year 1st April 2017 to 31st March 2018 is as under:

S. No.	Name of Directors	Status	Category of Membership
1.	Mr. D.D. Gupta	Chairman	Non-Executive Independent Director
2.	Mr. D.K. Jain*	Member	Non- Executive Chairman
3.	Mr. Deepak Jain	Member	Managing Director
4.	Mr. Eiichi Hirooka**	Member	Senior Executive Director
5.	Mr. Tadayoshi Aoki**	Member	Senior Executive Director

(* Mr. D.K. Jain retired from the said committee w.e.f. 31st March 2018 post the Board Meeting dated 31st March 2018)

(**Mr. Eiichi Hirooka ceased to be Member and Mr. Tadayoshi Aoki was appointed as Member w.e.f. 3rd February 2018 after the Board Meeting held on that day.)

The functioning and terms of reference of the Committee are as prescribed under the Listing Regulations with particular reference to transfer, dematerialization and complaints of Shareholders etc.

The Quorum for the functioning of the Committee is any two Members present. The Board has delegated the authority for approving transfers, transmission etc once in a fortnight to the Chairman /or Company Secretary of the Company. A summary of transfer, transmission of shares of the Company so approved by the Chairman /or Company Secretary is placed at every Share Transfer /Stakeholders Relationship Committee meeting. The Company obtains from a Company Secretary in practice Half-Yearly Certificate of Compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the Certificate with the Stock Exchanges within the prescribed time.

(ii) Name and Designation of Compliance Officer

Ms. Ankita Gupta, Company Secretary and Compliance Officer acts as Secretary to the said Committee.

(iii) Status of Shareholders Complaints/ Grievances received, pending and resolved

During the Financial Year under review, 2017-18 the status of Shareholder/Investor Complaints/ Grievances are as follows:

S. No.	Particulars	Status
1.	Number of Complaints/ grievances Received	265
2.	Number of Complaints/ grievances Resolved	265
3.	Number of Complaints/ grievances Pending	NIL

(iv) Meetings and Attendance:

During the Financial Year under review Six (6) Meetings of Committee were held. The following is the Attendance record of Members at the Committee Meetings:

S. No.	Name of Directors	Details of Meetings Held						No. of Meetings Attended
		13.05.2017	22.07.2017	04.11.2017	03.02.2018	15.03.2018	31.03.2018	
1	Mr. D.D. Gupta	●	●	●	●`	●	●	6
2.	Mr. D.K. Jain	●	●	●	●	●	●	6
3.	Mr. Deepak Jain	●	●	●	●	●	●	6
4	Mr. Eiichi Hirooka	●	●	●	●	○	○	4
5.	Mr. Tadayoshi Aoki	○	○	○	○	●	▲	1

● Present ▲ Absent ○ Not Applicable

(d) Corporate Social Responsibility Committee (CSR)

The Corporate Social Responsibility Committee has been formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, 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 and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

(i) Composition, Chairperson, Name of Members

The Composition of Corporate Social Responsibility Committee during the year 1st April 2017 to 31st March 2018 is as under:

S. No.	Name of Directors	Status	Category of Membership
1.	Mr. M.C. Gupta	Chairman	Non-Executive Independent Director
2.	Mr. A.P Gandhi	Member	Non-Executive Independent Director
3.	Mr. D.K. Jain *	Member	Non-Executive Chairman
4.	Mr. Deepak Jain	Member	Managing Director
5.	Mr. Anmol Jain	Member	Joint Managing Director

*Mr. D.K. Jain has retired w.e.f. 31st March 2018 (post the Board Meeting dated 31st March 2018)

(ii) Meetings and Attendance

During the Financial Year under review the CSR Committee Meetings were held twice and the Attendance Record of Directors is as follows:

S. No.	Name of Directors	Details of Meetings Held		No. of Meetings Attended
		13.05.2017	03.02.2018	
1	Mr. M.C. Gupta	●	●	2
2.	Mr. A.P Gandhi	●	●	2
3.	Mr. D.K. Jain	●	●	2
4.	Mr. Deepak Jain	●	●	2
5.	Mr. Anmol Jain	●	●	2

● Present

4. Remuneration of Directors

(a) 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 2017-18 except for the Commission and Sitting Fees payable to them respectively as approved by the Board of Directors from time to time.

(b) 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.lumaxindustries.com

The Independent Director shall be paid sitting fees for attending meetings of Board or Committees thereof as may be decided by the Board from time to time. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee.

(c) Details of Remuneration to Directors:

The details of Remuneration paid to Whole Time Directors during the Financial Year ended 31st March 2018 are as follows:

S. No.	Name of the Directors	Salary (₹)	Perquisites and other benefits (₹)	Commission (₹)	Total (₹)
1.	Mr. Deepak Jain	72,00,000	46,38,475	3,37,49,326	4,55,87,801
2.	Mr. Anmol Jain	31,20,000	15,60,000	1,94,87,922	2,41,67,922
3.	Mr.Eiichi Hirooka (upto 03.02.2018)	2,41,714	13,64,670	-	16,06,384
4.	Mr. Tadayoshi Aoki (w.e.f. 03.02.2018)	46,286	2,01,439	-	2,47,725
5.	Mr. Koji Sawada	2,88,000	12,53,775	-	15,41,775

Details of Commission paid to Non-Executive Chairman during the Financial Year ended 31st March 2018 are as under:

Name of Director	Commission (₹)
Mr. D.K. Jain	97,43,961

Details of Sitting Fees paid to Independent Directors during the Financial Year ended 31st March 2018 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 (₹)
1.	Mr. A.P. Gandhi	2,00,000	1,20,000	60,000	40,000	40,000	**4,60,000**
2.	Mr. M.C. Gupta	2,00,000	1,20,000	NA	40,000	40,000	**4,00,000**
3.	Mr. D.D. Gupta	2,00,000	1,00,000	60,000	NA	40,000	**4,00,000**
4.	Mr. Rattan Kapur	1,60,000	1,00,000	60,000	NA	40,000	**3,60,000**
5.	Mr. Rajeev Kapoor	1,60,000	20,000	NA	NA	40,000	**2,20,000**
6.	Mrs. Pallavi Dinodia Gupta	80,000	60,000	NA	NA	40,000	**1,80,000**

NA: Not Applicable

(d) Service Contracts, Notice Periods, Severance Fees

The service contracts, notice period 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 Resolutions which are subject to Shareholders Approval in the Annual General Meetings of the Company.

(e) Stock Options Details, if any:

No stock options have been granted to any Directors during the Financial Year 2017-18.

(f) There are no Security/Instruments of the Company pending for conversion into Equity Shares.

5. Compliance Officer of the Company

Ms. Ankita Gupta, Company Secretary is the Compliance Officer of the Company. She is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters.

6. General Body Meeting

(a) The details of Annual General Meeting (AGM) held in the last three years are as follows:

Financial Year	Date	Time	Location
2014-15	19.08.2015	10.30 A.M	Air Force Auditorium, Subroto Park, New Delhi- 110010
2015-16	08.08.2016		
2016-17	22.07.2017		

(b) Details of Special Resolutions passed in previous three Annual General Meetings (AGM):

(i) AGM held on 19.08.2015:

- Re-appointment of Mr. Eiichi Hirooka as Senior Executive Director for a period of 3 years.
- Increase in Remuneration of Mr. Deepak Jain, Managing Director of the Company.
- Change in designation of Mr. Anmol Jain to Joint Managing Director of the Company.

(ii) **AGM held on 08-08-2016:**

- Re-appointment of Mr. Deepak Jain as Managing Director for a period of 5 years.
- Re-appointment of Mr. Anmol Jain as Joint Managing Director for a period of 5 years.

(iii) **AGM held on 22-07-2017:**

- Re-appointment of Mr. Eiichi Hirooka as Senior Executive Director for a period of 3 years.
- Appointment of Mr. Koji Sawada as an Executive Director for a period of 3 years.
- Appointment of Mr. Rajeev Kapoor as an Independent Director for a period of 5 years.

(c) Special Resolution passed last year through Postal Ballot:

There were no Special Resolutions which were passed by way of Postal Ballot during the Financial Year 2017-18.

(d) Special Resolution proposed through Postal Ballot:

The Board in its Meeting held on 31st March 2018 had approved conducting of business by way of Postal Ballot. Pursuant to Section 110 of the Companies Act, 2013 read with, Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Listing Regulations and pursuant to other applicable laws and regulations, the approval of the Members is sought for:

1. To Amend the Articles of Association for Insertion of Clause- "Chairman Emeritus".

(e) Procedure of Postal Ballot:

The Board of Directors of Company in their Meeting held on 31st March 2018 appointed Mr. Maneesh Gupta, Practicing Company Secretary as the scrutinizer for the process of Postal Ballot to be conducted as per the provisions of Section 110 of Companies Act, 2013. The procedure for the Postal ballot was stated in the Notice of Postal Ballot and the same was despatched on 9th May 2018 (by way of e-mail) and 11th May 2018 (physical mode).

For further details on the above the Shareholders may visit https://www.lumaxindustries.com/postal-ballot.html.

7. Code of Conduct

The Company has adopted a Code of Conduct for all Board Members and Senior Employees of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct on Annual basis. The Annual Report contains a Declaration to this effect signed by the Chairman & Managing Director of the Company. The Code of Conduct has already been posted on the website of Company for general viewing by stakeholders.

8. Means of Communication

(a) Financial Results

- The Quarterly/Yearly Results of the Company are published in leading and widely circulated English dailies viz. (1) The Financial Express – All Editions (English) (2) Jansatta - Delhi- (Hindi Edition).
- The Company's Financial/Quarterly Results are displayed on the Company's website at www.lumaxindustries.com.

(b) Investor presentations / Press Releases

The presentations made to investors and Press releases of Company are displayed on the Company's website at www.lumaxindustries.com and are disseminated on the Stock Exchanges where Company's equity is listed.

(c) Official News Releases/ Conference Calls

All official news releases, invitations and transcript of the Analyst/ Investor conference call is posted on the website of the Company under Investors Tab.

(d) Stock Exchange

The Company makes timely disclosure of necessary information to BSE Limited and National Stock Exchange of India Limited 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 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 also filed electronically on NEAPS.

(e) **Reminders/Correspondences with Investors**

The periodical reminders to Shareholders regarding unclaimed shares/dividend, e-mail registrations, Notice of General Meetings or any other information required to be disseminated under applicable Statutes is regularly communicated and dispatched.

9. Management Discussion and Analysis Report Forms Part of the Boards' Report

10. General Shareholders Information

(a) **Annual General Meeting** : The 37th Annual General Meeting is scheduled as under:

Date : 18th July 2018

Day : Wednesday

Time : 10.30 AM

Venue : Air Force Auditorium,
Subroto Park
New Delhi-110010

(b) **Date of Book Closure** : 11th July 2018 to 18th July 2018 (Both days inclusive)

(c) **Registered Office** : Lumax Industries Limited
2nd Floor, Harbans Bhawan-II,
Nangal Raya
New Delhi-110046

(d) **Financial Year** : 1st April to 31st March

(e) **For the Financial Year 2017-18 Results were announced as under:**

Adoption of Quarterly Results Ended	Dates
June 30, 2017	22nd July 2017
September 30, 2017	4th November 2017
December 31, 2017	3rd February 2018
March 31, 2018 (Audited Annual Accounts)	28th May 2018

(f) **Provisional Calendar for Financial Year 2018-19**

Adoption of Quarterly Results Ended	Tentative Calendar*
June 30, 2018	28th July 2018
September 30, 2018	2nd week of November 2018
December 31, 2018	2nd week of February 2019
March 31, 2019 (Audited Annual Accounts)	4th week of May 2019

*Within 45/60 days from the end of the Quarter, as per Listing Regulations.

(g) **Dividend & Dividend Payment Date:**

A Dividend of ₹ 23/- per share (230%) has been declared by the Board of Directors in their Meeting held on 28th May 2018 for the Financial Year 2017-18 which is subject to the approval of the Shareholders at the ensuing Annual General Meeting. For Demat Shareholders and Physical Shareholders who have opted for NECS/ ECS, Dividend Amount of ₹ 23/- per share will be credited directly to their respective bank accounts through NECS/ ECS, wherever such facilities are available, soon after the declaration of Dividend in the AGM. For others, Dividend Warrants/Demand Drafts will be posted on or before 17th August 2018 (tentative).

(h) **Name and Address of Stock Exchange where Company's Equity are listed:**

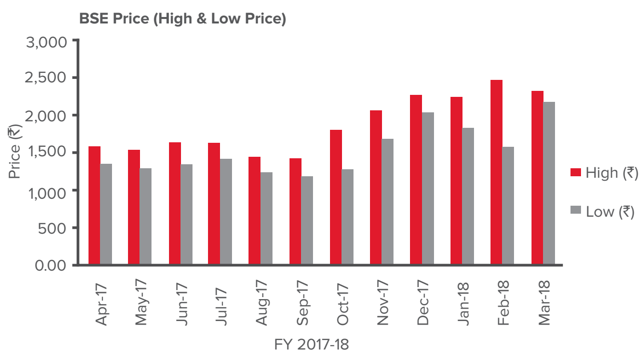
Stock Exchange	Scrip Code
BSE Limited Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	517206
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	LUMAXIND
ISIN	INE162B01018

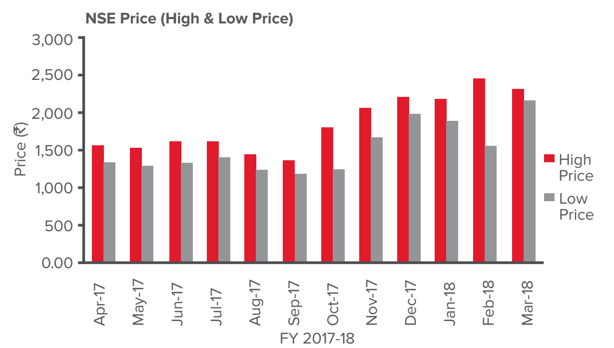
The Listing Fees for the Financial Year 2017-18 has been paid to the BSE Limited and National Stock Exchange of India Limited within applicable time-frame.

(i) Market price data- high and low during each month in last Financial Year;

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) for the year ended 31st March 2018 are as follows:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2017	1,561.55	1,340.00	46,575	1549.45	1331.30	2,76,954
May 2017	1,515.00	1,281.00	15,106	1519.95	1279.05	142572
June 2017	1,609.90	1,315.05	44,367	1609.00	1318.10	271947
July 2017	1,600.00	1,400.00	24,744	1605.00	1396.05	195535
August 2017	1,415.00	1,230.00	17,792	1425.00	1230.20	142122
September 2017	1,398.00	1,170.00	8,984	1350.00	1175.25	118330
October 2017	1,783.00	1,250.25	1,32,058	1789.00	1241.05	411554
November 2017	2,023.30	1,661.00	47,548	2039.00	1658.00	325516
December 2017	2,241.00	1,977.30	34,843	2191.90	1967.10	271512
January 2018	2,219.00	1,801.00	23,152	2169.00	1880.00	148795
February 2018	2,437.00	1,553.70	46,011	2424.00	1540.60	510741
March 2018	2,296.00	2,150.00	16,465	2298.00	2143.70	81700

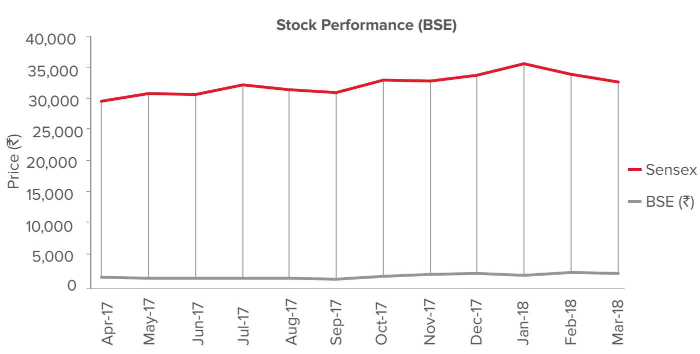


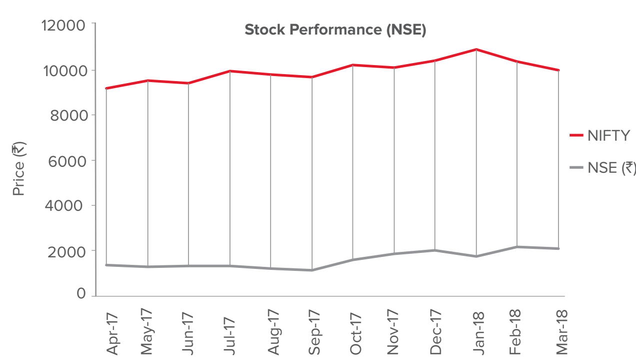


(j) The details of the Stock Performance vis – a – vis BSE Sensex S&P CNX Nifty in graphical manner and Monthly Closing Share Price on NSE and BSE from April 2017 to March 2018 is given below:

Stock performance in comparison to broad based indices

MONTH	BSE (₹)	SENSEX	NSE (₹)	NIFTY
April 2017	1,446.45	29,918.40	1441.3	9304.0
May 2017	1,353.10	31,145.80	1358.1	9621.25
June 2017	1,425.25	30,921.61	1425.35	9520.90
July 2017	1,405.50	32,514.94	1403.9	10077.10
August 2017	1,312.65	31,730.49	1307.7	9917.9
September 2017	1,234.75	31,283.72	1240.75	9788.6
October 2017	1,680.70	33,213.13	1679.75	10335.3
November 2017	1,954.20	33,149.35	1965.15	10226.55
December 2017	2,112.30	34,056.83	2119.1	10530.7
January 2018	1,847.85	35,965.02	1854.05	11027.7
February 2018	2,293.55	34,184.04	2271.35	10492.85
March 2018	2,179.40	32,968.68	2185.55	10113.7





(k) In case the securities are suspended from trading, the Boards' Report shall explain the reason thereof:

The trading in the Equity Shares of the Company was never suspended.

(l) Registrar to an issue and share transfer agents:

M/s Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower-B, Plot No.31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad-500008

Tel	:	040-67162222
Fax	:	040-23001153
Toll Free No	:	1800-3454-001
E-mail	:	einward.ris@karvy.com

(m) Share Transfer System:

All work related to Share Registry, both in physical form and electronic form, is handled by the Company's Registrar and Share Transfer Agent. The Company has appointed M/s Karvy Computershare Pvt. Ltd. as the Registrar & Share Transfer Agent. The Share transfers in physical form are approved by the Chairman and Company Secretary on fortnightly basis and the same were approved and ratified by the Share Transfer/ Stakeholder Relationship Committee.

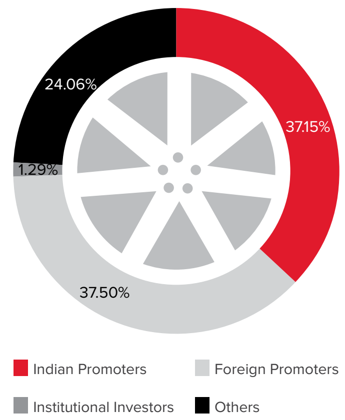
The total number of shares transferred/transmitted during the Financial Year 2017-18 was 1314, which were registered and returned to the respective transferees within a period ranging from one to two weeks, provided the documents lodged with the Registrars/Company are clear in all respects.

(n) Distribution of Shareholding as on 31st March 2018:

Range of Shares		No. of Share-holders	% of Share-holders	Amount (₹)	% of Equity Capital
1	5,000	15729	97.34	78,72,840	8.42
5,001	10,000	208	1.29	15,32,170	1.64
10,001	20,000	102	0.63	14,68,680	1.57
20,001	30,000	27	0.17	6,65,910	0.71
30,001	40,000	18	0.11	6,45,730	0.69
40,001	50,000	15	0.09	6,86,590	0.73
50,001	1,00,000	32	0.20	23,62,630	2.53
1,00,001	& above	27	0.17	7,82,42,770	83.70
Total		**16158**	**100.00**	**9,34,77,320**	**100.00**

(o) Shareholding Pattern of the Company as on 31st March 2018

S. No.	Category	No. of Shares held	% age of Shareholding
A.	**Promoters' Holding**		
1.	**Promoters**		
	Indian Promoters	34,72,934	37.15
	Foreign Promoters	35,05,399	37.50
	Persons acting in concert	-	-
2.	**Sub – Total(A)**	**69,78,333**	**74.65**
B	**Non-Promoters' Holding**		
3.	**Institutional Investors**		
	a. Mutual Funds and UTI	42,759	0.46
	b. Banks, Financial Institutions, Insurance Companies, Central/ State Govt. Institutions/Non-Government Institutions	8,594	0.09
	c. Foreign Institutional Investors/Foreign Portfolio Investors	68,719	0.74
	Sub – Total (B3)	**1,20,072**	**1.29**
4.	**Others:-**		
	a. Bodies Corporate & Clearing Member	4,16,797	4.45
	b. Indian Public	17,34,132	18.55
	c. NRIs (Including Foreign Company)	38,434	0.41
	d. IEPF	59,964	0.64
	Sub – Total (B4)	**22,49,327**	**24.06**
	Sub –Total (B) (B3+B4)	**23,69,399**	**25.35**
	Grand Total (A + B)	**93,47,732**	**100.00**



(p) Dematerialization of Shares:

As per notifications issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in Dematerialized Form. In order to enable the Shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's share are liquid and are actively traded on Stock Exchanges.

Status of Dematerialization & Liquidity as on 31st March 2018:

Particulars	No. of Shares		% of the Total Share capital	
Demat Form:		9143944		97.82
NSDL	8647009		92.50	
CDSL	496935		5.32	
Physical Form		203788		2.18
Total		**9347732**		**100.00**

Particulars	No. of Shareholders	% of the Total Shareholders
NSDL	7719	47.77
CDSL	3867	23.93
Physical	4572	28.30
Total	**16158**	**100.00**

Liquidity:

The Number of Shares of the Company traded in the Stock Exchange for the Financial Year 2017-2018 is given below:

Particulars	BSE	NSE	Total
No. of Shares Traded	457645	2897278	3354923
% of Total Equity	4.90%	31.00%	35.90%

(q) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

There are no GDRs/ ADRs/ Warrants outstanding as on 31st March 2018.

(r) 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 the risk. The intent of this mechanism is to minimise the Financial Statement impact of fluctuating Foreign Currency Exchange Rates.

(s) Plant Locations of the Company as on 31st March 2018

There are total Nine (9) locations where the Company has manufacturing units:

S. No.	Plant Locations
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 Mehdood, 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, Phase-II, Bidadi Industrial Area, Sector 2, Bangalore, Karnataka

(t) Address for Investors Correspondence:

All queries and correspondences of Investors regarding the Company's shares in Physical / Demat form may be sent either to the Registrar & Share Transfer Agent or to the Secretarial & Corporate Affairs Department of the Company at the following address:

- M/s Karvy Computershare Pvt. Ltd.
  Unit: Lumax Industries Limited
  Karvy Selenium Tower-B, Plot No.31-32,
  Gachibowli, Financial District, Nanakramguda,
  Hyderabad-500008
  Tel : 040 -67162222
  Fax : 040 -23001153
  Toll Free No : 1800-3454-001
  E-mail : einward.ris@karvy.com

- Lumax Industries Limited
  Plot No. 16, Sector-18,
  Maruti Complex, Gurugram, Haryana
  Tel : 0124-2341090, 2341324
  Fax : 0124-2342149
  E-mail : lumaxshare@lumaxmail.com
  Website : www.lumaxindustries.com

(u) 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 Seven (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 mentioned Shares 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 2017-18 ₹ 3,70,590 of Unpaid / Unclaimed dividends and 59964 Shares were transferred to the IEPF Authority.

Further, the Unclaimed Dividend for the Financial Year 2010-2011 shall become transferable to the Investor Education & Protection Fund by mid week of October, 2018. The Company has been writing periodical reminders to all the Shareholders as a whose Dividends are lying unpaid in the Unpaid Dividend Account. Members who have not encashed their Dividend for the Financial Year 2010-11 and onwards are therefore, requested to make their claims to the Company immediately.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company.

11. Other Disclosures

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

- There were no transaction of significant material nature by Company that have a potential conflict with the interest of Company at large.
- During the Financial Year 2017-18 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 Accounts.
- 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.

(b) 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-Compliance penalties/ strictures 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.

(c) 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 Group which have a negative bearing on the organization either financially or otherwise.

The Company has a robust Whistle Blower Policy to enable its Directors and Employees to report to the Management their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Company promotes a favorable 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.

(d) **Details of compliance with mandatory requirements under SEBI (Listing Regulations & Disclosure Requirements), Regulations, 2015**

The Company has fully complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) **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.

(f) **Web link where policy on dealing with related party transactions;**

The Board approved policy on related party transactions can be accessed on https://www.lumaxindustries.com/pdf/related-party-transaction-policy.pdf.

(g) **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 the risk. The intent of this mechanism is to minimise the Financial Statement impact of fluctuating Foreign Currency Exchange Rates.

12. 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.

13. Disclosure of the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

- During the Financial Year 2017-18, the Chairman of the Company was Non- Executive and was entitled to maintain a separate office space at the Company's expenses. (w.e.f. 31st March 2018 the Non- Executive Chairman i.e. Mr. D.K. Jain has retired).

- 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.

- The Internal Auditors have direct access to the Audit Committee and separate meeting of Audit Committee are held wherein Internal Auditors presents their Audit Observations to the Audit Committee of Board of Directors.

14. 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 V

15. 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 a Code of Conduct for its Board and Senior Employees as per Listing Regulations and the same is available at the Company's website. The Company has obtained a Compliance Certificate from all concerned.

A Declaration to that effect, signed by the CEO & Senior Executive Director, is attached and forms part of this Report.

The Company has formulated a Code of Conduct for prevention of Insider Trading in the Shares of the Company in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

16. Compliance Certificate from either the Auditors regarding compliance of conditions of Corporate Governance:

The Compliance Certificate from the Auditors secretaries regarding compliance of conditions of Corporate Governance has been annexed with the Boards' Report.

17. 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.

18. 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 Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares at the beginning of the year i.e. as on 1st April 2017	658	20477
Number of Shareholders who approached for issue/transfer of Shares during the year 2017-18	10	407
Number of Shareholders to whom shares were issued/transferred	10	407
Transfer to IEPF	484	14947
Aggregate number of Shareholders and the Outstanding shares lying at the end of the year i.e. 31st March 2018	164	5123

The Members who have not claimed the shares from the above returned undelivered cases are requested to contact the Registrar M/s Karvy Computershare Pvt Ltd at the address given above. The voting rights on the 5,123 shares shall remain frozen till the rightful owner of such shares claims the shares.

19. Other Important Information

(a) Nomination Facility

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.

(b) Updation of Shareholders Information

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).

(c) Mandatory Requirement of PAN

SEBI vide its circular dated 20th April 2018 has mandated compulsory registration of PAN and Bank Account for all Shareholders in following cases:

- Transferees and Transferors PAN Cards for transfer of shares
- Transfer of shares to Legal Heirs/ Nominees
- For Dematerialization of shares
- Issuance of Duplicate Share certificates

(d) Shareholders are requested to keep record of their Specimen Signature before lodgement of shares with the Company to obviate possibility of differences in signature at a later date.

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 31st March 2018 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.

Place: New Delhi
Date: 28th May 2018

Shruti Kant Rustagi
Chief Financial Officer

Vineet Sahni
CEO & Senior Executive Director

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 2017 - 2018.

Place: New Delhi
Date: 28th May 2018

Vineet Sahni
CEO & Senior Executive Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Lumax Industries Limited

We have examined the compliance of conditions of Corporate Governance by Lumax Industries Limited ('the Company'), for the year ended 31 March 2018, as per regulations 17-27, clauses (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').

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Report or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on Use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **BSR & Associates LLP**
Chartered Accountants
ICAI Firm registration number: AAB-8182

Per **Manish Gupta**
Partner
Membership No.: 095037

Place: New Delhi
Date: 28th May 2018

Annexure C

NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Nomination and Remuneration Committee fixes the remuneration of the Executive Directors after considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company, etc. The remuneration structure comprises Basic Salary, Commission, Perquisites and Allowances, contribution to Provident Fund, etc. The remuneration policy for Executive Directors is directed towards rewarding performance, based on review of achievements of Executive Directors. The Extract of the Remuneration and Evaluation of the Performance of the Board of Directors Policy is given below:

Purpose

The Board of Directors believes that an equitable remuneration to the Executive Management helps ensure that the Company can attract and retain key employees. Efforts are made to ensure that the remuneration of the Board of Directors, Key Managerial Personnel and other employees matches the level in comparable companies, whilst also taking into consideration board members required competencies, effort and the scope of the board work, including the number of meetings.

The policy shall ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, 2015 provides that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.

This policy on remuneration of Directors and Key Managerial Personnel has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

Objective

The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP and other employees.

Definition

"Board" means Board of Directors of the Company.

"Key Managerial Personnel" means

i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;

ii. Chief Financial Officer;

iii. Company Secretary

Applicability & Accountability

This Policy is applicable to:

a) Directors viz. Executive and Non-Executive and Independent

b) Key Managerial Personnel

c) Other Employees of the Company

Committee's Responsibility

The key responsibilities of the Committee would be as follows:

- To guide the Board in relation to appointment and removal of Directors and Key Managerial Personnel.
- To evaluate the performance of the members of the Board and provide necessary report to the Board in this regard.
- To determine the remuneration of Directors and Key Managerial Personnel in such a manner that involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- To recommend to the Board on Remuneration payable to the Directors and Key Managerial Personnel.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.

Frequency of Meetings

The Meetings of the Committee shall be held at such regular intervals as may be required.

Matters Relating to Appointment of Director and Key Managerial Personnel

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend to the Board his / her appointment. While recommending any person for appointment as Director, Committee shall keep in view the issue with respect to Board diversity;

b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

c) The Committee shall ensure that any appointment of a person as an Independent Director of the Company shall be made in accordance with the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the Listing Regulations.

Matters Relating to the Remuneration for the Directors and Key Managerial Personnel

(a) The Committee shall determine remuneration structure for Directors and Key Managerial Personnel 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 / commission etc. to the Managing Director, Whole-Time Director and Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.

c) If, in 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 and if the remuneration paid is not in compliance with such provisions, the same shall be subject to the previous approval of the Central Government.

d) Increments to the existing remuneration structure may be recommended by the Committee to the Board, which shall be within the overall limits of remuneration as prescribed under The Companies Act, 2013.

e) Where any insurance is taken by the Company on behalf of its Managing Director/ Executive/Whole-time Director, Key Managerial Personnel and any other employees 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. However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Other Employees of the Company

Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration is 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.

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.

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

The Terms and Conditions of appointment of Independent Directors is uploaded on the website of the Company and the web link of the same is provided here under: http://www.lumaxindustries.com/pdf/letter-of-appointment.pdf.

Annexure D

FORM NO. AOC-2

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 Arms Length Transactions under third proviso thereto

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

1.	**Details of contracts or arrangements or transactions not at arm's length basis:**	All the transactions were at arm's length basis.
(a)	Name(s) of the related party and nature of relationship:	Not Applicable
(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 of Related Party and nature of relationship	**Lumax Auto Technologies Limited**	**Stanley Electric Co. Ltd.**
(b)	Nature of contracts/arrangements/transaction	Purchase/Sale of Goods	Purchase/Sale of Goods/ Services
(c)	Duration of the contracts/arrangements/ transaction	1st April 2017- 31st March 2018	1st April 2017- 31st March 2018
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 2,07,21,89,105/-	₹ 1,40,09,85,274/-
(e)	Date(s) of approval by the Board	28th May 2018	28th May 2018
(f)	Amount paid as advances	Nil	Nil

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

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Place : New Delhi
Dated : 28th May 2018

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 2017-18, the percentage increase in Remuneration of Managing Directors, other Executive Directors, Chief Financial Officer and Company Secretary during the Financial Year 2017-18.

S. No.	Name of Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all employees	% increase in Remuneration during the Financial Year 2017-18
1.	Mr. Deepak Jain	Managing Director	119.24	70.65
2.	Mr. Anmol Jain	Joint Managing Director	63.21	45.43
3.	Mr. Eiichi Hirooka[1]	Senior Executive Director	4.98	-
4.	Mr. Tadayoshi Aoki[2]	Senior Executive Director	4.15	-
5.	Mr. Koji Sawada	Executive Director	4.03	20.01
6.	Mr. Shruti Kant Rustagi	Chief Financial Officer	-	16.75
7.	Mr. Shwetank Tiwari[3]	Company Secretary	-	-
8.	Ms. Ankita Gupta[4]	Company Secretary	-	-

B. The Percentage increase in the Median Remuneration of Employees for the Financial Year 2017-18 was 21.48%.

C. The number of Permanent Employees on the rolls of the Company as on 31st March 2018 was 2252.

D. The Average Percentage increase in the salaries of the employees other than the Key Managerial Personnel for the Financial Year was 14.68% whereas the increase in the Managerial Remuneration was 55.87%. The Remuneration components in case of Managing Directors 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:

We affirm that the Remuneration paid to the Employees and Directors is as per the Remuneration Policy of the Company.

[1] Ceased to be Senior Executive Director w.e.f. 3rd February 2018.

[2] Appointed as Senior Executive Director w.e.f. 3rd February 2018.

[3] Resigned as Company Secretary w.e.f. 11th November 2017.

[4] Appointed as Company Secretary w.e.f. 3rd February 2018.

ANNEXURE F

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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 March 31, 2018.

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 March 31, 2018 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, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **– Not applicable as the Company has not issued any fresh equity 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 as the Company has not granted any employee stock option;**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **– Not applicable as the Company has not issued any debt securities 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;**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **– Not applicable as the Company has not delisted its shares from any stock exchange during the year under review;** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **– Not applicable as the Company has not bought back its securities during the year under review;**

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 March 31, 2018, 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. The changes in the composition of the Board of Directors that took place during the financial year under review were carried out in compliance with the provisions of the Act.

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

Signature

Maneesh Gupta
FCS No. 4982
C P No. 2945

Place : New Delhi
Date : 26th May 2018

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, Common Seal 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, Company Law Board 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/ Stakeholder 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 July 22, 2017 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 31st March 2017 as prescribed under the Companies Act, 2013;
21. Report of the Board of Directors for the financial year ended 31st March 2017;
22. Borrowings and Registration of charges;

Signature

Maneesh Gupta
FCS No. 4982
C P No. 2945

Place: New Delhi
Date : 26th May 2018

Annexure G

ANNUAL REPORT ON CSR

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

[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 plant 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.lumaxindustries.com/pdf/CSR-policy.pdf

2. **The Composition of the CSR Committee.**

S. No.	Name	Category	Designation
1	Mr. M.C. Gupta	Independent Director	Chairman
2	Mr. A.P. Gandhi	Independent Director	Member
3	Mr. D K Jain*	Non-Executive Chairman	Member
4	Mr. Deepak Jain	Managing Director	Member
5	Mr. Anmol Jain	Jt. Managing Director	Member

*(Ceased to be Member w.e.f. 31st March 2018)

3. **Average net profit of the Company for last three Financial Years : ₹ 3563 Lakhs**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 71.26 Lakhs**

5. **Details of CSR spent during the Financial Year.**

   (a) Total amount spent for the Financial Year: ₹ 73.13 Lakhs

   (b) Amount unspent, if any: Nil

   (c) Manner in which the amount spend during the Financial Year is detailed below:

(₹ in Lakhs)

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 Sub heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Education and healthcare for under-privileged	a) Education b) Health c) Overheads	Manufacturing site of the Company 1. Gurugram, Haryana 2. Dharuhera, Haryana 3. Pantnagar, Uttarakhand 4. Pune, Maharashtra	a) 46.11 b) 23.63 c) 3.39	a) 46.11 b) 23.63 c) 3.39	152.34	1. Spent thorough the CSR arm of the Company namely Lumax Charitable Foundation – ₹ 24.97 Lakhs.
	Total			**73.13**	**73.13**	**152.34**	

The Company has also spent ₹ 1.94 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.**

Deepak Jain
Chairman & Managing Director

M.C. Gupta
Chairman-CSR Committee

ANNEXURE H

Information as per Section 134(3)(m) of The Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and forming part of Boards' Report for the year ended 31st March 2018.

(A) Conservation of energy:

(i) Steps taken or impact on conservation of energy;

a. Energy conservation by improving over all efficiency of Plants by replacing Inefficient Machine by Efficient machine available for Air compressor, Pump, and other utility machine

During the year, the Company has further involved to conserve energy by replacement of inefficient air compressor in Dharuhera plant which reduced energy consumption of compressed air by 8.5 % compressor maintenance cost by 2-3 %.

b. Reduction of Energy consumption of Plant by making design change in utility equipment

The Company initiated working on re-design of utility equipment by way of design change of duct, Pipe ,location of washer and Pump room which saved Energy consumption in Bawal & Dharuhera plant by reducing energy consumption by almost 50 % in the said plants.

c. Continuous saving of energy by replacing inefficient light by efficient LED light.

The Company had cautiously focused on replacement of inefficient light by LED light which resultantly reduced energy consumption by 5.9 % for Bawal plant & 5.2 % for Dharuhera plant of total energy consumption in those plants.

d. Reduction in energy consumption of process machinery power controlling by making changes in technology and by adopting upgraded technology.

The Company commenced technology upgradation for power controlling & adopted new technology for process machine for Surface treatment and Moulding machine which reduced energy consumption by 4.3 % in Bawal plant & 22.18 % in Dharuhera plant.

(ii) Steps taken by the Company for utilizing alternate sources of energy;

The Company has commenced activity to implement Solar & Wind power system with tentative capacity of 1.8 MW solar and 2 MW respectively for different plants located in Haryana, Maharastra & Karnataka, which will help to conserve natural resources and reduce cost of energy of its plant.

(iii) The capital investment on energy conservation equipments;

Your Company encourages capital investment in energy saving equipment's in its plants and machinery and for the Financial Year of 2017-18, Company had spent approximately Rs. 30 Lakhs towards replacement of Air compressor, Pump and Motor.

(B) Technology absorption:

(i) The efforts made towards technology absorption

a. In house design and development of LED Head Lamp (Low, High & Position function in one refelector)

b. Continuous In house design and development of LED Tail Lamp for 2W in a remarkable time period.

c. In house design to meet the optical requirement in 4W LED daytime running light (DRL).

d. Achievement in meeting the regulatory requirement with 12 Nos. of LEDs in 4W DRL Function.

e. In house design of sleek CHMSL with LED light source and length of 190 mm with combination of Fresnel and micro optics.

f. In house design and development for 2W Tail Lamp with Light guide for Tail Function and 6 Nos. LEDs for stop function.

g. In house design LED Head Lamp for 2W.

h. In house design of Tail Lamp of very small size with bulb,which appearance wise look like LED.

i. In house design of LED Tail Lamp for 4W.

j. In house design of LED Winker Lamp with very small size for 2W.

(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 Technology for Anti-Mist Coating was being imported from Stanley, Japan since 2014-15. In order to keep pace with "Make in India "initiative of Government of India, the Company, during the Fiscal year 2017-18 initiated efforts to develop this technology in-house. Owing to the hard efforts put by the Company, your Company successfully launched this Technology in its Sanand plant for 4 wheeler Lamps.

c. The future of lighting is LED and Lumax being a leader in Automotive Lightening 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.

d. The Company received the recognition of Best Development Partner from HMSI for the design & development of LED Head Lamps for their new models like Grazia, Activa 5G, X-Blade etc.

e. The Engineers of the Company are being trained in Stanley Japan which shall prove to be beneficial for customer as well for our country with respect to localization of design as well as technology transfer in long run.

f. Stanly, 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 three years reckoned from the beginning of the Financial Year):

a.	**Technology Imported**	BI-Led Projector	Day time running Lamp (DRL) Assembly
b.	**Year of Import**	2015-2016	2016-2017
c.	**Whether the technology been fully absorbed**	Absorbed in 4 wheeler Head Lamps	Absorbed in 4 wheeler Head Lamps
d	**If not fully absorbed, areas where absorption has not taken place, and the reason thereof**	For Future models, this technology will be introduced in LED 4 wheeler Head Lamps.	This technology can be used in future models of 4 wheeler Head Lamps.

(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 Researh and Development (R&D) , Technology Development and innovation for achieving growth, business profitability and sustainability. To have better and advanced services to customers Lumax opened Design Center in Taiwan year ago.

To further strengthen its R&D capabilities, the Company is planning to have another Design office situauted 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 Propto 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, which reduce Company's dependency on Stanley.

- 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

d. The expenditure incurred on Research and Development:

(₹ in Lakhs)

Particulars	2017-18	2016-17
(i) Capital	483.50	414.90
(ii) Recurring	3,423.60	3,019.10
Total	**3,907.10**	**3,434.00**
(iii) Total R & D Expenditure as a percentage of Total Turnover (%)	2.37%	2.70%

(C) The Foreign Exchange earned in terms of actual inflows during the year ₹ 3,251.80 Lakhs and the foreign Exchange outgo during the year in terms of actual outflows is ₹ 28,293.40 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:

- Securing the new business with Audi AG for development of Q2 LED high Mounted Stop Lamp as a global single source.
- Discussions with Truck-Lite Europe for introduction of LED Products as the replacement or upgrade version of their existing products.
- 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.
- 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 in 2018.

Annexure I

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March 2018

[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**	December 10, 1981
iii)	**Name of the Company**	Lumax Industries Limited
iv)	**Category/sub-category of the Company**	Public Listed Company having Share Capital
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
vi)	**Whether listed Company**	Yes
vii)	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	M/s Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, INDIA. E-mail id : einward.ris@karvy.com Tel: +91-40-67161524

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 Products/Services	NIC Code of the Product/service	% of Total Turnover of the Company
1	Automotive Lamp	2740	91.23%

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. Share Holding 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 1st April 2017)				No. of Shares held at the end of the year (As on 31st March 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2,425,997	-	2,425,997	25.95	2,487,032	-	2,487,032	26.61	0.65*
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	942,253	-	942,253	10.08	985,902	-	985,902	10.55	0.47*
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**3,368,250**	**-**	**3,368,250**	**36.03**	**3,472,934**		**3,472,934**	**37.15**	**1.12***

(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	3,505,399	-	3,505,399	37.50	3,505,399	-	3,505,399	37.50	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**3,505,399**	**-**	**3,505,399**	**37.50**	**3,505,399**	**-**	**3,505,399**	**37.50**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**6,873,649**	**-**	**6,873,649**	**73.53**	**6,978,333**	**-**	**6,978,333**	**74.65**	**1.12**
B. Public Shareholding **1. Institutions**									
a) Mutual Funds	118,417	1,740	120,157	1.29	41,719	1,040	42,759	0.46	(0.83)
b) Banks / FI	2,362	270	2,632	0.03	8,324	270	8,594	0.09	0.06
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors / Foreign Portfolio Investors	205,348	200	205,548	2.20	68,719	-	68719	0.74	(1.46)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**326,127**	**2,210**	**328,337**	**3.51**	**118,762**	**1,310**	**120,072**	**1.28**	**(2.23)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	411,253	1,874	413,127	4.42	408,580	1,225	409,805	4.38	(0.04)
ii) Overseas	-	80	80	0	-	80	80	0	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	1,088,294	257,262	1,345,556	14.39	1,027,580	200,983	1,228,563	13.14	(1.25)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	348,717	-	348,717	3.73	505,569	-	505,569	5.41	1.68
c) Others (specify)									
(i) NRI Reptriation	-	150	150	0	-	150	150	0	-
(ii) Non resident indians	35,797	90	35,887	0.38	38,164	40	38,204	0.41	0.02
(iii) Clearing Members	2,229	-	2,229	0.02	6,992	-	6,992	0.07	0.05
(iv) IEPF	0	0	0	0	59,964	0	59,964	0.64	0.64
Sub-total (B)(2):-	**1,886,290**	**259,456**	**2,145,746**	**22.95**	**2,046,894**	**202,478**	**2,249,327**	**24.06**	**1.11**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2,212,417**	**261,666**	**2,474,083**	**26.47**	**2,165,611**	**203,788**	**2,369,399**	**25.35**	**(1.12)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**9,086,066**	**261,666**	**9,347,732**	**100**	**9,143,944**	**203,788**	**9,347,732**	**100**	**-**

* Changes in shareholding of Indian Promoters is due to consolidation by way of transfer of shares to :
Mr. Dhanesh Kumar Jain which were jointly held by Mr. Dhanesh Kumar Jain and Mrs. Usha Jain
Mrs. Usha Jain which were jointly hold by Mrs. Usha Jain and Mr. Dhanesh Kumar Jain
Mr. Deepak Jain which were jointly hold by Mr. Deepak Jain and Mrs. Usha Jain
Mr. Anmol Jain which were jointly hold by Mr. Anmol Jain and Mrs. Usha Jain
Purchase of shares through open market.

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April 2017)			Share holding at the end of the year (As on 31st March 2018)			% 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.	3,343,381	35.77	-	3,343,381	35.77	-	-
2	Mr. Dhanesh Kumar Jain	1,938,025	20.73	-	1,959,026	20.96	-	0.23
3	Lumax Auto Technologies Limited	525,000	5.62	-	525,000	5.62	-	-
4	Lumax Finance Pvt. Ltd.	417,253	4.46	-	460,902	4.93	-	0.47
5	Thai Stanley Electric Public Co. Ltd.	162,018	1.73	-	162,018	1.73	-	-
6	Mrs. Usha Jain	144,483	1.55	-	150,683	1.61	-	0.06
7	Mr. Deepak Jain	136,711	1.46	-	164,428	1.76	-	0.30
8	Mr. Dhanesh Kumar Jain (HUF)	124,970	1.34	-	142,970	1.53	-	0.19
9	Mr. Anmol Jain	53,778	0.58	-	69,925	0.75	-	0.17
10	Mr. Dhanesh Kumar Jain jointly with Mrs. Usha Jain	14,230	0.15	-	0	0	0	(0.15)
11	Mrs. Usha Jain jointly with Mr. D.K. Jain	6,200	0.07	-	0	0	0	(0.07)
12	Mr. Deepak Jain Jointly with Mrs. Usha Jain	6,000	0.06	-	0	0	0	(0.06)
13	Mr. Anmol Jain Jointly with Mrs. Usha Jain	1,600	0.02	-	0	0	0	(0.02)
	Total	**6,873,649**	**73.53**	**-**	**6,978,333**	**74.65**	**-**	**1.12***

(iii) Change in Promoter's Shareholding

S. No.	Particulars	Date	Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding during the Financial Year 2017-18	
			No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1.	**Mr. Dhanesh Kumar Jain**					
	At the beginning of the year		1,952,255	20.88		
	Increase/Decrease in the shareholding during the year					
		22/12/2017	14,320	0.16	1,966,485	21.04
		22/12/2017	(14,320)	0.16	1,952,255	20.88
		16/02/2018	500	0.01	1,952,755	20.89
		23/02/2018	6,271	0.07	1,959,026	20.96
	At the end of the year				**1,959,026**	**20.96**
2.	**Lumax Finance Private Limited**					
	At the beginning of the year		417,253	4.46		
	Increase/Decrease in the shareholding during the year					
		16/02/2018	32,322	0.35	449,575	4.81
		02/03/2018	821	0.01	450,396	4.82
		09/03/2018	1,695	0.02	452,091	4.84
		16/03/2018	4,389	0.04	459,480	4.88
		23/03/2018	2,273	0.03	458,753	4.91
		30/03/2018	2,149	0.02	460,902	4.93
	At the end of the year				**460,902**	**4.93**

S. No.	Particulars	Date	Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding during the Financial Year 2017-18	
			No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
3.	**Mr. Deepak Jain**					
	At the beginning of the year		142,711	1.53		
	Increase/Decrease in the shareholding during the year					
		12/01/2018	6,000	0.06	148,711	1.59
		12/01/2018	(6,000)	(0.06)	142,711	1.53
		16/02/2018	20,381	0.21	163,092	1.74
		23/02/2018	51	0.01	163,143	1.75
		30/03/2018	1,285	0.01	164,428	1.76
	At the end of the year				164,428	1.76
4.	**Mr. Dhanesh Kumar Jain**					
	At the beginning of the year		124,970	1.34		
	Increase/Decrease in the shareholding during the year					
		16/02/2018	18,000	0.19	142,970	1.53
	At the end of the year				**142,970**	**1.53**
5.	**Mr. Anmol Jain**					
	At the beginning of the year		55,378	0.59		
	Increase/Decrease in the shareholding during the year					
		22/12/2017	1,600	0.02	56,978	0.61
		22/12/2017	(1,600)	(0.02)	55,378	0.59
		16/02/2018	10,369	0.11	65,747	0.70
		23/02/2018	4,178	0.05	69,925	0.75
	At the end of the year				**69,925**	**0.75**

* Changes in shareholding of Indian Promoters is due to consolidation by way of transfer of shares to :
Mr. Dhanesh Kumar Jain which were jointly held by Mr. Dhanesh Kumar Jain and Mrs. Usha Jain
Mrs. Usha Jain which were jointly hold by Mrs. Usha Jain and Mr. Dhanesh Kumar Jain
Mr. Deepak Jain which were jointly hold by Mr. Deepak Jain and Mrs. Usha Jain
Mr. Anmol Jain which were jointly hold by Mr. Anmol Jain and Mrs. Usha Jain
Purchase of shares through open market.

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of the Shareholder	Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding during the Financial Year 2017-18	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
1.	**Param Capital Research Pvt. Ltd.**				
	At the beginning of the year	**200,000**	**2.14**		
	Increase/Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			**200,000**	**2.14**
2.	**Fidelity Northstar Fund #**				
	At the beginning of the year	**150,000**	**1.60**		
	Increase/Decrease in Shareholding during the year	0	0		
	07/07/2017	(6,000)	0.06	144,000	1.54
	14/07/2017	(13,725)	0.15	130,275	1.39
	21/07/2017	(19,686)	0.19	110,589	1.18
	28/07/2017	(27,060)	0.29	83,529	0.89
	04/08/2017	(6,207)	0.06	77,322	0.83
	11/08/2017	(9,460)	0.10	67,862	0.73
	18/08/2017	(6,091)	0.07	61,771	0.66
	25/08/2017	(4,346)	0.05	57,425	0.61
	01/09/2017	(11,906)	0.12	45,519	0.49
	08/09/2017	(8,376)	0.09	37,143	0.40
	15/09/2017	(14,188)	0.15	22,955	0.25
	22/09/2017	(7,094)	0.08	15,861	0.17

S. No.	Name of the Shareholder	Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding during the Financial Year 2017-18	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
	29/09/2017	(4,955)	0.05	10,906	0.12
	06/10/2017	(9,422)	0.10	1,484	0.02
	13/10/2017	(1,484)	0.02	0	0.00
	At the end of the year			**0**	**0**
3.	**Vanaja Sundar Iyer**				
	At the beginning of the year	**129,669**	**1.39**		
	Increase/Decrease in shareholding during the year				
	16/06/2017	4,112	0.41	133,781	1.43
	13/10/2017	(4,305)	0.04	129,476	1.39
	At the end of the year			**129,476**	**1.39**
4.	**L and T Mutual Fund Trustee Ltd-L and T Monthly In**				
	At the beginning of the year	**118417**	**1.27**		
	Increase/Decrease in the shareholding during the year				
	28/04/2017	26,433	0.28	144,850	1.55
	12/05/2017	(210)	0.00	144,640	1.55
	19/05/2017	5,293	0.05	149,933	1.60
	26/05/2017	1,980	0.03	151,913	1.63
	16/06/2017	(180)	0.00	151,733	1.63
	04/08/2017	(410)	0.00	151,323	1.63
	13/10/2017	(150,193)	1.62	1,130	0.01
	03/11/2017	(350)	0.00	780	0.01
	17/11/2017	(150)	0.00	630	0.01
	At the end of the year			**630**	**0.01**
5.	**Ashish Kacholia***				
	At the beginning of the year	**0**	**0**		
	Increase/Decrease in the shareholding during the year				
	13/10/2017	73,495	0.79	73,495	0.79
	20/10/2017	1,505	0.01	75,000	0.80
	At the end of the year			**75,000**	**0.80**
6.	**Suresh Kumar Agarwal***				
	At the beginning of the year	**0**	**0**		
	Increase/Decrease in the shareholding during the year				
	13/10/2017	74,557	0.80	74,557	0.80
	At the end of the year			**74,557**	**0.80**
7.	**Kamlesh N Shah***				
	At the beginning of the year	**0**	**0**		
	Increase/Decrease in the shareholding during the year				
	30/03/2018	61,400	0.66	61,400	0.66
	At the end of the year			**61,400**	**0.66**
8.	**Navinchandra S Shah #**				
	At the beginning of the year	**61,400**	**0.66**		
	Increase/Decrease in the shareholding during the year				
	30/03/2018	(61,400)	0.66	0	0
	At the end of the year			**0**	**0**
9.	**Investor Education and Protection Fund Authority M***				
	At the beginning of the year	**0**	**0**		
	Increase/Decrease in the shareholding during the year				
	08/12/2017	849	0.01	849	0.01
	15/12/2017	59,065	0.63	59,914	0.64
	29/12/2017	50	0.00	59,964	0.64
	At the end of the year			**59,964**	**0.64**
10.	**BOI AXA Trustee Services Pvt. Ltd. A/C BOI AXA TAX A***				
	At the beginning of the year	**0**	**0**		

S. No.	Name of the Shareholder	Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding during the Financial Year 2017-18	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
	Increase/Decrease in the shareholding during the year				
	01/12/2017	3,003	0.03	3,003	0.03
	08/12/2017	18,718	0.20	21,721	0.23
	15/12/2017	1,735	0.02	23,456	0.25
	09/02/2018	9,123	0.10	32,579	0.35
	16/02/2018	6,529	0.07	39,108	0.42
	30/03/2018	1,981	0.02	41,089	0.44
	At the end of the year			**41,089**	**0.44**
11.	**Kriner Services Private Limited**				
	At the beginning of the year	**26,626**	**0.28**		
	Increase/Decrease in the shareholding during the year				
	07/04/2017	(100)	0.00	26,526	0.28
	28/04/2017	(5,850)	0.06	20,676	0.22
	16/06/2017	(1,500)	0.01	19,176	0.21
	27/10/2017	(4,380)	0.05	14,796	0.16
	10/11/2017	(1,700)	0.02	13,096	0.14
	17/11/2017	(100)	0.00	12,996	0.14
	08/12/2017	(542)	0.01	12,454	0.13
	15/12/2017	(1,652)	0.01	10,802	0.12
	09/02/2018	(1,300)	0.02	9,502	0.10
	16/02/2018	(100)	0.00	9,402	0.10
	At the end of the year			**9,402**	**0.10**
12.	**Neepa k Shah**				
	At the beginning of the year	**20,560**	**0.22**		
	Increase/Decrease in the shareholding during the year				
	27/10/2017	17,680	0.19	38,240	0.41
	At the end of the year			**38,240**	**0.41**
13.	**Prabhas Dhanuka**				
	At the beginning of the year	**20,000**	**0.21**		
	Increase/Decrease in the shareholding during the year	**0**	**0**		
	At the end of the year			**20,000**	**0.21**
14.	**D Srimathi**				
	At the beginning of the year	**18,542**	**0.20**		
	Increase/Decrease in the shareholding during the year				
	21/07/2017	6,000	0.06	24,542	0.26
	28/07/2017	1,000	0.01	25,542	0.27
	01/09/2017	824	0.01	26,366	0.28
	08/09/2017	1,002	0.01	27,368	0.29
	29/09/2017	382	0.01	27,750	0.30
	19/01/2018	180	0.00	27,930	0.30
	02/02/2018	745	0.01	28,675	0.31
	02/03/2018	1,059	0.01	29,734	0.32
	09/03/2018	4,309	0.04	34,043	0.36
	16/03/2018	3,521	0.04	37,564	0.40
`	23/03/2018	1,136	0.01	38,700	0.41
	30/03/2018	500	0.01	39,200	0.42
	At the end of the year			**39,200**	**0.42**
15.	**Premier Investment Fund Limited**				
	At the beginning of the year	**17,306**	**0.19**		
	Increase/Decrease in the shareholding during the year				
	06/10/2017	942	0.01	18,248	0.20
	10/11/2017	2,800	0.03	21,048	0.23
	22/12/2017	912	0.00	21,960	0.23
	29/12/2017	8,088	0.09	30,048	0.32
	23/02/2018	300	0.00	30,348	0.32

S. No.	Name of the Shareholder	Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding during the Financial Year 2017-18	
		No. of Shares	% of Total Share Capital of the Company	No. of Shares	% of Total Share Capital of the Company
	02/03/2018	3,403	0.04	33,751	0.36
	09/03/2018	2,249	0.03	36,000	0.39
	At the end of the year			**36,000**	**0.39**

* Not in the list of top 10 Shareholders as on 1st April 2017. The same has been reflected above since the Shareholder was one of the Top Shareholders as on 31st March 2018.

Ceased to be in the list of top 10 Shareholders as on 31st March 2018. The same is reflected above since the Shareholder was one of the top 10 Shareholder as on 1st April 2017.

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding during the Financial Year 2017-18	
		No. of Shares	% of Total Share capital of the Company	No. of Shares	% of Total Share Capital of the Company
A.	**Name of Directors and Key Managerial Personnel**				
1.	**Mr. Dhanesh Kumar Jain**				
	At the beginning of the year	**1,952,255**	**20.88**		
	Increase/Decrease in the shareholding during the year				
	22/12/2017	14,320	0.16	1,966,485	21.04
	22/12/2017	(14,320)	0.16	1,952,255	20.88
	16/02/2018	500	0.01	1,952,755	20.89
	23/02/2018	6,271	0.07	1,959,026	20.96
	At the end of the year			**1,959,026**	**20.96**
2.	**Mr. Deepak Jain**				
	At the beginning of the year	**142,711**	**1.53**		
	Increase/Decrease in the shareholding during the year				
	12/01/2018	6,000	0.06	148,711	1.59
	12/01/2018	(6,000)	0.06	142,711	1.53
	16/02/2018	20,381	0.21	163,092	1.74
	23/02/2018	51	0.01	163,143	1.75
	30/03/2018	1,285	0.01	164,428	1.76
	At the end of the year			**164,428**	**1.76**
3.	**Mr. Anmol Jain**				
	At the beginning of the year	**55,378**	**0.59**		
	Increase/Decrease in the shareholding during the year				
	22/12/2017	1,600	0.02	56,978	0.61
	22/12/2017	(1,600)	0.02	55,378	0.59
	16/02/2018	10,369	0.11	65,747	0.70
	23/02/2018	4,178	0.05	69,925	0.75
	At the end of the year			**69,925**	**0.75**
	Name of the Key Managerial personnel				
4.	**Mr. Shruti Kant Rustagi**				
	At the beginning of the year	**52**	**0.00**		
	Increase/Decrease in the shareholding during the year				
	30/06/2017	75	0.00	127	0.00
	11/08/2017	132	0.00	259	0.00
	10/11/2017	(100)	0.00	159	0.00
	26/01/2018	5	0.00	164	0.00
	23/02/2018	25	0.00	189	0.00
	At the end of the year			**189**	**0.00**

Note: Mr. Tadayoshi Aoki, Mr. Koji Sawada, Mr. Toru Tanabe, Mr. A.P. Gandhi, Mr. Rattan Kapur, Mr. M.C. Gupta, Mr. D.D. Gupta, Mrs. Pallavi Dinodia Gupta and Mr. Shwetank Tiwari, Company Secretary (upto 11.11.2017), Ms. Ankita Gupta, Company Secretary (w.e.f. 03.02.2018) did not hold any shares of the Company during the Financial Year 2017-18.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year:				
i) Principal Amount	2,305.96	6,934.29	-	**9,240.25**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	33.28	-	-	**33.28**
Total (i + ii +iii)	**2,339.24**	**6,934.29**	-	**9,273.53**
Change in Indebtedness during the Financial Year:				
Addition	29,486.40	42,984.29	-	**72,470.69**
Reduction	(25,748.13)	(45,558.17)		**(71,306.30)**
Net Change	**3,738.27**	**(2,573.88)**	-	**1,164.39**

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the Financial Year:				
i) Principal Amount	6,044.32	4,360.41	-	**10,404.73**
ii) Interest due but not paid	12.56	-	-	12.56
iii) Interest accrued but not due		4.62		**4.63**
Total (i + ii + iii)	**6,056.88**	**4,355.79**	-	**10,412.67**

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	Mr. Anmol Jain	Mr. Eiichi Hirooka (upto 03.02.2018)	Mr. Koji Sawada	Mr. Tadayoshi Aoki (w.e.f. 03.02.2018)	
1.	Gross salary						
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	108.00	46.80	16.06	15.42	2.48	**188.76**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16.66	2.02	0.57	0.40	0.07	**19.72**
	(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...	337.49	194.88	-	-		**532.37**
5	Others, please specify	-	-	-	-		
	Total (A)	**462.15**	**243.70**	**16.63**	**15.82**	**2.55**	**740.85**
	Ceiling as per the Act	(Being 10% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)					

(ii) Remuneration to other Directors:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. D.K Jain	Mr. A.P. Gandhi	Mr. M.C. Gupta	Mr. Rattan Kapur	Mr. D.D. Gupta	Mrs. Pallavi Dinodia Gupta	Mr. Rajeev Kapoor	
1.	Independent Directors								
	Fee for attending board/ committee meetings	-	4.60	4.00	3.60	4.00	1.80	2.20	20.20
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	**-**	**4.60**	**4.00**	**3.60**	**4.00**	**1.80**	**2.20**	**20.20**

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. D.K Jain	Mr. A.P. Gandhi	Mr. M.C. Gupta	Mr. Rattan Kapur	Mr. D.D. Gupta	Mrs. Pallavi Dinodia Gupta	Mr. Rajeev Kapoor	
2.	Other Non-Executive Directors								
	• Fee for attending board / committee meetings	-	-	-	-	-	-	-	-

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. D.K Jain	Mr. A.P. Gandhi	Mr. M.C. Gupta	Mr. Rattan Kapur	Mr. D.D. Gupta	Mrs. Pallavi Dinodia Gupta	Mr. Rajeev Kapoor	
	• Commission	97.44	-	-	-	-	-	-	
	• Others, please specify								
	Total (2)	**97.44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**97.44**	**4.60**	**4.00**	**3.60**	**4.00**	**1.80**	**2.20**	**117.64**
	***Total Managerial Remuneration**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**858.49***
	Overall Ceiling as per the Act	(Being 11% of the Net Profits of the Company as calculated under Section 198 of The Companies Act, 2013)							

*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
		Company Secretary Mr. Shwetank Tiwari (upto 11.11.2017)	**Company Secretary** Ms. Ankita Gupta (w.e.f. 03.02.2018)	**Chief Financial Officer** Mr. Shruti Kant Rustagi	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.83	0.46	58.44	**67.72**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.47	.01	2.75	**3.23**
	(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	-	-	-	-
	Total	**9.30**	**0.47**	**61.19**	**70.95**

VII. Penalties / Punishment / Compounding of Offences:

Against the Company, Directors and other Officers in Default under the Companies Act, 2013: **NONE**

Independent Auditor's Report

To the Members of Lumax Industries Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Lumax Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows and for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit 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) prescribed 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 01 April 2016 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 13 May 2017 and 12 May 2016 respectively expressed an unmodified opinion on those Standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. 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 purpose of our audit;

   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

   e. On the basis of written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   g. With respect to the other matters to be included in the Auditor's 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 on its financial position in its Standalone Ind AS financial statements – Refer to note 42 of the standalone Ind AS 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 financial statements regarding holdings as well as dealings in specified bank notes during the period from 08 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Manish Gupta
Partner
Membership No.: 095037

Place: New Delhi
Date: 28 May 2018

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 Ind AS financial statements for the year ended 31 March 2018, 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 previous year. However, no such verification has been made 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 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 are held in the name of the Company.

(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) 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 Companies Act, 2013.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any transactions in respect of loans, investments, guarantees, and security which are covered under section 185 and 186 of the Companies Act, 2013. Accordingly, provisions of paragraph 3(iv) of the Order are not applicable to the Company.

(v) The Company has not accepted any deposits covered under Section 73 to 76 or any other provisions of the Act and the rules framed thereunder.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such 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, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities in all cases during the year.

(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 , Duty of customs, Duty of excise or 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 service tax paid on catering and CHA (export) services	9.26	-	2010-11 and 2012-13	Assistant Commissioner of Excise

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	12.84	-	2013-14	Central excise and service tax appellate tribunal
Finance Act, 1994	Demand for disallowance of Cenvat credit in respect of outward transportation	2.83	-	2014-15 and 2015-16	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)
Customs Act, 1962	Demand for wrongful availment of duty drawback.	42.61	-	2003-04 to 2014-15	Assistant commissioner of customs
Income tax Act, 1961	Disallowance of royalty on account of arm length's price.	405.67	-	Assessment year 2011-12	Income tax appellate tribunal
Central Sales Tax Act, 1961	Demand against non-submission of various Forms	4.97	0.50	2007-08	Commissioner of Sales tax (Appeals)
Central Sales Tax Act, 1961	Demand against non-submission of various Forms	21.40	7.00	2010-11	Joint Commissioner of Sales tax (Appeals)

(viii) In our opinion and according to the information and explanations given to us, the Company 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.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(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 year.

(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 requisite approvals mandated by 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.

(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 Ind AS 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 number: 116231W/W-100024

Manish Gupta
Partner
Membership No.: 095037

Place: New Delhi
Date: 28 May 2018

Annexure B to the Independent Auditor's Report to the Members of even date on the Standalone Ind AS financial statements of Lumax Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Lumax Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 financial statements was 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 system over financial reporting with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of 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 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 financial statements.

Meaning of internal financial controls with reference to financial statements

A company's internal financial control over financial reporting with reference to 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 control over financial reporting includes those policies and procedures 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 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial control were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Manish Gupta
Partner
Membership No.: 095037

Place: New Delhi
Date: 28 May 2018

Standalone Balance Sheet

as at 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
I ASSETS				
Non-current assets				
Property, plant and equipment	4A	52,776.53	41,538.36	39,451.38
Capital work-in-progress	4B	3,383.17	2,033.54	1,703.78
Intangible assets	5	435.23	333.02	256.74
Financial assets				
Investments	6	450.74	450.74	450.74
Loans	7	392.42	238.17	217.78
Derivatives	11	-	-	65.35
Others	8	231.49	240.77	133.61
Non current tax assets (net)	12	80.57	19.83	12.71
Deferred tax assets (net)	23	27.17	611.85	306.31
Other non-current assets	13	807.60	867.79	453.62
Total non-current assets		**58,584.92**	**46,334.07**	**43,052.02**
Current assets				
Inventories	14	16,878.74	11,604.54	10,455.02
Financial assets				
Investments	6	15.18	23.27	10.99
Trade receivables	9	31,822.68	19,094.22	18,119.04
Cash and cash equivalents	10	124.10	67.07	268.06
Bank balances other than above	10	46.94	14.97	-
Loans	7	94.67	-	-
Derivatives	11	-	56.56	621.59
Others	8	3,255.19	22.18	22.57
Other current assets	13	3,992.03	3,869.21	3,646.58
		56,229.53	**34,752.02**	**33,143.85**
Assets held for sale	15	**1.80**	**65.65**	**65.65**
Total current assets		**56,231.33**	**34,817.67**	**33,209.50**
TOTAL ASSETS		**1,14,816.25**	**81,151.74**	**76,261.52**
II EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	934.77	934.77	934.77
Other equity	17	28,351.59	23,812.22	19,318.42
Total equity		**29,286.36**	**24,746.99**	**20,253.19**
Liabilities				
Non current liabilities				
Financial liabilities				
Borrowings	18	228.30	363.77	1,057.29
Provisions	21	2,003.04	1,625.29	1,364.43
Other non-current liabilities	22	1,296.26	890.11	656.34
Total non current liabilities		**3,527.60**	**2,879.17**	**3,078.06**
Current liabilities				
Financial liabilities				
Borrowings	18	9,921.03	7,902.21	8,482.54
Trade payables	19	53,636.22	32,684.20	29,458.48
Other financial liabilities	20	11,795.40	6,315.58	7,552.43
Provisions	21	1,127.47	755.07	559.13
Other current liabilities	22	5,522.17	5,868.52	6,877.69
Total current liabilities		**82,002.29**	**53,525.58**	**52,930.27**
Total liabilities		**85,529.89**	**56,404.75**	**56,008.33**
TOTAL EQUITY AND LIABILITIES		**1,14,816.25**	**81,151.74**	**76,261.52**
Summary of significant accounting policies	3			

The attached notes referred to above form an integral part of the standalone Ind AS 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 Gupta
Partner
Membership No. 095037

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Shruti Kant Rustagi
Chief Financial Officer

Ankita Gupta
Company Secretary

Place : New Delhi
Date : 28 May 2018

Statement of Standalone Profit and Loss

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
I	**REVENUE**			
	Revenue from operations	24	1,69,176.59	1,42,589.38
	Other income	25	925.43	649.94
	TOTAL REVENUE		**1,70,102.02**	**1,43,239.32**
II	**EXPENSES**			
	Cost of materials consumed			
	Cost of raw material and components consumed	26.1	96,050.59	72,687.44
	Cost of moulds, tools & dies	26.2	11,906.22	8,743.54
	Purchase of stock in trade	27	2,442.86	401.07
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(1,385.60)	(49.61)
	Excise duty	29	4,184.44	15,497.05
	Employee benefits expenses	30	18,892.83	15,984.87
	Finance costs	31	718.62	1,066.44
	Depreciation and amortization	32	4,844.50	4,139.05
	Other expenses	33	23,655.28	19,294.01
	TOTAL EXPENSES		**1,61,309.74**	**1,37,763.86**
III	**Profit before tax (I-II)**		**8,792.28**	**5,475.46**
IV	**Tax Expense:**			
	Current tax	23	1,828.42	1,130.95
	Less : MAT credit entitlement	23	(1,139.38)	(1,130.95)
	Deferred tax	23	1,783.88	816.36
	Current tax for earlier years		(4.33)	47.42
	Income tax expenses		**2,468.59**	**863.78**
V	**Profit for the year (III-IV)**		**6,323.69**	**4,611.68**
VI	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurements of defined benefit liability		268.54	117.88
	Income tax relating to above		(115.57)	-
	Net other comprehensive income not to be reclassified subsequently to profit or loss		**152.97**	**117.88**
	Total comprehensive income for the year		**6,170.72**	**4,493.80**
VIII	**Earnings per equity share - Basic and diluted {Nominal value of share ₹10 (Previous year : ₹10) each}**	34	**67.65**	49.33
	Summary of significant accounting policies	3		

The attached notes referred to above form an integral part of the standalone Ind AS 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 Gupta
Partner
Membership No. 095037

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Shruti Kant Rustagi
Chief Financial Officer

Ankita Gupta
Company Secretary

Place : New Delhi
Date : 28 May 2018

Standalone Statement of Changes in Equity

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

a. Equity share capital	Note	Amount
Balance as at 01 April 2016		934.77
Changes in equity share capital during 2016-17	16a	-
Balance as at 31 March 2017		**934.77**
Changes in equity share capital during 2017-18	16a	-
Balance as at 31 March 2018		**934.77**

b. Other Equity	Note	Reserves and Surplus				Items of OCI	Total
		Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurements of defined benefit plans	
Balance at 01 April 2016		**0.65**	**6,796.66**	**7,141.47**	**5,379.64**	**-**	**19,318.42**
Transferred from retained earning		-	-	542.00	-	-	542.00
Profit for the year		-	-	-	4,611.68	-	4,611.68
Transfer to general reserve		-	-	-	(542.00)	-	(542.00)
Other comprehensive income		-	-	-	-	(117.88)	(117.88)
Transferred to retained earnings		-	-	-	(117.88)	117.88	-
Balance at 31 March 2017		**0.65**	**6,796.66**	**7,683.47**	**9,331.44**	**-**	**23,812.22**
Transferred from Retained earning		-	-	880.00	-	-	880.00
Profit for the year		-	-	-	6,323.69	-	6,323.69
Dividends	17B	-	-	-	(1,355.42)	-	(1,355.42)
Dividend distribution tax	17B	-	-	-	(275.93)	-	(275.93)
Transfer to General reserve		-	-	-	(880.00)	-	(880.00)
Other comprehensive income		-	-	-	-	(152.97)	(152.97)
Transferred to retained earnings		-	-	-	(152.97)	152.97	-
Balance at 31 March 2018		**0.65**	**6,796.66**	**8,563.47**	**12,990.81**	**-**	**28,351.59**

The attached notes referred to above from an integral part of the standalone Ind AS 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 Gupta
Partner
Membership No. 095037

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Shruti Kant Rustagi
Chief Financial Officer

Ankita Gupta
Company Secretary

Place : New Delhi
Date : 28 May 2018

Standalone Cash Flow Statement

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A.	**Cash flow from operating activities**		
	Profit before tax	**8,792.28**	**5,475.46**
	Adjustment to reconcile profit before tax to net cash flows		
	Depreciation/ amortisation	4,844.50	4,139.05
	Amortisation of government grants	(57.51)	(46.16)
	Provision for doubtful debts/ advances	81.33	16.65
	Diminution in value of assets held for sale	63.85	-
	Gain on disposal of property, plant and equipment (net)	(9.63)	(27.82)
	Change in fair value of investment	8.09	(12.28)
	Unrealised foreign exchange (gain)/ loss	138.31	(113.49)
	Provisions/creditors no longer required written back	(167.96)	(11.06)
	Finance cost	718.62	1,066.44
	Interest income	(10.22)	(9.59)
	Dividend income	(382.39)	(51.89)
	Operating profit before working capital changes	**14,019.27**	**10,425.31**
	Movements in working capital:		
	Decrease/ (increase) in inventories	(5,274.20)	(1,149.52)
	Decrease/ (increase) in trade receivables	(12,899.47)	(828.07)
	Decrease/ (increase) in loans	(248.92)	(20.39)
	Decrease/ (increase) in other financial assets	(3,237.64)	(116.95)
	Decrease/ (increase) in other assets	(102.14)	(224.31)
	(Decrease)/ increase in trade payables	20,903.39	3,175.45
	(Decrease)/ increase in other financial liabilities	2,398.83	543.38
	(Decrease)/ increase in other liabilities	(369.34)	(1,018.60)
	(Decrease)/ increase in non-current provisions	226.71	260.86
	(Decrease)/ increase in current provisions	271.82	89.12
	Cash generated from operations	**15,688.31**	**11,136.28**
	Income taxes paid (net of refunds)	1,678.03	1,176.44
	Net cash flow from/ (used in) operating activities (A)	**14,010.28**	**9,959.84**
B.	**Cash flow from investing activities**		
	Purchase of fixed assets, including CWIP	(13,265.36)	(6,991.32)
	Proceeds from sales of property, plant & equipment	54.43	723.00
	Interest received	0.29	9.98
	Dividends received	382.39	51.89
	Investments in bank deposits (having original maturity of more than three months)	(8.13)	(5.18)
	Net cash flow from/ (used in) investing activities (B)	**(12,836.38)**	**(6,211.63)**

Standalone Cash Flow Statement

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	225.79	289.54
	Repayment of long term borrowings	(1,023.59)	(2,569.21)
	Proceeds from/(repayment) of bank borrowings and short term loans (net)	2,018.82	(580.33)
	Interest paid	(706.54)	(1,089.20)
	Dividend paid on equity shares	(1,355.42)	-
	Dividend distribution tax	(275.93)	-
	Net cash flow from/ (used in) financing activities (C)	**(1,116.87)**	**(3,949.20)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**57.03**	**(200.99)**
	Cash and cash equivalents at the beginning of the year	**67.07**	**268.06**
	Cash and cash equivalents at the end of the year	**124.10**	**67.07**
i.	**Components of cash and cash equivalents**		
	Cash on hand	19.56	17.28
	Cheques on hand	-	3.42
	Balances with banks:		
	On current accounts	104.54	46.37
	Total cash and cash equivalents	**124.10**	**67.07**

ii. Movement in financial liabilities

	Non-current borrowings	Current borrowings	Interest payable	Total
As on 01 April 2017	1,338.04	7,902.21	33.28	**9,273.53**
Cash flows	(797.80)	2,018.82	-	**1,221.02**
Interest expenses	-	-	718.62	**718.62**
Interest paid	-	-	(706.54)	**(706.54)**
Other non cash transactions:				
- Foreign exchange movement	(56.56)	-	-	**(56.56)**
Total	**483.68**	**9,921.03**	**45.36**	**10,450.07**

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 Gupta
Partner
Membership No. 095037

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Shruti Kant Rustagi
Chief Financial Officer

Ankita Gupta
Company Secretary

Place : New Delhi
Date : 28 May 2018

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(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.

The Standalone financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS) , Ind AS 101, *First-time Adoption of Indian Accounting Standards*, has been applied. An explanation of how the transition to IND AS has affected the previously reported financial position, financial performance and cashflows of the Company is provided in Note 38.

These standalone financial statements are approved by the Company's Board of Directors on 28 May 2018.

Details of Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These standalone Ind AS 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 Ind AS financial statements have been prepared on a historical cost basis, except for the following items:

a. Certain financial assets and liabilities (including derivative instruments) - measured at fair value.

b. Net defined benefit (asset)/ liability - measured at fair value of plan assets less present value of defined benefit obligations.

c. 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 ending 31 March 2018 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:

i) 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.

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.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

iii) Impairment of financial assets - note 39 - 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.

iv) Provision for employee benefits - note 37 - 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, mortality rates 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 21 - The provision is based on historical warranty data and a 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.

vi) Classification between property, plant & equipment and investment property - The Company has certain vacant land and building . The management has currently classified such property as property, plant & equipment since the management believes that the property is held for future use as an "owner occupied property".

vii) Tools, mould and dies - Revenue from sale of tools, mould and dies is recognised on a completed contract method considering that substantial activity for preparation of mould is outsourced to sub-contractors constituting more than 90% of costs. Further, development of such tools, moulds and dies does not take the substantial time period, unless due to procedural delays from the customer's end. In-house designing is required only in those cases where models are not existing & the process is deemed not to be complex.

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 39 - financial instruments; and

Note 15 - assets held for sale.

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

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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 :

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.

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 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:

(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 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.

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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) Transition to IND AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii) 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 generally 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 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 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.

Freehold land is not depreciated. Leasehold assets are amortised over the period of the lease or the estimated useful life whichever is lesser.

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.

iv) 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

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 01 April 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

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. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the Investment property being valued.

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

In the cash flow statement, 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.

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 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 Group 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.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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.

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

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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

i) 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 '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 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. 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).

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.

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 a 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

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of any discount, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, volume rebates and value added taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

ii) Rendering of Services

The Company recognizes revenue from services rendered based on a service agreement between the Company and its customers in the accounting period in which the services are rendered.

iii) 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.

l. 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.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

ii) Finance lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

iii) Operating lease

Assets acquired under leases other than finance leases are classified as operating leases. In case of operating lease, lease rentals are recognized as expense on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Contingent rentals are recognised as expenses in the periods in which they are incurred. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term."

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 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

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(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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 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 provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged. 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 and the grant are recorded at fair value amounts and released to Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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

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for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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. 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. The Company is engaged in the business relating to products, projects and systems for electricity transmission and related activities only, which 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.

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(All amounts are presented in ₹ Lakhs, unless otherwise stated)

4A. Property, plant & equipment

Particulars	Land - Leasehold	Land - Freehold	Buildings	Plant and machinery	Furniture & fixtures	Office equipment	Vehicles	Total
Gross Block (Deemed cost)								
At 01 April 2016	390.17	2,590.94	8,272.94	27,226.18	303.28	75.26	592.61	39,451.38
Additions	-	-	85.18	6,182.52	67.99	42.49	435.66	6,813.84
Disposals/ adjustments	(146.53)	-	-	(551.85)	(0.10)	-	(19.65)	(718.13)
At 31 March 2017	243.64	2,590.94	8,358.12	32,856.85	371.17	117.75	1,008.62	45,547.09
Additions	-	816.68	1,286.89	13,273.32	189.19	113.82	305.81	15,985.71
Disposals/ adjustments	-	-	-	(40.90)	(0.15)	(0.45)	(8.49)	(49.99)
At 31 March 2018	**243.64**	**3,407.62**	**9,645.01**	**46,089.27**	**560.21**	**231.12**	**1,305.94**	**61,482.81**
Depreciation								
At 01 April 2016	-	-	-	-	-	-	-	-
For the year	5.50	-	354.36	3,410.31	51.76	30.31	179.45	4,031.69
Disposals/ adjustments	(1.62)	-	-	(15.43)	(0.01)	-	(5.89)	(22.95)
At 31 March 2017	3.88	-	354.36	3,394.88	51.75	30.31	173.56	4,008.74
For the year	3.88	-	385.71	3,980.26	59.09	36.96	236.84	4,702.74
Disposals/ adjustments	-	-	-	(3.62)	(0.07)	(0.04)	(1.47)	(5.20)
At 31 March 2018	**7.76**	**-**	**740.07**	**7,371.52**	**110.77**	**67.23**	**408.93**	**8,706.28**
Net Block:								
At 01 April 2016	390.17	2,590.94	8,272.94	27,226.18	303.28	75.26	592.61	39,451.38
At 31 March 2017	239.76	2,590.94	8,003.76	29,461.97	319.42	87.44	835.06	41,538.35
At 31 March 2018	**235.88**	**3,407.62**	**8,904.94**	**38,717.75**	**449.44**	**163.89**	**897.01**	**52,776.53**

Notes:

1. The Company has availed deemed cost exemption for the valuation of plant, property and equipment, hence, the carrying amount as at 31 March 2016 (gross block less accumulated depreciation) was taken as the gross block as at 01 April 2016.

2. During the current year, the Company has capitalised borrowing cost relating to construction of Plant and Machinery amounting to ₹ 190.43 lakhs (31 March 2017 - ₹ 11.46 lakhs).

3. Property, plant and equipment amounting to ₹ 737.35 lakhs (31 March 2017 - ₹ 6,528.94 lakhs) have been pledged as security by the Company.

4B. Capital Work in progress

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Capital Work in progress	3,383.17	2,033.54	1,703.78
Total	**3,383.17**	**2,033.54**	**1,703.78**

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(All amounts are presented in ₹ Lakhs, unless otherwise stated)

5. Intangible assets

	Computer Software	Technical knowhow*	Total
Gross Block (Deemed cost)			
At 01 April 2016	256.74	-	256.74
Additions	183.65	-	183.65
Disposals/adjustments	-	-	-
At 31 March 2017	**440.39**	**-**	**440.39**
Additions	243.97	-	243.97
Disposals/adjustments	-	-	-
At 31 March 2018	**684.36**	**-**	**684.36**
Amortisation			
At 01 April 2016	-	-	-
For the year	107.37	-	107.37
Disposals/adjustments	-	-	-
At 31 March 2017	**107.37**	**-**	**107.37**
For the year	141.76	-	141.76
Disposals/adjustments	-	-	-
At 31 March 2018	**249.13**	**-**	**249.13**
Net Block :			
At 01 April 2016	256.74	-	256.74
At 31 March 2017	333.02	-	333.02
At 31 March 2018	**435.23**	**-**	**435.23**

*Gross value and Accumulated amortisation of Technical know amounts to ₹ 344.42 lakhs as at 01 April 2016.

The Company has availed deemed cost exemption for the valuation of Intangible assets, hence, the carrying amount as at 31 March 2016 (gross block less accumulated depreciation) was taken as the gross block as at 01 April 2016.

6. Investments

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-Current investments			
Unquoted equity shares			
Equity shares at cost			
32,98,986 (31 March 2017: 32,98,986; 01 April 2016: 32,98,986) equity shares of ₹ 10 each fully paid-up in SL Lumax Limited (an associate)	354.74	354.74	354.74
15,832 (31 March 2017: 15,832; 01 April 2016: 15,832) equity shares of ₹ 10 each fully paid-up in Caparo Power Limited	1.58	1.58	1.58
Unquoted Preference shares			
Preference shares at cost			
9,44,168, (31 March 2017: 9,44,168; 01 April 2016: 9,44,168) 2% Redeemable Preference shares of ₹ 10 each fully paid-up in Caparo Power Limited	94.42	94.42	94.42
Total-A	**450.74**	**450.74**	**450.74**

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for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
B - Current investments			
Quoted equity shares at FVTPL	15.18	23.27	10.99
43,866 (31 March 2017: 43,866; 01 April 2016: 43,866) equity shares of ₹10 each fully paid up in PNB Gilts Limited			
Total-B	**15.18**	**23.27**	**10.99**
Total- Investments (A+B)	**465.92**	**474.01**	**461.73**
Aggregate book value of quoted investments	9.87	9.87	9.87
Aggregate market value of quoted investments	15.18	23.27	10.99
Aggregate amount of unquoted investments	450.74	450.74	450.74
Aggregate amount of impairment	8.09	-	-

7. Loans

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-Current			
Security deposits	369.95	238.17	217.78
Others	22.47	-	-
Total-A	**392.42**	**238.17**	**217.78**
B - Current			
Others	94.67	-	-
Total-B	**94.67**	**-**	**-**
Total- Loans (A+B)	**487.09**	**238.17**	**217.78**

8. Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-current			
Margin money with banks* (deposits with maturity of more than 12 months)	22.52	46.36	56.15
Unpaid dividend accounts#	74.56	54.91	77.46
Interest accrued but not due on fixed deposits	-	5.09	-
Claims recoverable (refer note 44)	134.41	134.41	-
Total - A	**231.49**	**240.77**	**133.61**
B - Current			
Unbilled revenue	3,051.46	-	-
Interest accrued but not due on fixed deposits	32.11	22.18	22.57
Others	171.62	-	-
Total - B	**3,255.19**	**22.18**	**22.57**
Total- Other financial assets (A+B)	**3,486.68**	**262.95**	**156.18**

*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.

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for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

9. Trade receivables*

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Unsecured considered good	31,822.68	19,094.22	18,119.04
Doubtful	154.25	72.90	56.26
Less: Allowance for doubtful debts	(154.25)	(72.90)	(56.26)
Net-Trade receivables	**31,822.68**	**19,094.22**	**18,119.04**
Non-current	-	-	-
Current	31,822.68	19,094.22	18,119.04
Total	**31,822.68**	**19,094.22**	**18,119.04**

* Refer note 40 for related party transactions.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 39.

Trade receivable includes amount due from companies having common directors as follows:

Party Name	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Lumax Auto Technologies Ltd.	3,558.60	1,559.95	1,780.79
Lumax DK Auto Industries Ltd.	59.92	57.80	120.71
Lumax Cornaglia Auto Technologies P. Ltd.	8.16	7.87	6.79
Lumax Tours & Travels Ltd.	-	0.02	0.34
Lumax Ancillary Ltd.	211.61	81.71	43.02
Bharat Enterprises	-	0.79	0.68
Lumax Mannoh Allied Technologies Ltd.	5.31	-	9.95
Lumax Energy Solutions P. Ltd.	-	0.03	-
Total	**3,843.60**	**1,708.17**	**1,962.28**

10. Cash and bank balances

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Cash and cash equivalents			
Cash on hand	19.56	17.28	27.64
Cheques on hand	-	3.42	50.47
Bank balances			
in current accounts	104.54	46.37	189.95
Cash and cash equivalents in Balance Sheet	**124.10**	**67.07**	**268.06**
Cash and cash equivalents in the statement of cash flows	**124.10**	**67.07**	**268.06**
B - Bank balances other than above			
Margin Money with banks* (deposits with maturity of less than 12 months)	46.94	14.97	-

11. Derivative - Assets

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Cross currency swaps	-	56.56	686.94
Total- Derivative Assets	**-**	**56.56**	**686.94**
Non-current	-	-	65.35
Current	-	56.56	621.59
Total	**-**	**56.56**	**686.94**

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for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

12. Tax assets

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance tax (net of provisions ₹ 1,938.91 lakhs; 31 March 2017: ₹ 3,173.05 lakhs; 01 April 2016: ₹ 2,318.10 lakhs)	80.57	19.83	12.71
Total	**80.57**	**19.83**	**12.71**

13. Other assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-current			
Capital advances	794.66	834.17	421.68
Prepaid expenses	12.94	33.62	31.94
B - Current			
Advance to suppliers	2,164.37	2,410.25	2,156.54
Less: Provision for doubtful advances	(25.17)	(25.17)	(25.17)
	2,139.20	**2,385.08**	**2,131.37**
Advance to employees	5.21	128.80	125.87
Export benefits receivable	28.13	14.43	9.54
Balances with government authorities	1,612.74	741.74	674.74
Prepaid expenses	163.59	247.71	331.28
Others	43.16	351.45	373.78
Total Other assets	**4,799.63**	**4,737.00**	**4,100.20**
Other Non-current assets	**807.60**	**867.79**	**453.62**
Other Current assets	**3,992.03**	**3,869.21**	**3,646.58**
Total	**4,799.63**	**4,737.00**	**4,100.20**

14. Inventories (valued at lower of cost and net realisable value)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Raw materials and components {including stock in transit ₹ 1,725.11 lakhs (31 March 2017: ₹ 999.74 lakhs; 01 April 2016: ₹ 449.68 lakhs)}	11,038.39	5,636.27	5,348.06
Work-in-progress	1,600.44	622.87	659.59
Finished goods	2,031.67	1,626.37	1,349.25
Stock in Trade	163.65	160.92	351.71
Stores and spares (including packing material) {including transit stock: ₹ 1.55 lakhs (31 March 2017: ₹ 17.22 lakhs; 01 April 2016: ₹ 17.86 lakhs)}	1,131.36	990.78	767.65
Moulds, tools and dies in process {including transit stock: ₹ 129.69 lakhs (31 March 2017: ₹ 155.10 lakhs; 01 April 2016: ₹ 168.98 lakhs)}	913.23	2,567.33	1,978.76
Total	**16,878.74**	**11,604.54**	**10,455.02**

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 ₹ Nil (31 March 2017: ₹ 17.43 lakhs). Further, following a change in estimates, write-down amounting ₹ 0.09 lakhs (31 March 2017: ₹ Nil) has been reversed. The write-down and reversal are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

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for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

15. Assets held for sale

The assets held for sale has been stated at lower of its carrying amount and fair value less costs to sell and comprises the following assets:

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Asset held for sale			
Property, plant and equipment	1.80	65.65	65.65
Total	**1.80**	**65.65**	**65.65**

In past years, the Management had decided to discontinue the use of machinery based in Sohna plant amounting to ₹ 65.65 lakhs. Such assets have been disclosed separately under "Assets classified as held for Sale". These assets have been sold for ₹ 1.8 lakhs subsequent to the year end.

16. Equity Share Capital

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Authorised			
1,20,00,000 (31 March 2017: 1,20,00,000; 01 April 2016: 1,20,00,000) equity shares of ₹ 10 each	1,200.00	1,200.00	1,200.00
Issued, subscribed and fully paid up			
93,47,732 (31 March 2017: 93,47,732; 01 April 2016: 93,47,732) equity shares of ₹ 10 each	934.77	934.77	934.77
Total	**934.77**	**934.77**	**934.77**

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares:	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	93,47,732	934.77	93,47,732	934.77	93,47,732	934.77
Issued during the year	-	-	-	-	-	-
At the end of the year	**93,47,732**	**934.77**	**93,47,732**	**934.77**	**93,47,732**	**934.77**

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.

c. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares	% holding in the class	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of ₹ 10 each fully paid held by-						
Stanley Electric Co. Limited	33,43,381	35.77%	33,43,381	35.77%	33,43,381	35.77%
Dhanesh Kumar Jain	19,59,026	20.96%	19,38,025	20.73%	19,38,025	20.73%
Lumax Auto Technologies Limited	5,25,000	5.62%	5,25,000	5.62%	5,25,000	5.62%

As per records of the 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.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

17. Other Equity

A. Summary of other equity

		As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
I.	**Capital reserve**			
	At the beginning and at the end of the year	0.65	0.65	0.65
II.	**Securities premium account**			
	At the beginning and at the end of the year	6,796.66	6,796.66	6,796.66
III.	**General reserve**			
	Balance at the beginning of the year	7,683.47	7,141.47	6,766.47
	Add: Amount transferred from retained earnings	880.00	542.00	375.00
	Balance at the end of the year	**8,563.47**	**7,683.47**	**7,141.47**
IV.	**Retained earnings**			
	Balance at the beginning of the year	9,331.44	5,379.64	3,367.33
	Add: Profit for the year	6,323.69	4,611.68	3,737.40
	Less: Appropriations			
	- Dividend paid	(1,355.42)	-	(1,121.73)
	- Dividends distribution tax	(275.93)	-	(228.36)
	- Transferred to general reserve	(880.00)	(542.00)	(375.00)
	Add: Transferred from other comprehensive income	(152.97)	(117.88)	-
	Balance at the end of the year	**12,990.81**	**9,331.44**	**5,379.64**
V.	**Items of other comprehensive income**			
	Balance at the beginning of the year	-	-	-
	Add: Remeasurements of defined benefit plans	(152.97)	(117.88)	-
	Less: Transferred to Retained earnings	152.97	117.88	-
	Balance at the end of the year	-	-	-
Total Other equity		**28,351.59**	**23,812.22**	**19,318.42**

(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 2018	As at 31 March 2017
₹ 14.50 per equity share (31 March 2017: ₹ NIL)	1,355.42	-
Dividend distribution tax on dividend to shareholders	275.93	-
Total	**1,631.35**	**-**

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.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The Board proposed dividend on equity shares after the balance sheet date:

Particulars	As at 31 March 2018	As at 31 March 2017
₹ 23.00 per equity share (31 March 2017: ₹ 14.50 per share)	2,149.98	1,355.42
	2,149.98	**1,355.42**

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 2018	As at 31 March 2017	As at 01 April 2016
Total liabilities	85,529.89	56,404.75	56,008.33
Less: cash and cash equivalents	(124.10)	(67.07)	(268.06)
Adjusted net debt	**85,405.79**	**56,337.68**	**55,740.27**
Total equity	29,286.36	24,746.99	20,253.19
Adjusted net debt to equity ratio	**2.92**	**2.28**	**2.75**

18. Borrowings

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-current			
Secured term loans from banks			
Indian rupee loan	228.30	363.77	643.20
Foreign currency loan	-	-	414.09
Total-A	**228.30**	**363.77**	**1,057.29**
B - Current			
Current portion of Secured bank loans			
Indian rupee loan	255.38	568.96	499.19
Foreign currency loan	-	405.31	2,691.61
Commercial Papers (unsecured)	-	4,000.00	-
Cash credit/Working Capital facility from banks (secured)	5,560.61	967.92	4,508.92
Vendor finance facility from banks (unsecured)	4,360.42	2,934.29	3,973.62
	10,176.41	**8,876.48**	**11,673.34**
Less: Amount included under 'other financial liabilities' (Note 20)	(255.38)	(974.27)	(3,190.80)
Total-B	**9,921.03**	**7,902.21**	**8,482.54**
Total-Borrowings (A+B)	**10,149.33**	**8,265.98**	**9,539.83**

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 39.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Terms and repayment schedule

Particulars	Currency	Year of maturity	Nominal interest rate (range)	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	Charges
Secured bank loan							
Term Loan from bank	INR	2018	10.70%	-	129.69	233.44	Land & Building of Sohna Unit.
Term Loan from bank	INR	2018	10.00%	-	279.38	502.88	Land & Building of Sohna Unit.
Foreign currency loan from bank	USD	2017	LIBOR +3.50%	-	405.31	1,242.28	Land & Building along with other moveable fixed assets at Haridwar Unit and Bangalore Unit
Foreign currency loan from bank	USD	2016	LIBOR +3.50%	-	-	828.19	Land and building alongwith all other moveable fixed assets, situated at Pant Nagar (Uttrakhand) unit
Foreign currency loan from bank	USD	2016	LIBOR +2.60%	-	-	828.19	Land & Building and Plant & Machinery of Bawal Unit.
Foreign currency loan from bank	USD	2016	LIBOR +2.60%	-	-	207.05	Land & Building and Plant & Machinery of Bawal Unit.
Vehicle Loans	INR	2018 to 2022	7.75% -10.00%	483.68	523.66	406.06	Hypothecation of the respective vehicle
Cash Credit from bank	INR	2018	8.15% - 9.25%	560.61	769.98	922.21	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Cash Credit from bank	INR	2017	7.56% - 8.65%	-	197.94	-	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Cash Credit from bank	INR	2016	10.20%	-	-	86.71	Land & Building and Plant & Machinery of Chakan -Pune Unit & Stocks and all current assets Company on Pari-Passu basis
Working Capital Facility from bank	INR	2018	7.40% - 8.90%	1,000.00	-	-	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Working Capital Facility from bank	INR	2018	7.70% - 8.70%	2,000.00	-	1,500.00	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Working Capital Facility from others	INR	2018	7.75% - 8.50%	2,000.00	-	2,000.00	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Unsecured bank loan							
Commercial Papers	INR	2017	6.85% - 7.45%	-	4,000.00	-	Nil
Vendor finance facility from bank	INR	2018	7.75% - 8.40%	3,074.12	1,000.00	-	Nil
Vendor finance facility from bank	INR	2017	8.45%	-	1,934.29	3,973.62	Nil
Vendor finance facility from bank	INR	2018	7.75% - 9.00%	936.28	-	-	Nil
Vendor finance facility from bank	INR	2018	7.75% - 8.40%	350.02	-	-	Nil
Total				**10,404.71**	**9,240.25**	**12,730.63**	

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

19. Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Trade payables			
- Total outstanding due of micro enterprises and small enterprises {refer note (a) below for details of dues to micro and small enterprises}	22.43	14.81	7.22
- Total outstanding due of creditors other than micro enterprises and small enterprises	53,613.79	32,669.39	29,451.26
Total	**53,636.22**	**32,684.20**	**29,458.48**

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 39.

(a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
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	22.43	14.81	7.22
Interest due on above	0.48	0.14	0.20
	22.91	**14.95**	**7.42**
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.	1.48	2.52	2.13
The amount of interest accrued and remaining unpaid at the end of each accounting year	10.52	8.56	5.90
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

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current portion of secured bank loans	255.38	974.27	3,190.80
Capital creditors	5,185.29	1,397.49	938.43
Interest accrued on borrowings/cash credit	45.36	33.28	56.04
Payable to employees	1,816.02	1,553.40	1,275.92
Unpaid dividend	74.56	54.91	77.46
Interest free deposits from customers	13.04	13.04	32.89
Other liabilities*	4,405.75	2,289.19	1,980.89
Total Other financial liabilities	**11,795.40**	**6,315.58**	**7,552.43**
Current	**11,795.40**	**6,315.58**	**7,552.43**
Non-current	**-**	**-**	**-**
Total	**11,795.40**	**6,315.58**	**7,552.43**

*Other liabilities represent rate difference for price decrease not yet paid to the customers.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

21. Provisions

	Non-current	Current	Non-current	Current	Non-current	Current
	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017	As at 01 April 2016	As at 01 April 2016
A- Provision for employee benefits						
Compensated absences	1,487.49	150.42	1,145.99	160.18	927.16	91.81
Gratuity (refer note 37)	-	764.99	-	540.96	-	397.15
Total-A	**1,487.49**	**915.41**	**1,145.99**	**701.14**	**927.16**	**488.96**
B- Other provisions						
Provision for warranties {Refer (a) below}	-	61.02	-	32.74	-	70.17
Provision for lease equilisation	515.55	-	479.30	21.19	437.27	-
Provision for tax (net of advance tax ₹ 1,153.05 lakhs)	-	151.04	-	-	-	-
Total-B	**515.55**	**212.06**	**479.30**	**53.93**	**437.27**	**70.17**
Total-Provisions (A+B)	**2,003.04**	**1,127.47**	**1,625.29**	**755.07**	**1,364.43**	**559.13**

(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.

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
At the beginning of the year	32.74	70.17	71.34
Arising during the year (net of reversals)	124.92	22.11	117.92
Utilized during the year	(96.64)	(59.54)	(119.09)
At the end of the year	**61.02**	**32.74**	**70.17**

22. Other liabilities

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-current			
Deferred Income	1,296.26	890.11	656.34
Total-A	**1,296.26**	**890.11**	**656.34**
B - Current			
Deferred Income	78.58	55.59	46.16
Advances from customers	3,812.84	4,720.54	5,825.35
Statutory dues	1,630.75	1,092.39	1,006.18
Total-B	**5,522.17**	**5,868.52**	**6,877.69**
Total-Other liabilities (A+B)	**6,818.43**	**6,758.63**	**7,534.03**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

23. Income tax

A. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
for Current period		
Income tax	1,828.42	1,130.95
Less: MAT credit entitlement	(1,139.38)	(1,130.95)
for prior periods	(4.33)	47.42
Deferred tax	1,783.88	816.36
Total	**2,468.59**	**863.78**

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit plan	268.54	(115.57)	152.97	117.88	-	117.88

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Rate (%)	Amount	Rate (%)	Amount
Profit before tax		8,792.28		5,475.46
Enacted tax rates in India	34.61%	3,042.83	34.61%	1,894.95
Effect of:				
Difference in tax rates*	-13.27%	(1,166.42)	-14.60%	(799.43)
Tax related to prior periods	-0.05%	(4.33)	0.87%	47.42
Tax credit for MAT	-12.96%	(1,139.38)	-20.65%	(1,130.95)
Movement in recognised temporary differences	19.22%	1,689.90	14.91%	816.36
Exempt income	-0.93%	(81.61)	-0.19%	(10.38)
Deferred tax on Items of OCI	1.07%	93.97	0.00%	-
Others	0.38%	33.62	0.84%	45.82
Income tax expanse	**28.08%**	**2,468.59**	**15.78%**	**863.78**

*The company has paid taxes under MAT.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

D. Recognised deferred tax assets and liabilities

Particulars	Deferred tax assets			Deferred tax liabilities			Net Deferred tax assets/(liabilities)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016"	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Property, plant and equipment and intangible assets (net)	-	-	-	(6,252.13)	(5,378.31)	(4,928.33)	(6,252.13)	(5,378.31)	(4,928.33)
Provision for compensated absences	511.92	392.07	292.80	-	-	-	511.92	392.07	292.80
Provision for doubtful debts and advances	62.70	33.94	28.18	-	-	-	62.70	33.94	28.18
Provision for bonus	178.45	195.16	176.39	-	-	-	178.45	195.16	176.39
Provision for gratuity	246.35	187.21	86.26	-	-	-	246.35	187.21	86.26
Deferred revenue	480.42	327.31	243.15	-	-	-	480.42	327.31	243.15
Unabsorbed depreciation	-	1,162.11	1,857.59	-	-	-	-	1,162.11	1,857.59
Provision for lease equilisation	180.15	171.09	151.33	-	-	-	180.15	171.09	151.33
Cess on royalty/design fee	-	7.18	6.75	-	-	-	-	7.18	6.75
Carry forward MAT credits	4,619.31	3,514.09	2,392.19	-	-	-	4,619.31	3,514.09	2,392.19
Total	**6,279.30**	**5,990.16**	**5,234.64**	**(6,252.13)**	**(5,378.31)**	**(4,928.33)**	**27.17**	**611.85**	**306.31**

E. Movement of temporary differences

Particulars	As at 01 April 2016	Recognised temporary differences	Recognised tax credits	As at 31 March 2017	Recognised temporary differences	Recognised tax credits	As at 31 March 2018
Property, plant and equipment and intangible assets (net)	(4,928.33)	(449.98)	-	(5,378.31)	(873.82)	-	(6,252.13)
Provision for compensated absences	292.80	99.27	-	392.07	119.85	-	511.92
Provision for doubtful debts and advances	28.18	5.76	-	33.94	28.76	-	62.70
Provision for bonus	176.39	18.77	-	195.16	(16.71)	-	178.45
Provision for gratuity	86.26	100.95	-	187.21	59.14	-	246.35
Deferred revenue	243.15	84.16	-	327.31	153.11	-	480.42
Unabsorbed depreciation	1,857.59	(695.48)	-	1,162.11	(1,162.11)	-	-
Provision for lease equilisation	151.33	19.76	-	171.09	9.06	-	180.15
Cess on royalty/design fee	6.75	0.43	-	7.18	(7.18)	-	-
Carry forward MAT credits	2,392.19	-	1,121.90	3,514.09	-	1,105.22	4,619.31
Total	**306.31**	**(816.36)**	**1,121.90**	**611.85**	**(1,689.90)**	**1,105.22**	**27.17**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

24. Revenue from operations*

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products (including excise duty)		
Finished goods	1,50,742.19	1,29,125.84
Traded goods	2,664.37	675.03
Moulds, tools and dies	14,486.67	11,824.57
Total Sale of products (A)	**1,67,893.23**	**1,41,625.44**
Sale of services (B)	**844.22**	**649.36**
Other operating revenues		
Scrap Sales	289.93	222.21
Government grant (refer note 45)	149.21	92.37
Total Other operating revenues (C)	**439.14**	**314.58**
Total Revenue from operations (A+B+C)	**1,69,176.59**	**1,42,589.38**

* refer note 46

25. Other Income

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income under Effective Interest method		
on bank deposits held at amortised cost	10.22	9.59
on other financial assets	17.93	8.32
Dividend	382.39	51.89
Net gain on sale of property plant and equipment	9.63	27.82
Rental income from property subleased	48.36	154.65
Provisions/creditors no longer required written back	167.96	11.06
Net gain on account of foreign exchange transaction	250.09	221.17
Net change in fair value of investment in equity shares held at FVTPL	-	12.28
Mark to market gain on cross currency swaps	26.42	-
Miscellaneous income	12.43	153.16
Total	**925.43**	**649.94**

26.1 Cost of raw material and components consumed

	Year ended 31 March 2018	Year ended 31 March 2017
Inventory of materials at the beginning of the year	5,636.27	5,348.06
Add: Purchases	1,01,452.71	72,975.65
Less: Inventory of materials at the end of the year	(11,038.39)	(5,636.27)
Total	**96,050.59**	**72,687.44**

26.2 Cost of moulds, tools & dies

	Year ended 31 March 2018	Year ended 31 March 2017
Inventory at the beginning of the year	2,567.33	1,978.76
Add: Purchases	10,252.12	9,332.11
Less: Inventory at the end of the year	(913.23)	(2,567.33)
Total	**11,906.22**	**8,743.54**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

27. Purchase of Traded Goods

	Year ended 31 March 2018	Year ended 31 March 2017
Automotive lamps/components	2,442.86	401.07
Total	**2,442.86**	**401.07**

28. Changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 14)

		Year ended 31 March 2018	Year ended 31 March 2017
Opening inventory	Finished goods	1,626.37	1,349.25
	Work-in-progress	622.87	659.59
	Stock-in-trade	160.92	351.71
		2,410.16	**2,360.55**
Closing inventory	Finished goods	2,031.67	1,626.37
	Work-in-progress	1,600.44	622.87
	Stock-in-trade	163.65	160.92
		3,795.76	**2,410.16**
(Increase)/Decrease in inventory	Finished goods	(405.30)	(277.12)
	Work-in-progress	(977.57)	36.72
	Stock-in-trade	(2.73)	190.79
		(1,385.60)	**(49.61)**

29. Excise duty

	Year ended 31 March 2018	Year ended 31 March 2017
Excise duty (refer note 46)	4,184.44	15,497.05
Total	**4,184.44**	**15,497.05**

30. Employee benefits expense

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	15,720.16	13,371.86
Contribution to provident and other funds	656.70	584.36
Compensated absences	581.28	421.54
Gratuity (refer note 37)	247.21	173.66
Staff welfare	1,687.48	1,433.45
Total	**18,892.83**	**15,984.87**

31. Finance costs

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses on financial liabilities measured at amortised cost	718.62	1,066.44
Total	**718.62**	**1,066.44**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

32. Depreciation and amortization expense

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant & equipment	4,702.74	4,031.68
Amortization of intangible assets	141.76	107.37
Total	**4,844.50**	**4,139.05**

33. Other expenses

	Year ended 31 March 2018	Year ended 31 March 2017
Stores and spares	1,078.87	518.19
Packing material	3,028.90	2,383.36
Power and fuel	4,988.26	4,467.16
Rent	318.92	266.45
Rates and taxes	157.05	255.42
Insurance	157.66	117.17
Repairs and maintenance	3,001.74	2,566.48
Freight and forwarding	3,078.71	2,149.53
Bank charges	78.11	59.63
Commission on sales - other than sole selling agent	107.91	63.80
Travelling and conveyance	1,576.56	1,298.87
Legal and professional	277.10	170.92
Management support fees	2,187.94	1,784.46
Design, support and testing charges	260.95	131.59
Directors' sitting fees	20.22	12.46
Payment to auditors (refer note 33.1 below)	49.92	54.37
Royalty	2,002.21	1,774.39
Diminution in value of assets held for sale	63.85	-
Warranty	124.92	22.11
Increase/(decrease) of excise duty on finished goods	(190.32)	67.77
Provision for doubtful debts / advances (net)	81.33	16.65
Advertising and publicity	19.24	17.54
Selling and promotion	193.79	226.63
Communication	144.94	166.90
Printing & stationery	128.66	102.49
Net change in fair value of investment in equity shares held at FVTPL	8.09	-
Miscellaneous	636.17	566.05
Contribution towards Corporate Social Responsibility (refer note 33.2 below)	73.58	33.62
Total	**23,655.28**	**19,294.01**

Above expenses include research and development expenses (refer note 43)

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

33.1 Payment to auditor (excluding applicable taxes)

	Year ended 31 March 2018	Year ended 31 March 2017
As auditor:		
Audit fee	31.50	32.48
Tax audit fee	3.00	3.50
Limited review	10.50	12.90
In other capacity:		
Certification fees	-	0.40
Reimbursement of expenses	4.92	5.09
Total	**49.92**	**54.37**

33.2 Corporate social responsibility (CSR)

As per the provisions of section 135 of the Companies Act, 2013, the Company had to spend atleast 2% of the average profits of the preceding three financial years towards CSR which amounts to ₹ 71.26 lakhs (31 March 2017: ₹ 37.42 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 ₹ 73.58 lakhs (31 March 2017 ₹ 33.62 lakhs) and has accordingly charged the same to the statement of Profit and Loss.

34. Earnings per share (EPS)

	Year ended 31 March 2018	Year ended 31 March 2017
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for attributable to equity shareholders	6,323.69	4,611.68
Weighted average number of equity shares	93.48	93.48
Basic and Diluted Earnings per share in ₹ {Nominal value of shares of ₹ 10 (Previous year : ₹ 10)}	**67.65**	**49.33**

35. Operating leases

A. Leases as lessee

The Company has taken office premises, warehouses and residential accommodation for some of its employees on operating lease, with an option of renewal at the end of the lease term. Lease expense charged during the year to the Statement of Profit and Loss aggregate to ₹ 318.92 lakhs (previous year ₹ 266.45 lakhs).

Future minimum lease payments under non-cancellable operating lease are as under:

Particulars	As at 31 March 2018	As at 31 March 2017
Payable in less than one year	6.00	6.00
Payable between one and five years	27.00	24.00
Payable after more than five years	276.00	285.00
Total	**309.00**	**315.00**

B. Leases as lessor

The Company has leased out a portion of its building under a operating lease arrangement. The leases may be renewed for a further period based on mutual agreement of the parties. During the year, an amount of ₹ 48.36 lakhs (previous year ₹ 154.65 lakhs) was recognised as rental income in the Statement of Profit and Loss. As at 31 March 2018, there are no future minimum lease payments under non-cancellable operating lease as receivable.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

36. 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. Accordingly, 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.

a. The entity wide disclosures as required by Ind AS -108 are as follows:

Product/Service Description	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products (including excise duty)		
Finished goods	1,50,742.19	1,29,125.84
Traded goods	2,664.37	675.03
Moulds, tools and dies	14,486.67	11,824.57
Sale of services	844.22	649.36
Other operating revenues		
Scrap sales	289.93	222.21
Government grant	149.21	92.37
Total	**1,69,176.59**	**1,42,589.38**

b. Revenue from external customer

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
India	1,65,768.91	1,39,932.48
Other countries*	3,407.68	2,656.90
Total	**1,69,176.59**	**1,42,589.38**

*Exports to any single country are not material to be disclosed

Non current assets**

Particulars	As at 31 March 2018	As at 31 March 2017
India	57,483.10	44,792.54
Other countries#	-	-
Total	**57,483.10**	**44,792.54**

**Non-current assets exclude financial instruments and deferred tax assets.

Exports to any single country are not material to be disclosed.

Major customers

Details of customers which accounts for more than 10% of Company's total revenue are as follows

Particulars	As at 31 March 2018	As at 31 March 2017
Maruti Suzuki Limited	47,350.55	45,140.55
Honda Motorcycle and Scooter India Private Limited	18,726.33	11,207.96

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

37. 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 ₹ 656.70 lakhs (previous year ₹ 584.36 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 ₹ 220.18 lakhs in contributions to its defined benefit plans in 2018-19.

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 2018	As at 31 March 2017	As at 01 April 2016
Balance at the beginning of the year	1,794.71	1,479.63	1,330.83
Benefits paid	(91.44)	(73.88)	(258.91)
Current service cost	175.48	144.87	117.79
Liability acquired through employee transfer	6.78	-	-
Past service cost	42.36	-	-
Interest cost	131.17	112.53	95.51
Actuarial (gains) losses recognised in other comprehensive income	-	-	-
changes in demographic assumptions	-	-	-
changes in financial assumptions	136.28	38.29	15.88
experience adjustments	141.45	93.27	178.53
Balance at the end of the year	**2,336.79**	**1,794.71**	**1,479.63**

b) Reconciliation of the present value of plan assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balance at the beginning of the year	1,253.75	1,082.48	1,186.64
Contributions paid into the plan	298.51	147.74	61.79
Benefits paid	(91.45)	(74.09)	(258.92)
Interest income	101.80	83.95	84.87
Actuarial (gains) losses recognised in other comprehensive income	9.19	13.67	8.10
Balance at the end of the year	**1,571.80**	**1,253.75**	**1,082.48**
Net defined benefit (asset)	**764.99**	**540.96**	**397.15**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

c) Expense recognised in Statement of Profit and Loss

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	175.48	144.87
Interest cost	131.17	112.53
Past service gain	42.36	-
Interest income	(101.80)	(83.95)
Total	**247.21**	**173.45**

d) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Actuarial (gain) loss on defined benefit obligation	277.73	131.56
Return on plan assets excluding interest income	(9.19)	(13.67)
Total	**268.54**	**117.89**

e) Plan assets

Plan assets comprise of the following:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Investment with Insurer	1,547.37	1,232.05	1,060.94
%age	98%	98%	98%
Bank	24.42	21.70	21.54
%age	2%	2%	2%

C. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Discount rate	7.65%	7.50%	7.80%
Future salary growth	7.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	5.00%

At 31 March 2018, the weighted-average duration of the defined benefit obligation was 20.84 years (31 March 2017: 20.92 years; 01 April 2016: 20.73 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 2018		Year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(160.96)	181.99	(122.42)	138.39
Future salary growth (1% movement)	176.51	(159.44)	131.31	(118.84)
Attrition rate (1% movement)	7.13	(7.23)	14.25	(14.17)

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 Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

38. Explanation of transition to IND AS

As stated in Note 2A, these are the Company's first standalone financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these standalone financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening standalone Ind AS balance sheet on the date of transition i.e. 01 April 2016.

In preparing its standalone Ind AS balance sheet as at 01 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in standalone financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its standalone financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

I. Optional exemptions availed and mandatory exceptions

In preparing these standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Exemptions availed

1. Property plant and equipment, intangible assets and investment properties

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets. The carrying values of property, plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities.

B. Mandatory Exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the standalone financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

II. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

A. Reconciliation of equity

Particulars	Note	As at 31 March 2017			As at date of transition 01 April 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I. ASSETS							
Non-current assets							
Property, plant and equipment	a, b, f, g	38,408.14	3,130.22	41,538.36	40,542.23	(1,090.85)	39,451.38
Capital work-in-progress	g	5,248.19	(3,214.65)	2,033.54	1,703.78	-	1,703.78
Intangible assets		333.02	-	333.02	256.74	-	256.74
Financial assets							
Investments		450.74	-	450.74	450.74	-	450.74
Loans		238.17	-	238.17	217.78	-	217.78
Derivatives		-	-	-	65.35	-	65.35
Others		240.77	-	240.77	133.61	-	133.61
Other Tax assets	i	26.10	(6.27)	19.83	12.71	-	12.71
Deferred tax assets (net)	i	3,507.83	(2,895.98)	611.85	2,392.19	(2,085.88)	306.31
Other Non-current assets		867.79	-	867.79	453.62	-	453.62

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2017			As at date of transition 01 April 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Current assets							
Inventories		11,604.54	-	11,604.54	10,455.02	-	10,455.02
Financial assets							
Investments	d	9.87	13.40	23.27	9.87	1.12	10.99
Trade receivables		19,094.22	-	19,094.22	18,119.04	-	18,119.04
Cash and cash equivalents		67.07	-	67.07	268.06	-	268.06
Bank balances other than above		14.97	-	14.97	-	-	-
Derivatives		56.56	-	56.56	621.59	-	621.59
Others		22.18	-	22.18	22.57	-	22.57
Other current assets		3,869.21	-	3,869.21	3,646.58	-	3,646.58
Assets held for sale		65.65	-	65.65	65.65	-	65.65
TOTAL		**84,125.02**	**(2,973.28)**	**81,151.74**	**79,437.13**	**(3,175.61)**	**76,261.52**
II EQUITY AND LIABILITIES							
Equity							
Equity share capital		934.77	-	934.77	934.77	-	934.77
Other equity					-	-	
Capital reserve		0.65	-	0.65	0.65	-	0.65
Securities premium account		6,796.66	-	6,796.66	6,796.66	-	6,796.66
Retained earnings	j	9,520.61	(189.17)	9,331.44	5,544.27	(164.63)	5,379.64
Revaluation reserve	a	-	-	-	770.67	(770.67)	-
General reserves	a	6,912.80	770.67	7,683.47	6,370.80	770.67	7,141.47
Liabilities							
Non current liabilities							
Financial liabilities							
Borrowings		363.77	-	363.77	1,057.29	-	1,057.29
Provisions	g	1,646.48	(21.19)	1,625.29	1,364.43	-	1,364.43
Deferred tax liabilities (net)	i	2,794.40	(2,794.40)	-	1,944.18	(1,944.18)	-
Other non-current liabilities	b	-	890.11	890.11	-	656.34	656.34
Current liabilities							
Financial liabilities							
Borrowings		7,902.21	-	7,902.21	8,482.54	-	8,482.54
Trade payables		32,684.20	-	32,684.20	29,458.48	-	29,458.48
Other financial liabilities		6,315.58	-	6,315.58	7,552.43	-	7,552.43
Provisions	g	2,439.96	(1,684.89)	755.07	2,328.43	(1,769.30)	559.13
Other current liabilities	b	5,812.93	55.59	5,868.52	6,831.53	46.16	6,877.69
TOTAL		**84,125.02**	**(2,973.28)**	**81,151.74**	**79,437.13**	**(3,175.61)**	**76,261.52**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

II. Reconciliations between previous GAAP and Ind AS

B. Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	Year ended 31 March 2017		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
REVENUE				
Revenue from operations	b, c, h	1,29,978.10	12,611.28	1,42,589.38
Other income	d, h	618.96	30.98	649.94
		1,30,597.06	**12,642.26**	**1,43,239.32**
EXPENSES				
Cost of materials consumed				
Cost of raw material and components consumed	h	75,315.44	(2,628.00)	72,687.44
Cost of moulds, tools & dies		8,743.54	-	8,743.54
Purchase of stock in trade		401.07	-	401.07
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(49.61)	-	(49.61)
Excise duty	c	-	15,497.05	15,497.05
Employee benefits expenses	e	16,102.75	(117.88)	15,984.87
Finance costs	h	1,141.04	(74.60)	1,066.44
Depreciation and amortization	b, f, g	4,042.52	96.53	4,139.05
Other expenses	c, f, g, h	19,484.33	(190.32)	19,294.01
		1,25,181.08	**12,582.78**	**1,37,763.86**
Profit before tax		**5,415.98**	**59.48**	**5,475.46**
Current Tax	i	1,149.86	(18.91)	1,130.95
Less : MAT credit entitlement	i	(1,149.86)	18.91	(1,130.95)
Deferred Tax	i	850.22	(33.86)	816.36
Current Tax for earlier years		47.42	-	47.42
Income tax expense		**897.64**	**(33.86)**	**863.78**
Profit for the year		**4,518.34**	**93.34**	**4,611.68**
Other comprehensive income				
Remeasurements of defined benefit liability	e	-	**117.88**	**117.88**
		-	**117.88**	**117.88**
Total Comprehensive income for the year		**4,518.34**		**4,493.80**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Notes to the reconciliation

a) Revaluation reserve

In the previous year, the Company decided to measure earlier revalued Land, Building and Plant & Machinery as per cost model. Accordingly, the balance of revaluation reserve appearing as at 01 April 2016 amounting to ₹ 770.67 lakhs was adjusted with respective carrying amount of Land, Building and Plant & Machinery. However, under Ind AS, since the Company has elected to continue with the carrying values under previous GAAP as deemed cost, hence such adjustment of revaluation reserve have been reversed. Further, the revaluation reserve has been transferred to General reserve on the transition date.

Standalone Balance sheet	Dr./ (Cr.)	
	As at 31 March 2017	As at 01 April 2016
Property, plant and equipment - plant and machinery	770.67	-
Adjustment to retained earnings	**770.67**	**-**

b) Deferred income

Under previous GAAP, the Company had recognised government grants related to capital assets and were presented as net from the cost of property, plant and equipment. As per Ind AS 20, the Company has presented government grants related to assets, in balance sheet by setting up the grant as deferred income.

The impact arising from the change is summarised as follows:

Statement of Profit and Loss	Dr./ (Cr.)
	Year ended 31 March 2017
Revenue from operations (government grants)	(46.16)
Depreciation and amortisation expense	46.16
Adjustment before income tax	**-**

Standalone Balance sheet	Dr./ (Cr.)	
	As at 31 March 2017	As at 01 April 2016
Property, plant and equipment	945.70	702.50
Deferred income	(945.70)	(702.50)
Adjustment to retained earnings	**-**	**-**
Current	(55.59)	(46.16)
Non current	(890.11)	(656.34)
Total	**(945.70)**	**(702.50)**

c) Sales incentive and Excise duty

Sales incentive

The Company provides cash discounts to its customer to get prompt payment. Under previous GAAP, these discounts were shown as expenses under the head "other expenses". Under Ind AS, revenue from sales of goods shall be measured at the fair value of the consideration received or receivable. Therefore, these discounts have been netted off from revenue from sales of goods. This has resulted in an decrease in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and equity as at 31 March 2016 has remain unchanged.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Excise duty

Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and equity as at 31 March 2017 has remained unchanged.

The impact arising from the change is summarised as follows:

Statement of Profit and Loss	**Dr./ (Cr.)**
	Year ended 31 March 2017
Revenue from operations	(15,211.82)
Excise duty	15,497.05
Other expenses	(285.23)
Adjustment before income tax	**-**

d) Fair valuation of investments

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries, associates and joint ventures as well as debt securities have been fair valued. The Company has designated certain investments classified as fair value through profit or loss. Under the previous GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost.

The impact arising from the change is summarised as follows:

Standalone Statement of Profit or Loss	**Dr./ (Cr.)**
	Year ended 31 March 2017
Other income - Financial asset at fair value through profit or loss - net change in fair value - Gain/(loss)	(12.28)
Adjustment before income tax	**(12.28)**

Standalone Balance sheet	**Dr./ (Cr.)**	
	As at 31 March 2017	As at 01 April 2016
Investments - financial assets at FVTPL	13.40	1.12
Adjustment to retained earnings	**13.40**	**1.12**

e) Remeasurement of defined benefit liability(asset)

Under Ind AS, remeasurement of defined benefit liability (asset) are recognised in other comprehensive income. Under the previous GAAP, the Company recognised such remeasurements in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 01 April 2016 or as on 31 March 2017.

f) Property, Plant and Equipment and Depreciation

Under Ind AS, Property, plant and equipment ("PPE") includes machine spares that meet the criteria of PPE are capitalised as part of cost of PPE. The Company, in accordance with Ind AS 16 - Property, Plant and Equipment, has identified certain spare parts and stand-by equipment as these meet the definition of PPE, which were earlier charged to Statement of Profit and Loss in the previous GAAP. These have been capitalised as Property, plant and equipment.

The impact arising from the change is summarised as follows:

Statement of Profit and Loss	**Dr./ (Cr.)** Year ended 31 March 2017
Other expenses (Repair and maintenance)	(42.91)
Depreciation	83.64
Adjustment before income tax	**40.73**

Standalone Balance sheet	**Dr./ (Cr.)**	
	As at 31 March 2017	As at 01 April 2016
Property, plant and equipment - plant and machinery	35.31	76.04
Adjustment to retained earnings	**35.31**	**76.04**

g) Lease arrangement

Upon performing re-evaluation of lease arrangement of land at Sanand, the land was classified as operating lease from finance lease. Hence, the land has been decapitalised and provision for lease equilisation as required under operating lease has been recognised as on 01 April 2016.

Further, the Company was setting up a plant at Sanand during the year ended 31 March 2017. The land and building located at Sanand were erroneously reclassified to Capital work in progress as at 31 March 2017 . The building amounting to ₹ 1,345.27 lakhs has been reclassified to Property, plant and equipment since no construction activity was being performed on such building.

The impact arising from the change is summarised as follows:

Statement of Profit and Loss	**Dr./ (Cr.)** Year ended 31 March 2017
Rent (Provision for lease equilisation)	63.22
Depreciation	(33.27)
Adjustment before income tax	**29.95**

Standalone Balance sheet	**Dr./ (Cr.)**	
	As at 31 March 2017	As at 01 April 2016
Provision for lease equilisation	(500.49)	(437.27)
Provision for finance lease	2,206.57	2,206.57
Property, plant and equipment	1,345.27	(1,869.39)
Capital work in progress	(3,181.38)	-
Adjustment to retained earnings	**(130.03)**	**(100.09)**

h) Others

i) Under previous GAAP, raw material sold to vendors amounting to ₹ 262.79 lakhs was grouped under revenue from operations. However, same is appearing as netted off with consumption.

ii) Under previous GAAP, recovery of notice pay amounting to ₹ 18.69 lakhs were grouped under revenue and bank charges amounting to ₹ 74.59 lakhs were grouped in Finance cost. However, same have been reclassified to other income and other expenses respectively.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

i) The impact arising from the above changes in tax expense are summarised as follows:

Statement of Profit and Loss	Dr./ (Cr.)
	Year ended 31 March 2017
Impact of above changes in tax expense (current tax and MAT credit entitlement)	6.27
Impact of above changes in deferred tax expense	(33.86)
Total	**(27.59)**

Changes in Retained earnings on account of changed in deferred tax liabilities

The above changes (decreased)/ increased the deferred tax liability as follows based on a tax rate of 34.61%:

Standalone Balance sheet	Note	Dr./ (Cr.)	
		As at 31 March 2017	As at 01 April 2016
Revaluation reserve	a	(266.71)	(266.71)
Difference in WDV of spares capitalised	f	(12.23)	(26.32)
Provision for lease equilisation	g	171.09	151.33
Property, plant and equipment (EPCG licenses)	b	945.70	702.50
Deferred income	b	(945.70)	(702.50)
Adjustment to retained earnings		**(107.85)**	**(141.70)**

Changes in deferred tax asset/liabilities have been summarised below:

Standalone Balance sheet	As at 31 March 2017	As at 01 April 2016
Deferred tax liability as per previous GAAP	2,794.40	1,944.18
Adjustment to retained earnings	107.85	141.70
Deferred tax liability as per IND AS	**2,902.25**	**2,085.88**
Mat credit as per previous GAAP	3,507.83	2,392.19
Impact of tax of above adjustments	6.27	-
Mat credit as per IND AS	**3,514.10**	**2,392.19**
Net Deferred tax asset as per IND AS	**611.85**	**306.31**

j) Retained earnings

The above changes (decreased) increased total equity as follows:

Standalone Balance sheet	Note	Increase / (Decrease)	
		As at 31 March 2017	As at 01 April 2016
Property, plant and equipment (Capitalisation of spares)	f	35.31	76.04
Fair valuation of investments	d	13.40	1.12
Lease arrangement	g	(130.03)	(100.09)
Income tax expense	i	(107.85)	(141.70)
Adjustment to retained earnings		**(189.17)**	**(164.63)**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

k) **The transition from previous GAAP to Ind AS has affected the cash flow for the year ended 31 March 2017 as follows:**

Particulars	Previous GAAP	Adjustment on transition to Ind AS*	Ind AS
Cash flows from / (used) in operating activities	10,007.80	(47.96)	9,959.84
Cash flows from / (used) in investing activities	(6,207.54)	(4.09)	(6,211.63)
Cash flows from / (used) in financing activities	(4,023.80)	74.60	(3,949.20)
Net increase / (decrease) in cash and cash equivalents	**(223.54)**	**22.55**	**(200.99)**

* ₹ 22.55 lakhs represents unclaimed dividend reclassified from cash and cash equivalents to other non-current assets.

39. 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 2018			As at 31 March 2017			As at 01 April 2016		
		Cost	FVTPL	Amortised cost	Cost	FVTPL	Amortised cost	Cost	FVTPL	Amortised cost
Financial assets										
Non-current										
Investments	6	450.74	-	-	450.74	-	-	450.74	-	-
Loans	7	-	-	392.42	-	-	238.17	-	-	217.78
Derivatives	11	-	-	-	-	-	-	-	65.35	-
Others	8	-	-	231.49	-	-	240.77	-	-	133.61
Current										
Investments	6	-	15.18	-	-	23.27	-	-	10.99	-
Trade receivables	9	-	-	31,822.68	-	-	19,094.22	-	-	18,119.04
Cash and cash equivalents	10	-	-	124.10	-	-	67.07	-	-	268.06
Bank balances other than above	10	-	-	46.94	-	-	14.97	-	-	-
Loans	7	-	-	94.67	-	-	-	-	-	-
Derivatives	11	-	-	-	-	56.56	-	-	621.59	-
Others	8	-	-	3,255.19	-	-	22.18	-	-	22.57
Total		**450.74**	**15.18**	**35,967.49**	**450.74**	**79.83**	**19,677.38**	**450.74**	**697.93**	**18,761.06**
Financial liabilities										
Non-current										
Borrowings	18	-	-	228.30	-	-	363.77	-	-	1,057.29
Current										
Borrowings	18	-	-	9,921.03	-	-	7,902.21	-	-	8,482.54
Trade payables	19	-	-	53,636.22	-	-	32,684.20	-	-	29,458.48
Other financial liabilities	20	-	-	11,795.40	-	-	6,315.58	-	-	7,552.43
Total		**-**	**-**	**75,580.95**	**-**	**-**	**47,265.76**	**-**	**-**	**46,550.74**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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 2018			As at 31 March 2017			As at 01 April 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non - Current									
Derivatives	-	-	-	-	-	-	-	65.35	-
Current									
Investments	15.18	-	-	23.27	-	-	10.99	-	-
Derivatives	-	-	-	-	56.56	-	-	621.59	-

Assets and liabilities which are measured at amortised cost

1. Fair value of cash and cash equivalents, other bank balances, trade receivables, short term loans, current other financial assets, trade payables, current other financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments.
2. 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.
3. Fair value of margin money with banks and claims recoverable included in non-current other financial assets are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.
4. Fair value of all other non-current assets have not been disclosed as the change from carrying amount is not significant.

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
Financial instruments measured at fair value			
Cross currency Swaps	The fair value is determined using quoted swap rates at the valuation date	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 are no financial assets and liabilities valued at Level 3 fair values. There have been no transfers to and from Level 3 during the year.

c) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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 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.

(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 expected credit loss allowance on trade receivables:	Year ended 31 March 2018	Year ended 31 March 2017
Balance as at the beginning of the year	72.90	56.26
Movement during the year	81.35	16.64
Balance as at the end of the year	**154.25**	**72.90**

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.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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.

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:

- The Company is having short term/working capital limit of INR 19,050 lakhs to meet short term funding requirement.
- The Company is also having vendor financing /bill discounting limit of INR 14,350 lakhs to meet the funding requirement.

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 2018			As at 31 March 2017			As at 01 April 2016		
	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year
Borrowings									
Indian rupee loan	483.68	255.38	228.30	932.73	568.96	363.77	1,142.39	499.19	643.20
Foreign currency loan	-	-	-	405.31	405.31	-	3,105.70	2,691.61	414.09
Other borrowings									
Commercial Papers	-	-	-	4,000.00	4,000.00	-	-	-	-
Working Capital facility	5,560.61	5,560.61	-	967.92	967.92	-	4,508.92	4,508.92	-
Vendor finance facility	4,360.42	4,360.42	-	2,934.29	2,934.29	-	3,973.62	3,973.62	-
Trade payables	53,636.22	53,636.22	-	32,684.20	32,684.20	-	29,458.48	29,458.48	-
Other financial liabilities									
Current portion of secured bank loans	255.38	255.38	-	974.27	974.27	-	3,190.80	3,190.80	-
Capital creditors	5,185.29	5,185.29	-	1,397.49	1,397.49	-	938.43	938.43	-

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Non derivative financial liabilities	As at 31 March 2018			As at 31 March 2017			As at 01 April 2016		
	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year
Interest accrued on borrowings/cash credit	45.36	45.36	-	33.28	33.28	-	56.04	56.04	-
Payable to employees	1,816.02	1,816.02	-	1,553.40	1,553.40	-	1,275.92	1,275.92	-
Unpaid dividend	74.56	74.56	-	54.91	54.91	-	77.46	77.46	-
Interest free deposits from customers	13.04	13.04	-	13.04	13.04	-	32.89	32.89	-
Other liabilities	4,405.75	4,405.75	-	2,289.19	2,289.19	-	1,980.89	1,980.89	-
Total	**75,836.33**	**75,608.03**	**228.30**	**48,240.03**	**47,876.26**	**363.77**	**49,741.54**	**48,684.25**	**1,057.29**

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.

(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 2018	Borrowings	Current Account Balances	Trade payables and other financial liabilities	Trade receivables	Less: Cross currency swaps	Net exposure of recognised financial assets/ (liabilities)	
						Foreign currency	INR
EUR	-	-	(10.58)	6.42	-	(4.16)	(336.29)
GBP	-	-	(0.01)	2.24	-	2.23	205.73
JPY	-	-	(2,317.04)	-	-	(2,317.04)	(1,425.09)
USD	-	0.04	(124.02)	5.67	-	(118.31)	(7,711.55)
THB	-	-	(0.08)	-	-	(0.08)	(0.16)
TWD	-	10.69	(2.00)	-	-	8.69	19.55
CNY	-	-	(0.03)	-	-	(0.03)	(0.30)
IDR	-	-	(1,482.52)	-	-	(1,482.52)	(7.00)

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

As at 31 March 2017	Borrowings	Current Account Balances	Trade payables and other financial liabilities	Trade receivables	Less: Cross currency swaps	Net exposure of recognised financial assets/ (liabilities)	
						Foreign currency	INR
EUR	-	-	(2.84)	2.54	-	(0.30)	(20.87)
GBP	-	-	-	2.56	-	2.56	207.12
JPY	-	-	(691.20)	-	-	(691.20)	(400.90)
USD	(6.25)	-	(59.29)	7.07	6.25	(52.22)	(3,386.32)

As at 01 April 2016	Borrowings	Current Account Balances	Trade payables and other financial liabilities	Trade receivables	Less: Cross currency swaps	Net exposure of recognised financial assets/ (liabilities)	
						Foreign currency	INR
EUR	-	-	(0.05)	1.05	-	1.00	75.51
GBP	-	-	-	2.00	-	2.00	190.64
JPY	-	-	(850.06)	-	-	(850.06)	(501.54)
USD	(46.88)	-	(25.13)	9.07	46.88	(16.06)	(1,063.97)
CHF	-	-	(0.07)	-	-	(0.07)	(5.05)
SGD	-	-	(0.03)	-	-	(0.03)	(1.24)

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, CHF: Swiss Franc, SGD: Singapore Dollar, THB: Thai Bhat, 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.

The impact on profit/loss before tax is as below:

	Year ended 31 March 2018		Year ended 31 March 2017	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	(77.12)	77.12	(33.86)	33.86
JPY (1% movement)	(14.25)	14.25	(4.01)	4.01
Other currencies	(1.18)	1.18	1.86	(1.86)

(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:

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Exposure to Interest rate risk

The Company has the following exposure in interest bearing borrowings as on reporting date:

Standalone Balance sheet	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Borrowings			
Term loans			
Fixed interest	-	409.07	736.32
Variable interest	483.68	928.97	3,511.77
Others			
Commercial papers - Fixed interest	-	4,000.00	-
Cash credit/Working capital facility			
Fixed interest	-	-	86.71
Variable interest	5,560.61	967.92	4,422.21
Vendor finance facility			
Fixed interest	-	1,934.29	3,973.62
Variable interest	4,360.42	1,000.00	-
Total	**10,404.71**	**9,240.25**	**12,730.63**

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	Year ended 31 March 2018	Year ended 31 March 2017
1% increase	(62.02)	(96.96)
1% decrease	62.02	96.96

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

40. Related Party Disclosure

A. Names of related parties and related party relationship

S.No.	Particulars	Name of Related parties
1.	Enterprise having significant influence	Stanley Electric Co. Ltd., Japan
2.	Associate	SL Lumax Limited
3.	Key Management Personnel	Mr. Dhanesh Kumar Jain (Chairman)
		Mr. Deepak Jain (Managing Director)
		Mr. Anmol Jain (Joint Managing Director)
		Mr. Eiichi Hirooka (Senior Executive Director- upto 03.02.2018)
		Mr. Tadayoshi Aoki (Senior Executive Director- from 03.02.2018)
		Mr. Norihisa Sato (Executive Director- upto 08.08.2016)
		Mr. Koji Sawada (Executive Director- from 09.08.2016)
		Mr. Avinash Parkash Gandhi (Independent Director)
		Mr. Rajeev Kapoor (Independent Director)
		Mr. Gursaran Singh (Independent Director- upto 19.04.2017)
		Mr. Munish Chandra Gupta (Independent Director)
		Mr. Rattan Kapur (Independent Director)
		Mrs. Pallavi Dinodia Gupta (Independent Director)
		Mr. Dhiraj Dhar Gupta (Independent Director)
4.	Relatives of Key Management Personnel	Mrs. Usha Jain (Spouse of Chairman)
		Mr. Mahesh Kumar Jain (Brother of Chairman)
5.	Enterprise significantly influenced by Key Management Personnel or their Relatives	Lumax Auto Technologies Limited
		Lumax DK Auto Industries Limited
		Lumax Tours & Travels Limited
		Lumax Finance Private Limited
		Lumax Ancillary Limited
		Lumax Cornaglia Auto Technologies Pvt. Ltd.
		Lumax Mannoh Allied Technologies Ltd
		Lumax Management Services Pvt. Ltd.
		Lumax Energy Solutions Private Limited
		Bharat Enterprises
		Mahavir Udyog
		D.K. Jain & Sons (HUF)
		Lumax Charitable Trust Foundation

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

B. Details of Related Parties Transactions

S. No.	Account Head	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Associates		Total	Total
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
A)	TRANSACTIONS												
i.	***Sale of Raw Materials and Components including Semi-finished Goods***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	2,887.82	467.53	-	-	2,887.82	467.53
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	54.60	98.32	-	-	54.60	98.32
	Lumax Ancillary Ltd.	-	-	-	-	-	-	559.42	371.97	-	-	559.42	371.97
	Bharat Enterprises	-	-	-	-	-	-	1.36	4.59	-	-	1.36	4.59
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	-	0.51	-	-	-	0.51	-
	Stanley Electric Co. Ltd.	-	6.17	-	-	-	-		-	-	-	-	6.17
	Total (i)	**-**	**6.17**	**-**	**-**	**-**	**-**	**3,503.71**	**942.41**	**-**	**-**	**3,503.71**	**948.58**
ii.	***Sale of Finished Goods***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	5,272.94	4,257.48	-	-	5,272.94	4,257.48
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	95.13	217.05	-	-	95.13	217.05
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	-	4.80	-	-	-	4.80	-
	Lumax Ancillary Ltd.	-	-	-	-	-	-	127.70	-	-	-	127.70	-
	Total (ii)	**-**	**-**	**-**	**-**	**-**	**-**	**5,500.57**	**4,474.53**	**-**	**-**	**5,500.57**	**4,474.53**
iii.	***Sale of Fixed Assets***												
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	2.56	-	-	-	2.56
	Lumax Ancillary Ltd.	-	-	-	-	-	-	3.09	-	-	-	3.09	-
	Total (iii)	**-**	**-**	**-**	**-**	**-**	**-**	**3.09**	**2.56**	**-**	**-**	**3.09**	**2.56**
iv.	***Sale of services***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	24.72	15.28	-	-	24.72	15.28
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	7.58	8.71	-	-	7.58	8.71
	Lumax Ancillary Ltd.	-	-	-	-	-	-	6.00	8.42	-	-	6.00	8.42
	Bharat Enterprises	-	-	-	-	-	-	1.63	2.58	-	-	1.63	2.58
	Mahavir Udyog	-	-	-	-	-	-	0.28	0.97	-	-	0.28	0.97
	Stanley Electric Co. Ltd.	60.95	41.49	-	-	-	-	-	-	-	-	60.95	41.49
	Total (iv)	**60.95**	**41.49**	**-**	**-**		**-**	**40.21**	**35.96**	**-**	**-**	**101.16**	**77.45**
v.	***Purchase of Raw Materials, Components and Moulds***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	12,489.51	4,570.12	-	-	12,489.51	4,570.12
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	11,433.38	9,511.57	-	-	11,433.38	9,511.57
	Lumax Ancillary Ltd.	-	-	-	-	-	-	6,946.85	5,375.11	-	-	6,946.85	5,375.11
	Bharat Enterprises	-	-	-	-	-	-	2,286.21	1,892.82	-	-	2,286.21	1,892.82
	Mahavir Udyog	-	-	-	-	-	-	262.80	239.85	-	-	262.80	239.85
	Stanley Electric Co. Ltd.	9,588.78	2,366.95	-	-	-	-	-	-	-	-	9,588.78	2,366.95
	Total (v)	**9,588.78**	**2,366.95**	**-**	**-**	**-**	**-**	**33,418.75**	**21,589.47**	**-**	**-**	**43,007.53**	**23,956.42**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Associates		Total	Total
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
vi.	*Purchase of Packing Material (net)*												
	Mahavir Udyog	-	-	-	-	-	-	1,972.35	1,525.39	-	-	1,972.35	1,525.39
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	3.39	-	-	-	3.39	-
	Total (vi)	-	-	-	-	-	-	**1,975.74**	**1,525.39**	-	-	**1,975.74**	**1,525.39**
vii.	*Purchase of Spares & Samples*												
	Lumax Energy Solutions P. Ltd.	-	-	-	-	-	-	21.15	16.33	-	-	21.15	16.33
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.78	-	-	-	0.78	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	3.81	-	-	-	3.81	-
	Stanley Electric Co. Ltd.	6.36	1.04	-	-	-	-	-	-	-	-	6.36	1.04
	Total (vii)	**6.36**	**1.04**	-	-	-	-	**25.74**	**16.33**	-	-	**32.10**	**17.37**
viii.	*Purchase of Fixed Assets*												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	42.74	0.66	-	-	42.74	0.66
	Lumax Management Services P. Ltd.	-	-	-	-	-	-	-	8.61	-	-	-	8.61
	Stanley Electric Co. Ltd.	2.59	140.90	-	-	-	-	-	-	-	-	2.59	140.90
	Total (viii)	**2.59**	**140.90**	-	-	-	-	**42.74**	**9.27**	-	-	**45.33**	**150.17**
ix.	*Purchase Of Services*												
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	567.87	451.27	-	-	567.87	451.27
	Total (ix)	-	-	-	-	-	-	**567.87**	**451.27**	-	-	**567.87**	**451.27**
x.	*Technical Charges*												
	Design, Drawing & Testing Charges												
	Stanley Electric Co. Ltd.	1,370.26	2,024.28	-	-	-	-	-	-	-	-	1,370.26	2,024.28
	Management Support Fee											-	-
	Stanley Electric Co. Ltd.	978.70	801.14	-	-	-	-	-	-	-	-	978.70	801.14
	Lumax Management Services P. Ltd.	-	-	-	-	-	-	1,481.90	1,120.62	-	-	1,481.90	1,120.62
	Total (x)	**2,348.96**	**2,825.42**	-	-	-	-	**1,481.90**	**1,120.62**	-	-	**3,830.86**	**3,946.04**
xi.	*Rent Received*												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	65.59	-	-	-	65.59
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	-	2.49	-	-	-	2.49
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	3.33	-	-	-	3.33
	Lumax Energy Solutions Private Limited	-	-	-	-	-	-	-	0.34	-	-	-	0.34
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	3.53	-	-	-	3.53	-
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	53.18	47.16	-	-	53.18	47.16
	Total (xi)	-	-	-	-	-	-	**56.71**	**118.91**	-	-	**56.71**	**118.91**
xii.	*Dividend Received*												
	SL Lumax Ltd.	-	-	-	-	-	-	-	-	379.38	49.48	379.38	49.48
	Total (xii)	-	-	-	-	-	-	-	-	**379.38**	**49.48**	**379.38**	**49.48**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Associates		Total	Total
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
xiii)	***Rent Paid***												
	Mr. Dhanesh Kumar Jain	-	-	15.12	16.39	-	-	-	-	-	-	15.12	16.39
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	171.15	156.14	-	-	171.15	156.14
	Total (xiii)	**-**	**-**	**15.12**	**16.39**	**-**	**-**	**171.15**	**156.14**	**-**	**-**	**186.27**	**172.53**
(xiv)	***Managerial Remuneration (short term employee benefits)***												
	Mr. Deepak Jain	-	-	134.22	133.68	-	-	-	-	-	-	134.22	133.68
	Mr. Anmol Jain	-	-	53.66	53.66	-	-	-	-	-	-	53.66	53.66
	Mr. Eiichi Hirooka (upto 03.02.18)	-	-	16.06	20.80	-	-	-	-	-	-	16.06	20.80
	Mr. Tadayoshi Aoki (w.e.f. 03.02.18)	-	-	2.48	-	-	-	-	-	-	-	2.48	-
	Mr. Norihisa Sato (upto 08.08.16)	-	-	-	7.58	-	-	-	-	-	-	-	7.58
	Mr. Koji Sawada (w.e.f. 09.08.16)	-	-	15.42	7.98	-	-	-	-	-	-	15.42	7.98
	Total (xiv)	**-**	**-**	**221.84**	**223.70**	**-**	**-**	**-**	**-**	**-**	**-**	**221.84**	**223.70**
(xv)	***Commission to Director***												
	Mr. Dhanesh Kumar Jain	-	-	97.44	59.69	-	-	-	-	-	-	97.44	59.69
	Mr. Deepak Jain	-	-	337.49	149.31	-	-	-	-	-	-	337.49	149.31
	Mr. Anmol Jain	-	-	194.88	119.39	-	-	-	-	-	-	194.88	119.39
	Total (xv)	**-**	**-**	**629.81**	**328.39**	**-**	**-**	**-**	**-**	**-**	**-**	**629.81**	**328.39**
(xvi)	***Royalty (gross)***												
	Stanley Electric Co. Ltd.	2,002.21	1,774.39	-	-	-	-	-	-	-	-	2,002.21	1,774.39
	Total (xvi)	**2,002.21**	**1,774.39**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,002.21**	**1,774.39**
(xvii)	***Dividend Paid***												
	Mr. Dhanesh Kumar Jain	-	-	301.20	-	-	-	-	-	-	-	301.20	-
	Mr. Deepak Jain	-	-	20.69	-	-	-	-	-	-	-	20.69	-
	Mr. Anmol Jain	-	-	8.03	-	-	-	-	-	-	-	8.03	-
	Ms. Usha Jain	-	-	-	-	21.85	-	-	-	-	-	21.85	-
	Mr. Mahesh Kumar Jain	-	-	-	-	0.01	-	-	-	-	-	0.01	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	76.13	-	-	-	76.13	-
	Lumax Finance Pvt. Ltd.	-	-	-	-	-	-	60.50	-	-	-	60.50	-
	Stanley Electric Co. Ltd.	484.79	-	-	-	-	-	-	-	-	-	484.79	-
	Total (xvii)	**484.79**	**-**	**329.92**	**-**	**21.86**	**-**	**136.63**	**-**	**-**	**-**	**973.20**	**-**
(xviii)	***Travelling & Conveyance***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.42	0.97	-	-	0.42	0.97
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	0.29	-	-	-	0.29
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	0.41	1.52	-	-	0.41	1.52
	Stanley Electric Co Ltd	102.78	46.56	-	-	-	-	-	-	-	-	102.78	46.56
	Total (xviii)	**102.78**	**46.56**	**-**	**-**	**-**	**-**	**0.83**	**2.78**	**-**	**-**	**103.61**	**49.34**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Associates		Total	Total
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
xix)	***Communication Costs***												
	Lumax Ancillary Ltd.	-	-	-	-	-	-	1.90	1.21	-	-	1.90	1.21
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.54	-	-	-	0.54	-
	Total (xix)	**-**	**-**	**-**	**-**	**-**	**-**	**2.44**	**1.21**	**-**	**-**	**2.44**	**1.21**
xx)	***Discount, Rebate & Claims***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	1.37	0.13	-	-	1.37	0.13
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	0.11	(0.01)	-	-	0.11	(0.01)
	Lumax Mannoh Allied Technologies Ltd	-	-	-	-	-	-	-	0.02	-	-	-	0.02
	Total (xx)	**-**	**-**	**-**	**-**	**-**	**-**	**1.48**	**0.14**	**-**	**-**	**1.48**	**0.14**
xxi)	***Doubtful Debts***												
	Lumax Mannoh Allied Technologies Ltd	-	-	-	-	-	-	-	0.29	-	-	-	0.29
	Total (xxi)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.29**	**-**	**-**	**-**	**0.29**
xxii)	***Freight Inward***												
	Lumax Ancillary Ltd	-	-	-	-	-	-	-	0.02	-	-	-	0.02
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	(0.51)	-	-	-	(0.51)
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	0.19	-	-	-	0.19	-
	Total (xxii)	**-**	**-**	**-**	**-**	**-**	**-**	**0.19**	**(0.49)**	**-**	**-**	**0.19**	**(0.49)**
xxiii)	***Insurance Charges***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	3.95	-	-	-	3.95	-
	Total (xxiii)	**-**	**-**	**-**	**-**	**-**	**-**	**3.95**	**-**	**-**	**-**	**3.95**	**-**
xxiv)	***Interest Income***												
	Lumax Cornaglia Auto Technologies P. Ltd.	-	-	-	-	-	-	(0.35)	-	-	-	(0.35)	-
	Total (xxiv)	**-**	**-**	**-**	**-**	**-**	**-**	**(0.35)**	**-**	**-**	**-**	**(0.35)**	**-**
xxv)	***Legal & Professional Charges***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.05	-	-	-	0.05	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	23.62	1.08	-	-	23.62	1.08
	Total (xxv)	**-**	**-**	**-**	**-**	**-**	**-**	**23.67**	**1.08**	**-**	**-**	**23.67**	**1.08**
xxvi)	***Miscellaneous Expenses***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	2.87	-	-	-	2.87	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	-	0.74	-	-	-	0.74
	Total (xxvi)	**-**	**-**	**-**	**-**	**-**	**-**	**2.87**	**0.74**	**-**	**-**	**2.87**	**0.74**
xxvii)	***Packing & Forwarding***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	0.17	-	-	-	0.17
	Total (xxvii)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.17**	**-**	**-**	**-**	**0.17**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Associates		TOTAL	TOTAL
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
xxviii)	***Personnel Expenses***					-							
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	0.33	3.26	-	-	0.33	3.26
	Stanley Electric Co Ltd	55.45	28.28	-	-	-	-	-	-	-	-	55.45	28.28
	Total (xxviii)	**55.45**	**28.28**	**-**	**-**	**-**	**-**	**0.33**	**3.26**	**-**	**-**	**55.78**	**31.54**
xxix)	***Printing & Stationery Expenses***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.02	-	-	-	0.02	-
	Total (xxix)	**-**	**-**	**-**	**-**	**-**	**-**	**0.02**	**-**	**-**	**-**	**0.02**	**-**
xxx)	***Reimbursement Received***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	(0.16)	-	-	-	(0.16)	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	(7.70)	(8.80)	-	-	(7.70)	(8.80)
	Stanley Electric Co Ltd	(215.70)	(171.64)	-	-	-	-	-	-	-	-	(215.70)	(171.64)
	Total (xxx)	**(215.70)**	**(171.64)**	**-**	**-**	**-**	**-**	**(7.86)**	**(8.80)**	**-**	**-**	**(223.56)**	**(180.44)**
xxxi)	***Reimbursement given***												
	Lumax Ancillary Ltd.	-	-	-	-	-	-	3.06	-	-	-	3.06	-
	Total (xxxi)	**-**	**-**	**-**	**-**	**-**	**-**	**3.06**	**-**	**-**	**-**	**3.06**	**-**
xxxii)	***Repair to Plant & Machinery***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	6.76	-	-	-	6.76	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	2.84	-	-	-	2.84	-
	Total (xxxii)	**-**	**-**	**-**	**-**	**-**	**-**	**9.60**	**-**	**-**	**-**	**9.60**	**-**
xxxiii)	***Repairs & Maintenance-Others (General)***												
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	71.44	47.85	-	-	71.44	47.85
	Total (xxxiii)	**-**	**-**	**-**	**-**	**-**	**-**	**71.44**	**47.85**	**-**	**-**	**71.44**	**47.85**
xxxiv)	***Building Repair & Maintenance***												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	4.19	-	-	-	4.19
	Total (xxxiv)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4.19**	**-**	**-**	**-**	**4.19**
xxxv)	***Sales promotion***												
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	18.48	-	-	-	18.48	-
	Total (xxxv)	**-**	**-**	**-**	**-**	**-**	**-**	**18.48**	**-**	**-**	**-**	**18.48**	**-**
xxxvi)	***Welfare (Staff And Labour)***												
	Lumax Dk Auto Industries Ltd.	-	-	-	-	-	-	-	2.53	-	-	-	2.53
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	12.86	-	-	-	12.86	-
	Stanley Electric Co Ltd	42.08	58.21	-	-	-	-	-	-	-	-	42.08	58.21
	Total (xxxvi)	**42.08**	**58.21**	**-**	**-**	**-**	**-**	**12.86**	**2.53**	**-**	**-**	**54.94**	**60.74**
xxxvii)	***Corporate Social Responsibility Contribution (CSR)***												
	Lumax Charitable Trust Foundation	-	-	-	-	-	-	73.58	33.62	-	-	73.58	33.62
	Total (xxxvii)	**-**	**-**	**-**	**-**	**-**	**-**	**73.58**	**33.62**	**-**	**-**	**73.58**	**33.62**
xxxviii)	***Sitting Fee***												
	Mr. Avinash Parkash Gandhi	-	-	4.61	2.80	-	-	-	-	-	-	4.61	2.80
	Mr. Rajeev Kapoor	-	-	2.20	-	-	-	-	-	-	-	2.20	-
	Mr. Gursaran Singh	-	-	-	0.40	-	-	-	-	-	-	-	0.40
	Mr. Munish Chandra Gupta	-	-	4.00	3.00	-	-	-	-	-	-	4.00	3.00
	Mr. Rattan Kapur	-	-	3.60	2.80	-	-	-	-	-	-	3.60	2.80
	Ms. Pallavi Dinodia Gupta	-	-	1.80	2.00	-	-	-	-	-	-	1.80	2.00
	Mr. Dhiraj Dhar Gupta	-	-	4.00	1.40	-	-	-	-	-	-	4.00	1.40
	Total (xxxviii)	**-**	**-**	**20.21**	**12.40**	**-**	**-**	**-**	**-**	**-**	**-**	**20.21**	**12.40**
	Gross Total	**14,479.25**	**7,117.77**	**1,216.90**	**580.88**	**21.86**	**-**	**47,141.40**	**30,531.43**	**379.38**	**49.48**	**63,238.79**	**38,279.56**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

C. Details of Closing Balances of Related Parties

S. No.	Account Head	Enterprise having significant influence			Enterprises owned or significantly influenced by key management personnel or their relatives			Associates			Total	Total	Total
		As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
B)	BALANCES AT THE YEAR END												
i)	Trade Receivables												
	Lumax Auto Technologies Ltd.	-	-	-	3,558.60	1,559.95	1,780.79	-	-	-	3,558.60	1,559.95	1,780.79
	Lumax DK Auto Industries Ltd.	-	-	-	59.92	57.80	120.71	-	-	-	59.92	57.80	120.71
	Lumax Cornaglia Auto Technologies P. Ltd.	-	-	-	8.16	7.87	6.79	-	-	-	8.16	7.87	6.79
	Lumax Tours & Travels Ltd.	-	-	-	-	0.02	0.34	-	-	-	-	0.02	0.34
	Lumax Ancillary Ltd.	-	-	-	211.61	81.71	43.02	-	-	-	211.61	81.71	43.02
	Bharat Enterprises	-	-	-	-	0.79	0.68	-	-	-	-	0.79	0.68
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	5.31	-	9.95	-	-	-	5.31	-	9.95
	Lumax Energy Solutions P. Ltd.	-	-	-	-	0.03	-	-	-	-	-	0.03	-
	Total (i)	**-**	**-**	**-**	**3,843.60**	**1,708.17**	**1,962.28**	**-**	**-**	**-**	**3,843.60**	**1,708.17**	**1,962.28**
ii)	Advance received from Customers												
	Stanley Electric Co. Ltd.	3.27	-	-	-	-	-	-	-	-	3.27	-	-
	Total (ii)	**3.27**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.27**	**-**	**-**
iii)	Trade Payables												
	Lumax Auto Technologies Ltd.	-	-	-	5,393.54	1,956.15	1,386.57	-	-	-	5,393.54	1,956.15	1,386.57
	Lumax DK Auto Industries Ltd.	-	-	-	5,452.77	3,765.49	3,494.92	-	-	-	5,452.77	3,765.49	3,494.92
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	0.10	-	-	-	-	-	0.10
	Lumax Tours & Travels Ltd.	-	-	-	43.18	22.49	37.93	-	-	-	43.18	22.49	37.93
	Lumax Ancillary Ltd.	-	-	-	1,889.69	1,357.22	1,200.45	-	-	-	1,889.69	1,357.22	1,200.45
	Bharat Enterprises	-	-	-	696.72	472.34	450.89	-	-	-	696.72	472.34	450.89
	Mahavir Udyog	-	-	-	524.87	476.53	462.39	-	-	-	524.87	476.53	462.39
	Lumax Management Services P. Ltd.	-	-	-	525.53	83.20	154.01	-	-	-	525.53	83.20	154.01
	Lumax Energy Solutions P. Ltd.	-	-	-	3.12	2.66	7.70	-	-	-	3.12	2.66	7.70
	Stanley Electric Co. Ltd.	7,670.58	3,925.28	1,536.21				-	-	-	7,670.58	3,925.28	1,536.21
	Total (iii)	**7,670.58**	**3,925.28**	**1,536.21**	**14,529.42**	**8,136.08**	**7,194.96**	**-**	**-**	**-**	**22,200.00**	**12,061.36**	**8,731.17**
iv)	Investment												
	SL Lumax Limited	-	-	-	-	-	-	354.74	354.74	354.74	354.74	354.74	354.74
	Total (iv)	**-**	**-**	**-**	**-**	**-**	**-**	**354.74**	**354.74**	**354.74**	**354.74**	**354.74**	**354.74**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

41. Capital and other commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Estimated amount of Contract (Net of Advances paid during the year ₹ 724.57 lakhs (31 March 2017: ₹834.16 lakhs; 01 April 2016: ₹ 421.68 lakhs) remaining to be executed on capital account and not provided for.)	1,250.48	2,314.84	633.66

42. Contingent liabilities

S. No.	Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(i)	Income tax cases*	405.67	1.77	7.41
(ii)	Excise, customs and Service tax*	75.21	15.70	42.98
(iii)	Sales tax and VAT*	26.37	102.58	46.61
(iv)	Export obligation#	9,935.23	6,915.98	5,674.46

*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.

Further, the Company is directly or indirectly involved in other lawsuits, claims and proceedings, which arise in the ordinary course of business. The Company have challenged these litigation with respective authorities. Based on the facts currently available, management believes that likelihood of outflow of resources is remote and hence the Company has not recognised these litigations under contingent liability as well.

#Outstanding export obligation of ₹ 9,935.23 lakhs (31 March 2017: ₹ 6,915.98 lakhs; 01 April 2016: ₹ 5,674.46 lakhs) 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 ₹ 1,655.87 lakhs (31 March 2017: ₹ 1152.66 lakhs; 01 April 2016: ₹ 945.74 lakhs).

43. 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 2018	Year ended 31 March 2017
Capital expenditure	**282.75**	**212.98**

b. Revenue expenditure

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	1,012.80	900.09
Contribution to provident fund	48.57	43.92
Contribution to other funds	2.58	2.27
Staff welfare	166.89	171.42
Gratuity	40.18	32.54
Insurance	6.28	5.43
Repair & maintenance	140.84	133.69
Travelling & conveyance	443.87	350.98
Research & development	0.54	0.35
Power & fuel	10.51	9.27
Miscellaneous	70.00	52.57
Design, support & testing charges	21.51	9.74
Material/Consumable/Spares	-	3.46
Depreciation	163.76	129.63
Finance cost	4.87	6.35
Total	**2,133.20**	**1,851.71**

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(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 2018	Year ended 31 March 2017
Capital expenditure	**200.71**	**201.96**

b. Revenue expenditure

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	716.52	683.14
Contribution to provident fund	31.57	27.87
Contribution to other funds	0.06	2.03
Staff welfare	78.80	59.86
Gratuity	13.22	16.69
Insurance	2.27	3.20
Repair & maintenance	75.15	52.80
Travelling & conveyance	137.87	156.13
Legal & professional expenses	13.12	22.10
Power & fuel	29.51	29.80
Miscellaneous	30.56	26.82
Design, support & testing charges	7.58	8.96
Material/Consumable/Spares	49.05	0.98
Depreciation	103.89	75.39
Finance cost	1.25	1.72
Total	**1,290.42**	**1,167.49**

44. Claim recoverable represents receivables from West Bengal Industrial Development Corporation in relation to Singur Land. The Company has relied on legal opinion for ascertaining the recoverability of the claim.

45. Government grant

A. Waiver of payment of Import duty under Export Promotion Capital Goods (EPCG) scheme

Under EPCG scheme, the government allows waiver of import duty on import of certain specified capital goods subject to fulfilment of certain export obligation over a period of time. The Company has treated the same as capital grant. During the year, the Company has recognised income of ₹ 57.51 lakhs (previous year: ₹ 46.16 lakhs) under the scheme.

B. Export incentives

The Company is availing export incentives under duty drawback rules and Merchandise Export from India Scheme (MEIS) of Central government. These incentives are availed in case of export of cars and specified parts to specified destinations. During the year, the Company has recognised income of ₹ 91.69 lakhs (previous year ₹ 46.21 lakhs) under the above schemes.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

46. Post applicability of Goods and Services Tax (GST) w.e.f. 01 July 2017, Revenue from Operations are required to be disclosed net of GST in accordance with the requirement of Ind AS. Accordingly, the Revenue from Operations for the year ended 31 March 2018 are not comparable with the immediately preceding year ended 31 March 2017 which are reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding :

Particulars		Year ended 31 March 2018	Year ended 31 March 2017
A.	Revenue from operations	1,69,176.59	1,42,589.38
B.	Excise duty	4,184.44	15,497.05
C.	Revenue from operations excluding excise duty (A - B)	1,64,992.15	1,27,092.33

47. Recent accounting pronouncement

A. Amendment to Ind AS 21:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from 01 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

B. Amendment to Ind AS 115:

Ind AS 115- Revenue from Contracts with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Moreover, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors.

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after 01 April 2018.

The Company will adopt the standard on 01 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted.

While, the Company is in the process of implementing Ind AS 115 on financial statement, the effect on adoption of Ind AS 115 is expected to be insignificant.

Notes to the Standalone Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

48. The company held the following specified Bank Notes (SBNs) and the following transactions were incurred during the period from 08 November 2016 to 30 December 2016 as provided in the table below:

Particulars	SBNs	Other Denomination notes	Total
Balance as on 08.11.2016*	20.45	7.00	27.45
Add : Permitted Receipts*	-	25.47	25.47
Less : Permitted Payments*	-	21.10	21.10
Less : Deposited in Bank*	20.45	-	20.45
Balance as on 30.12.2016*	-	11.37	11.37

*Above disclosure is excluding money held in Taiwan Doller (TWD) in Taiwan.

49. 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.

50. The figures relating to previous years as per previous IGAAP were audited by another firm of Chartered Accountants. Those figures, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind-AS, have been audited by B S R & Associates LLP.

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 Gupta
Partner
Membership No. 095037

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Shruti Kant Rustagi
Chief Financial Officer

Ankita Gupta
Company Secretary

Place : New Delhi
Date : 28 May 2018

Independent Auditor's Report

To the Members of Lumax Industries Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Lumax Industries Limited ('the Company') and its associate, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated statement of Cash Flows, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group 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 Board of Directors of the Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Company and its associate are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the Consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the 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 Company to cease to continue as a going concern.

We believe that the audit evidence by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (1) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

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 and other financial information of an associate, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the Consolidated state of affairs of the Group as at 31 March

2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. We did not audit the financial statements of an associate. The consolidated financial statements include the Company's share of net profit of ₹ 1,342.04 lakhs for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, 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 have 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-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the report of the other auditor.

2. The comparative financial information of the Group for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 13 May 2017 and 12 May 2016 respectively expressed an unmodified opinion on those Consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the Consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements / financial information certified by the Management.

Report on other legal and regulatory requirements

1. 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;

    b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and the reports of the other auditor;

    c. The Consolidated Balance Sheet, the Consolidated Statement of profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;

    d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

    e. On the basis of written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its associate Company incorporated in India, none of the directors of the Company and its associate is disqualified as on 31 March 2018 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 Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

    g. With respect to the other matters to be included in the Auditor's 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 and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the associate as noted in the 'Other matter' paragraph above :

        i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the Consolidated financial position of the Company and its associate – Refer to note 42 of the Ind AS financial statements;

        ii. The Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate incorporated in India; and

        iv. The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 08 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Associates LLP**
Chartered Accountants
Firm registration number 116231W/W-100024

Manish Gupta
Partner
Membership No.: 095037

Place: New Delhi
Date: 28 May, 2018

Annexure A to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of Lumax Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Lumax Industries Limited ('Holding Company') as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company and its associate Company, which are the Companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate Company, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 ('ICAI'). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 financial statements was 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 system over financial reporting with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of 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 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 auditors in terms of their reports referred to in the the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

A company's internal financial control over financial reporting with reference to 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 control over financial reporting includes those policies and procedures 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 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to the one associate Company, which is the Company incorporated in India, is based on the corresponding report of the auditors of such associate Company incorporated in India.

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

Manish Gupta
Partner
Membership No.: 095037

Place: New Delhi
Date: 28 May, 2018

LUMAX

Consolidated Balance Sheet

as at 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
I	**ASSETS**				
	Non-current assets				
	Property, plant and equipment	4A	52,776.53	41,538.36	39,451.38
	Capital work-in-progress	4B	3,383.17	2,033.54	1,703.78
	Intangible assets	5	435.23	333.02	256.74
	Investments accounted using the equity method	49	8,675.82	7,777.15	6,773.61
	Financial assets				
	Investments	6	96.00	96.00	96.00
	Loans	7	392.42	238.17	217.78
	Derivatives	11	-	-	65.35
	Others	8	231.49	240.77	133.61
	Non current tax assets (net)	12	80.57	19.83	12.71
	Other non-current assets	13	807.60	867.79	453.62
	Total non-current assets		**66,878.83**	**53,144.63**	**49,164.58**
	Current assets				
	Inventories	14	16,878.74	11,604.54	10,455.02
	Financial assets				
	Investments	6	15.18	23.27	10.99
	Trade receivables	9	31,822.68	19,094.22	18,119.04
	Cash and cash equivalents	10	124.10	67.07	268.06
	Bank balances other than above	10	46.94	14.97	-
	Loans	7	94.67	-	-
	Derivatives	11	-	56.56	621.59
	Others	8	3,255.19	22.18	22.57
	Other current assets	13	3,992.03	3,869.21	3,646.58
			56,229.53	**34,752.02**	**33,143.85**
	Assets held for sale	15	1.80	65.65	65.65
	Total current assets		**56,231.33**	**34,817.67**	**33,209.50**
	TOTAL ASSETS		**1,23,110.16**	**87,962.30**	**82,374.08**
II	**EQUITY AND LIABILITIES**				
	Equity				
	Equity share capital	16	934.77	934.77	934.77
	Other equity	17	35,265.00	29,977.08	24,657.86
	Total equity		**36,199.77**	**30,911.85**	**25,592.63**
	Liabilities				
	Non current liabilities				
	Financial liabilities				
	Borrowings	18	228.30	363.77	1,057.29
	Provisions	21	2,003.04	1,625.29	1,364.43
	Deferred tax liabilities (net)	23	1,380.50	645.70	773.12
	Other non-current liabilities	22	1,296.26	890.11	656.34
	Total non current liabilities		**4,908.10**	**3,524.87**	**3,851.18**
	Current liabilities				
	Financial liabilities				
	Borrowings	18	9,921.03	7,902.21	8,482.54
	Trade payables	19	53,636.22	32,684.20	29,458.48
	Other financial liabilities	20	11,795.40	6,315.58	7,552.43
	Provisions	21	1,127.47	755.07	559.13
	Other current liabilities	22	5,522.17	5,868.52	6,877.69
	Total current liabilities		**82,002.29**	**53,525.58**	**52,930.27**
	Total liabilities		**86,910.39**	**57,050.45**	**56,781.45**
	TOTAL EQUITY AND LIABILITIES		**1,23,110.16**	**87,962.30**	**82,374.08**
	Summary of significant accounting policies	3			

The attached notes referred to above form an integral part of the consolidated Ind AS 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 Gupta
Partner
Membership No. 095037

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Shruti Kant Rustagi
Chief Financial Officer

Ankita Gupta
Company Secretary

Place : New Delhi
Date : 28 May 2018

Consolidated Statement of Profit and Loss

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
I	**REVENUE**			
	Revenue from operations	24	1,69,176.59	1,42,589.38
	Other income	25	546.05	600.45
	TOTAL REVENUE		**1,69,722.64**	**1,43,189.83**
II	**EXPENSES**			
	Cost of materials consumed			
	Cost of raw material and components consumed	26.1	96,050.59	72,687.44
	Cost of moulds, tools & dies	26.2	11,906.22	8,743.54
	Purchase of stock in trade	27	2,442.86	401.07
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(1,385.60)	(49.61)
	Excise duty	29	4,184.44	15,497.05
	Employee benefits expenses	30	18,892.83	15,984.87
	Finance costs	31	718.62	1,066.44
	Depreciation and amortization	32	4,844.50	4,139.05
	Other expenses	33	23,655.28	19,294.01
	TOTAL EXPENSES		**1,61,309.74**	**1,37,763.86**
III	**Profit before share in net profit of associates (I-II)**		**8,412.90**	**5,425.97**
IV	**Profit of Associate**		**1,342.04**	**1,053.02**
V	**Profit before tax (III+IV)**		**9,754.94**	**6,478.99**
VI	**Tax Expense:**			
	Current tax	23	1,828.42	1,130.95
	Less : MAT credit entitlement	23	(1,139.38)	(1,130.95)
	Deferred tax	23	1,934.00	994.47
	Current tax for earlier years		(4.33)	47.42
	Income tax expenses		**2,618.71**	**1,041.89**
VII	**Profit for the year (V-VI)**		**7,136.23**	**5,437.10**
VIII	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurements of defined benefit liability		268.54	117.88
	Income tax relating to above		(115.57)	-
	Net other comprehensive income not to be reclassified subsequently to profit or loss		**152.97**	**117.88**
	Total comprehensive income for the year		**6,983.26**	**5,319.22**
IX	**Earnings per equity share - Basic and diluted {Nominal value of share ₹ 10 (Previous year : ₹ 10) each}**	34	76.34	58.17
	Summary of significant accounting policies	3		

The attached notes referred to above form an integral part of the consolidated Ind AS 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 Gupta
Partner
Membership No. 095037

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Shruti Kant Rustagi
Chief Financial Officer

Ankita Gupta
Company Secretary

Place : New Delhi
Date : 28 May 2018

Consolidated Statement of Changes in Equity

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

a.	Equity share capital	Note	Amount
	Balance as at 01 April 2016		934.77
	Changes in equity share capital during 2016-17	16a	-
	Balance as at 31 March 2017		**934.77**
	Changes in equity share capital during 2017-18	16a	-
	Balance as at 31 March 2018		**934.77**

b. Other Equity	Note	Reserves and Surplus				Items of OCI	Total
		Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurements of defined benefit plans	
Balance at 01 April 2016		**0.65**	**6,796.66**	**7,141.47**	**10,719.08**	**-**	**24,657.86**
Transferred from retained earning		-	-	542.00	-	-	542.00
Profit for the year		-	-	-	5,437.10	-	5,437.10
Transfer to general reserve		-	-	-	(542.00)	-	(542.00)
Other comprehensive income		-	-	-	-	(117.88)	(117.88)
Transferred to retained earnings		-	-	-	(117.88)	117.88	-
Balance at 31 March 2017		**0.65**	**6,796.66**	**7,683.47**	**15,496.30**	**-**	**29,977.08**
Transfered from retained earning		-	-	880.00	-	-	880.00
Profit for the year		-	-	-	7,136.23	-	7,136.23
Dividends	17B	-	-	-	(1,355.42)	-	(1,355.42)
Dividend distribution tax	17B	-	-	-	(275.93)	-	(275.93)
Transfer to general reserve		-	-	-	(880.00)		(880.00)
Other comprehensive income		-	-	-	-	(152.97)	(152.97)
Transferred to retained earnings		-	-	-	(152.97)	152.97	-
Dividend tax on dividend received		-	-	-	(63.99)	-	(63.99)
Balance at 31 March 2018		**0.65**	**6,796.66**	**8,563.47**	**19,904.22**	**-**	**35,265.00**

The attached notes referred to above form an integral part of the consolidated Ind AS 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 Gupta
Partner
Membership No. 095037

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Shruti Kant Rustagi
Chief Financial Officer

Ankita Gupta
Company Secretary

Place : New Delhi
Date : 28 May 2018

Consolidated Cash Flow Statement

for the year ended 31 March 2018

[All amounts are presented in ₹ Lakhs, unless otherwise stated]

S. No.	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A.	**Cash flow from operating activities**		
	Profit before tax	**9,754.94**	**6,478.99**
	Adjustment to reconcile profit before tax to net cash flows		
	Share in profits of Associate	(1,342.04)	(1,053.02)
	Depreciation/ amortisation	4,844.50	4,139.05
	Amortisation of government grants	(57.51)	(46.16)
	Provision for doubtful debts / advances	81.33	16.65
	Diminition in value of assets held for sale	63.85	-
	Gain on disposal of property, plant and equipment (net)	(9.63)	(27.82)
	Change in fair value of investment	8.09	(12.28)
	Unrealised foreign exchange (gain)/ loss	138.31	(113.49)
	Provisions/creditors no longer required written back	(167.96)	(11.06)
	Finance cost	718.62	1,066.44
	Interest income	(10.22)	(9.59)
	Dividend income	(3.01)	(2.40)
	Operating profit before working capital changes	**14,019.27**	**10,425.31**
	Movements in working capital:		
	Decrease/ (increase) in inventories	(5,274.20)	(1,149.52)
	Decrease/ (increase) in trade receivables	(12,899.47)	(828.07)
	Decrease/ (increase) in loans	(248.92)	(20.39)
	Decrease/ (increase) in other financial assets	(3,237.64)	(116.95)
	Decrease/ (increase) in other assets	(102.14)	(224.31)
	(Decrease)/ increase in trade payables	20,903.39	3,175.45
	(Decrease)/ increase in other financial liabilities	2,398.83	543.38
	(Decrease)/ increase in other liabilities	(369.34)	(1,018.60)
	(Decrease)/ increase in non-current provisions	377.75	260.86
	(Decrease)/ increase in current provisions	120.78	89.12
	Cash generated from operations	**15,688.31**	**11,136.28**
	Income taxes paid (net of refunds)	1,678.03	1,176.44
	Net cash flow from/ (used in) operating activities (A)	**14,010.28**	**9,959.84**
B.	**Cash flow from investing activities**		
	Purchase of fixed assets, including CWIP	(13,265.36)	(6,991.32)
	Proceeds from sales of property, plant and equipment	54.43	723.00
	Interest received	0.29	9.98
	Dividends received	382.39	51.89
	Investments in bank deposits (having original maturity of more than three months)	(8.13)	(5.18)
	Net cash flow from/ (used in) investing activities (B)	**(12,836.38)**	**(6,211.63)**

Consolidated Cash Flow Statement

for the year ended 31 March 2018

[All amounts are presented in ₹ Lakhs, unless otherwise stated]

Sr. No.	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	225.79	289.54
	Repayment of long term borrowings	(1,023.59)	(2,569.21)
	Proceeds from/(repayment) of bank borrowings and short term loans (net)	2,018.82	(580.33)
	Interest paid	(706.54)	(1,089.20)
	Dividend paid on equity shares	(1,355.42)	-
	Dividend distribution tax	(275.93)	-
	Net cash flow from/ (used in) financing activities (C)	**(1,116.87)**	**(3,949.20)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**57.03**	**(200.99)**
	Cash and cash equivalents at the beginning of the year	**67.07**	**268.06**
	Cash and cash equivalents at the end of the year	**124.10**	**67.07**
i.	**Components of cash and cash equivalents**		
	Cash on hand	19.56	17.28
	Cheques on hand	-	3.42
	Balances with banks:		
	On current accounts	104.54	46.37
	Total cash and cash equivalents	**124.10**	**67.07**

ii. Movement in financial liabilities

	Non-current borrowings	Current borrowings	Interest payble	Total
As on 01 April 2017	1,338.04	7,902.21	33.28	**9,273.53**
Cash flows	(797.80)	2,018.82	-	**1,221.02**
Interest expenses	-	-	718.62	**718.62**
Interest paid	-	-	(706.54)	**(706.54)**
Other non cash transactions				
- Foreign exchange movement	(56.56)			**(56.56)**
Total	**483.68**	**9,921.03**	**45.36**	**10,450.07**

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 Gupta
Partner
Membership No. 095037

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Shruti Kant Rustagi
Chief Financial Officer

Ankita Gupta
Company Secretary

Place : New Delhi
Date : 28 May 2018

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(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. These consolidated Ind AS financial statements comprise the 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.

The consolidated financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) , Ind AS 101, First-time Adoption of Indian Accounting Standards, has been applied. An explanation of how the transition to IND AS has affected the previously reported financial position, financial performance and cashflows of the Company is provided in Note 38.

These consolidated financial statements are approved by the Company's Board of Directors on 28 May 2018.

Details of accounting policies are included in Note 3.

B. Basis of consolidation

Equity accounted investees

The Company's interest in equity account investees represents interest in associate i.e. SL Lumax Limited.

An associate is an entity in which the 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 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 be extent of Company's proportionate share. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of 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 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 Company's separate financial statements.

C. Functional and presentation currency

These consolidated Ind AS 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.

D. Basis of measurement

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for the following items:

a. Certain financial assets and liabilities (including derivative instruments) - measured at fair value.

b. Net defined benefit (asset)/ liability - measured at fair value of plan assets less present value of defined benefit obligations.

c. Other financial assets and liabilities - measured at amortised cost.

E. Use of estimates and judgements

The preparation of consolidated 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 ending 31 March 2018 and judgements made in applying 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/(liabilities) - note 23- The Company has recognized deferred tax assets/(liabilities) 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.

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 39 - 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.

iv) Provision for employee benefits - note 37 - 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, mortality rates 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 21 - The provision is based on historical warranty data and a 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.

vi) Classification between property, plant & equipment and investment property - The Company has certain vacant land and building . The management has currently classified such property as property, plant & equipment since the management believes that the property is held for future use as an "owner occupied property".

vii) Tools, mould and dies - Revenue from sale of tools, mould and dies is recognised on a completed contract method considering that substantial activity for preparation of mould is outsourced to sub-contractors constituting more than 90% of costs. Further, development of such tools, moulds and dies does not take the substantial time period, unless due to procedural delays from the customer's end. In-house designing is required only in those cases where models are not existing & the process is deemed not to be complex.

F. 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.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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 39 - financial instruments; and

Note 15 - assets held for sale.

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 :

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.

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 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:

(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.

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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) Transition to IND AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii) 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 generally 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 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 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.

Freehold land is not depreciated. Leasehold assets are amortised over the period of the lease or the estimated useful life whichever is lesser.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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.

iv) 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.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 01 April 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

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. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the Investment property being valued.

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

In the cash flow statement, 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.

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 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

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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.

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.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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

i) 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 '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

TThe Company's non-financial assets, other than inventories 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 Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. 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).

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.

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 a 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

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of any discount, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, volume rebates and value added taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

ii) Rendering of Services

The Company recognizes revenue from services rendered based on a service agreement between the Company and its customers in the accounting period in which the services are rendered.

iii) 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.

l. 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.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

ii) Finance lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

iii) Operating lease

Assets acquired under leases other than finance leases are classified as operating leases. In case of operating lease, lease rentals are recognized as expense on a straight line basis with reference to lease terms and other considerations except where-

(i) Another systematic basis is more representative of the time pattern of the benefit derived from the asset taken on lease.; or

(ii) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

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 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

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(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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.

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 provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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, the cost of the asset is shown at gross value and grant thereon is treated as Capital Grants which are recognized as income in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged. 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 and the grant are recorded at fair value amounts and released to Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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. 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 consolidated 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. The Company is engaged in the business relating to products, projects and systems for electricity transmission and related activities only, which 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.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(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						
Gross Block (Deemed cost)								
At 01 April 2016	390.17	2,590.94	8,272.94	27,226.18	303.28	75.26	592.61	39,451.38
Additions	-	-	85.18	6,182.52	67.99	42.49	435.66	6,813.84
Disposals/ adjustments	(146.53)	-	-	(551.85)	(0.10)	-	(19.65)	(718.13)
At 31 March 2017	243.64	2,590.94	8,358.12	32,856.85	371.17	117.75	1,008.62	45,547.09
Additions	-	816.68	1,286.89	13,273.32	189.19	113.82	305.81	15,985.71
Disposals/ adjustments	-	-	-	(40.90)	(0.15)	(0.45)	(8.49)	(49.99)
At 31 March 2018	**243.64**	**3,407.62**	**9,645.01**	**46,089.27**	**560.21**	**231.12**	**1,305.94**	**61,482.81**
Depreciation								
At 01 April 2016	-	-	-	-	-	-	-	-
For the year	5.50	-	354.36	3,410.31	51.76	30.31	179.45	4,031.69
Disposals/ adjustments	(1.62)	-	-	(15.43)	(0.01)	-	(5.89)	(22.95)
At 31 March 2017	3.88	-	354.36	3,394.88	51.75	30.31	173.56	4,008.74
For the year	3.88	-	385.71	3,980.26	59.09	36.96	236.84	4,702.74
Disposals/ adjustments	-	-	-	(3.62)	(0.07)	(0.04)	(1.47)	(5.20)
At 31 March 2018	**7.76**	**-**	**740.07**	**7,371.52**	**110.77**	**67.23**	**408.93**	**8,706.28**
Net Block:								
At 01 April 2016	390.17	2,590.94	8,272.94	27,226.18	303.28	75.26	592.61	39,451.38
At 31 March 2017	239.76	2,590.94	8,003.76	29,461.97	319.42	87.44	835.06	41,538.35
At 31 March 2018	**235.88**	**3,407.62**	**8,904.94**	**38,717.75**	**449.44**	**163.89**	**897.01**	**52,776.53**

Notes:

1. The Company has availed deemed cost exemption for the valuation of plant, property and equipment, hence, the carrying amount as at 31 March 2016 (gross block less accumulated depreciation) was taken as the gross block as at 01 April 2016.
2. During the current year, the Company has capitalised borrowing cost relating to construction of Plant and Machinery amounting to ₹190.43 lakhs (31 March 2017 - ₹11.46 lakhs).
3. Property, plant and equipment amounting to ₹737.35 lakhs (31 March 2017 - ₹6,528.94 lakhs) have been pledged as security by the Company.

4B. Capital Work in progress

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Capital Work in progress	3,383.17	2,033.54	1,703.78
Total	**3,383.17**	**2,033.54**	**1,703.78**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

5. Intangible assets

Particulars	Computer Software	Technical knowhow*	Total
Gross Block (Deemed cost)			
At 01 April 2016	256.74	-	256.74
Additions	183.65	-	183.65
Disposals/adjustments	-	-	-
At 31 March 2017	**440.39**	**-**	**440.39**
Additions	243.97	-	243.97
Disposals/adjustments	-	-	-
At 31 March 2018	**684.36**	**-**	**684.36**
Amortisation			
At 01 April 2016	-	-	-
For the year	107.37	-	107.37
Disposals/adjustments	-	-	-
At 31 March 2017	**107.37**	**-**	**107.37**
For the year	141.76	-	141.76
Disposals/adjustments	-	-	-
At 31 March 2018	**249.13**	**-**	**249.13**
Net Block:			
At 01 April 2016	256.74	-	256.74
At 31 March 2017	333.02	-	333.02
At 31 March 2018	**435.23**	**-**	**435.23**

*Gross value and accumulated amortisation of technical know-how amounts to ₹ 344.42 Lakhs as at 01 April 2016.

The Company has availed deemed cost exemption for the valuation of Intangible assets, hence, the carrying amount as at 31 March 2016 (gross block less accumulated depreciation) was taken as the gross block as at 01 April 2016.

6. Investments

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-current investments			
Unquoted equity shares			
Equity shares at cost			
15,832 (31 March 2017: 15,832; 01 April 2016: 15,832) equity shares of ₹ 10 each fully paid-up in Caparo Power Limited	1.58	1.58	1.58
Unquoted Preference shares			
Preference shares at cost			
9,44,168, (31 March 2017: 9,44,168; 01 April 2016: 9,44,168) 2% Redeemable Preference shares of ₹ 10 each fully paid-up in Caparo Power Limited	94.42	94.42	94.42
Total-A	**96.00**	**96.00**	**96.00**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
B - Current investments			
Quoted equity shares at FVTPL	15.18	23.27	10.99
43,866 (31 March 2017: 43,866; 01 April 2016: 43,866) equity shares of ₹ 10 each fully paid up in PNB Gilts Limited			
Total-B	**15.18**	**23.27**	**10.99**
Total- Investments (A+B)	**111.18**	**119.27**	**106.99**
Aggregate book value of quoted investments	9.87	9.87	9.87
Aggregate market value of quoted investments	15.18	23.27	10.99
Aggregate amount of unquoted investments	450.74	450.74	450.74
Aggregate amount of impairment	8.09	-	-

7. Loans

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-current			
Security deposits	369.95	238.17	217.78
Others	22.47	-	-
Total-A	**392.42**	**238.17**	**217.78**
B - Current			
Others	94.67	-	-
Total-B	**94.67**	**-**	**-**
Total- Loans (A+B)	**487.09**	**238.17**	**217.78**

8. Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-current			
Margin money with banks* (deposits with maturity of more than 12 months)	22.52	46.36	56.15
Unpaid dividend accounts#	74.56	54.91	77.46
Interest accrued but not due on fixed deposits	-	5.09	-
Claims recoverable (refer note 44)	134.41	134.41	-
Total - A	**231.49**	**240.77**	**133.61**
B - Current			
Unbilled revenue	3,051.46	-	-
Interest accrued but not due on fixed deposits	32.11	22.18	22.57
Others	171.62	-	-
Total - B	**3,255.19**	**22.18**	**22.57**
Total- Other financial assets (A+B)	**3,486.68**	**262.95**	**156.18**

* 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.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

9. Trade receivables*

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Unsecured considered good	31,822.68	19,094.22	18,119.04
Doubtful	154.25	72.90	56.26
Less: Allowance for doubtful debts	(154.25)	(72.90)	(56.26)
Net-Trade receivables	**31,822.68**	**19,094.22**	**18,119.04**
Non-current	-	-	-
Current	31,822.68	19,094.22	18,119.04
Total	**31,822.68**	**19,094.22**	**18,119.04**

* Refer note 40 for related party transactions.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 39.

Trade receivable includes amount due from companies having common directors as follows:

Party Name	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Lumax Auto Technologies Ltd.	3,558.60	1,559.95	1,780.79
Lumax DK Auto Industries Ltd.	59.92	57.80	120.71
Lumax Cornaglia Auto Technologies P. Ltd.	8.16	7.87	6.79
Lumax Tours & Travels Ltd.	-	0.02	0.34
Lumax Ancillary Ltd.	211.61	81.71	43.02
Bharat Enterprises	-	0.79	0.68
Lumax Mannoh Allied Technologies Ltd.	5.31	-	9.95
Lumax Energy Solutions P. Ltd.	-	0.03	-
Total	**3,843.60**	**1,708.17**	**1,962.28**

10. Cash and bank balances

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Cash and cash equivalents			
Cash on hand	19.56	17.28	27.64
Cheques on hand		3.42	50.47
Bank balances			
in current accounts	104.54	46.37	189.95
Cash and cash equivalents in Balance Sheet	**124.10**	**67.07**	**268.06**
Cash and cash equivalents in the statement of cash flows	**124.10**	**67.07**	**268.06**
B - Bank balances other than above			
Margin Money with banks* (deposits with maturity of less than 12 months)	46.94	14.97	-

11. Derivative - Assets

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Cross currency swaps	-	56.56	686.94
Total- Derivative Assets	**-**	**56.56**	**686.94**
Non-current	-	-	65.35
Current	-	56.56	621.59
Total	**-**	**56.56**	**686.94**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

12. Tax assets

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance tax (net of provisions ₹ 1,938.91 lakhs; 31 March 2017: ₹ 3,173.05 lakhs; 01 April 2016: ₹ 2,318.10 lakhs)	80.57	19.83	12.71
Total	**80.57**	**19.83**	**12.71**

13. Other assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-current			
Capital advances	794.66	834.17	421.68
Prepaid expenses	12.94	33.62	31.94
B - Current			
Advance to suppliers	2,164.37	2,410.25	2,156.54
Less: Provision for doubtful advances	(25.17)	(25.17)	(25.17)
	2,139.20	**2,385.08**	**2,131.37**
Advance to employees	5.21	128.80	125.87
Export benefits receivable	28.13	14.43	9.54
Balances with government authorities	1,612.74	741.74	674.74
Prepaid expenses	163.59	247.71	331.28
Others	43.16	351.45	373.78
Total Other assets	**4,799.63**	**4,737.00**	**4,100.20**
Other Non-current assets	**807.60**	**867.79**	**453.62**
Other Current assets	**3,992.03**	**3,869.21**	**3,646.58**
Total	**4,799.63**	**4,737.00**	**4,100.20**

14. Inventories (valued at lower of cost and net realisable value)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Raw materials and components {including stock in transit ₹ 1,725.11 lakhs (31 March 2017: ₹ 999.74 lakhs; 01 April 2016: ₹ 449.68 lakhs)}	11,038.39	5,636.27	5,348.06
Work-in-progress	1,600.44	622.87	659.59
Finished goods	2,031.67	1,626.37	1,349.25
Stock in Trade	163.65	160.92	351.71
Stores and spares (including packing material) {including transit stock: ₹1.55 lakhs (31 March 2017: ₹ 17.22 lakhs; 01 April 2016: ₹ 17.86 lakhs)}	1,131.36	990.78	767.65
Moulds, tools and dies in process {including transit stock: ₹ 129.69 lakhs (31 March 2017: ₹ 155.10 lakhs; 01 April 2016: ₹ 168.98 lakhs)}	913.23	2,567.33	1,978.76
Total	**16,878.74**	**11,604.54**	**10,455.02**

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 ₹ Nil (31 March 2017: ₹ 17.43 lakhs). Further, following a change in estimates, write-down amounting ₹ 0.09 lakhs (31 March 2017: ₹ Nil) has been reversed. The write-down and reversal are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

15. Assets held for sale

The assets held for sale has been stated at lower of its carrying amount and fair value less costs to sell and comprises the following assets:

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Asset held for sale			
Property, plant and equipment	1.80	65.65	65.65
Total	**1.80**	**65.65**	**65.65**

In past years, the Management had decided to discontinue the use of machinery based in Sohna plant amounting to ₹ 65.65 lakhs. Such assets have been disclosed separately under "Assets classified as held for Sale". These assets have been sold for ₹ 1.8 lakhs subsequent to the year end.

16. Equity Share Capital

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Authorised			
1,20,00,000 (31 March 2017: 1,20,00,000; 01 April 2016: 1,20,00,000) equity shares of ₹ 10 each	1,200.00	1,200.00	1,200.00
Issued, subscribed and fully paid up			
93,47,732 (31 March 2017: 93,47,732; 01 April 2016: 93,47,732) equity shares of ₹ 10 each	934.77	934.77	934.77
Total	**934.77**	**934.77**	**934.77**

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares:	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	93,47,732	934.77	93,47,732	934.77	93,47,732	934.77
Issued during the year	-	-	-	-	-	-
At the end of the year	**93,47,732**	**934.77**	**93,47,732**	**934.77**	**93,47,732**	**934.77**

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.

c. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares	% holding in the class	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of ₹ 10 each fully paid held by-						
Stanley Electric Co. Limited	33,43,381	35.77%	33,43,381	35.77%	33,43,381	35.77%
Dhanesh Kumar Jain	19,59,026	20.96%	19,38,025	20.73%	19,38,025	20.73%
Lumax Auto Technologies Limited	5,25,000	5.62%	5,25,000	5.62%	5,25,000	5.62%

As per records of the 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.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

17. Other equity

A. Summary of other equity

		As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
I.	**Capital reserve**			
	At the beginning and at the end of the year	0.65	0.65	0.65
II.	**Securities premium account**			
	At the beginning and at the end of the year	6,796.66	6,796.66	6,796.66
III.	**General reserve**			
	Balance at the beginning of the year	7,683.47	7,141.47	6,766.47
	Add: Amount transferred from retained earnings	880.00	542.00	375.00
	Balance at the end of the year	**8,563.47**	**7,683.47**	**7,141.47**
IV.	**Retained earnings**			
	Balance at the beginning of the year	15,496.30	10,719.08	7,241.55
	Add: Profit for the year	7,136.23	5,437.10	5,202.62
	Less: Appropriations			
	- Dividend paid	(1,355.42)	-	(1,121.73)
	- Dividends distribution tax	(275.93)	-	(228.36)
	- Transferred to general reserve	(880.00)	(542.00)	(375.00)
	- Dividend tax on distributed profits of associate	(63.99)		
	Add: Transferred from other comprehensive income	(152.97)	(117.88)	-
	Balance at the end of the year	**19,904.22**	**15,496.30**	**10,719.08**
V.	**Items of other comprehensive income**			
	Balance at the beginning of the year	-	-	-
	Add: Remeasurements of defined benefit plans	(152.97)	(117.88)	-
	Less: Transferred to retained earnings	152.97	117.88	-
	Balance at the end of the year	**-**	**-**	**-**
Total- Other equity		**35,265.00**	**29,977.08**	**24,657.86**

(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	Year ended 31 March 2018	Year ended 31 March 2017
₹ 14.50 per equity share (31 March 2017: ₹ NIL)	1,355.42	-
Dividend distribution tax on dividend to shareholders	275.93	-
Total	**1,631.35**	**-**

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.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The Board proposed dividend on equity shares after the balance sheet date:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
₹ 23.00 per equity share (31 March 2017: ₹ 14.50 per share)	2,149.98	1,355.42
Total	**2,149.98**	**1,355.42**

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 2018	As at 31 March 2017	As at 01 April 2016
Total liabilities	86,910.39	57,050.45	56,781.45
Less: cash and cash equivalents	(124.10)	(67.07)	(268.06)
Adjusted net debt	**86,786.29**	**56,983.38**	**56,513.39**
Total equity	36,199.77	30,911.85	25,592.63
Adjusted net debt to equity ratio	**2.40**	**1.84**	**2.21**

18. Borrowings

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A - Non-current			
Secured term loans from banks			
Indian rupee loan	228.30	363.77	643.20
Foreign currency loan	-	-	414.09
Total-A	**228.30**	**363.77**	**1,057.29**
B - Current			
Current portion of Secured bank loans			
Indian rupee loan	255.38	568.96	499.19
Foreign currency loan	-	405.31	2,691.61
Commercial Papers (unsecured)	-	4,000.00	-
Cash credit/Working Capital facility from banks (secured)	5,560.61	967.92	4,508.92
Vendor finance facility from banks (unsecured)	4,360.42	2,934.29	3,973.62
	10,176.41	**8,876.48**	**11,673.34**
Less: Amount included under 'other financial liabilities' (Note 20)	(255.38)	(974.27)	(3,190.80)
Total-B	**9,921.03**	**7,902.21**	**8,482.54**
Total- Borrowings (A+B)	**10,149.33**	**8,265.98**	**9,539.83**

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 39.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Terms and repayment schedule

Particulars	Currency	Year of maturity	Nominal interest rate (range)	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	Charges
Secured bank loan							
Term Loan from bank	INR	2018	10.70%	-	129.69	233.44	Land & Building of Sohna Unit.
Term Loan from bank	INR	2018	10.00%	-	279.38	502.88	Land & Building of Sohna Unit.
Foreign currency loan from bank	USD	2017	LIBOR +3.50%	-	405.31	1,242.28	Land & Building along with other moveable fixed assets at Haridwar Unit and Bangalore Unit
Foreign currency loan from bank	USD	2016	LIBOR +3.50%	-	-	828.19	Land and building alongwith all other moveable fixed assets, situated at Pant Nagar (Uttrakhand) unit
Foreign currency loan from bank	USD	2016	LIBOR +2.60%	-	-	828.19	Land & Building and Plant & Machinery of Bawal Unit.
Foreign currency loan from bank	USD	2016	LIBOR +2.60%	-	-	207.05	Land & Building and Plant & Machinery of Bawal Unit.
Vehicle Loans	INR	2018 to 2022	7.75% - 10.00%	483.68	523.66	406.06	Hypothecation of the respective vehicle
Cash Credit from bank	INR	2018	8.15% - 9.25%	560.61	769.98	922.21	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Cash Credit from bank	INR	2017	7.56% - 8.65%	-	197.94	-	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Cash Credit from bank	INR	2016	10.20%	-	-	86.71	Land & Building and Plant & Machinery of Chakan -Pune Unit & Stocks and all current assets Company on Pari-Passu basis
Working Capital Facility from bank	INR	2018	7.40% - 8.90%	1,000.00	-	-	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Working Capital Facility from bank	INR	2018	7.70% - 8.70%	2,000.00	-	1,500.00	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Working Capital Facility from others	INR	2018	7.75% - 8.50%	2,000.00	-	2,000.00	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Unsecured bank loan							
Commercial Papers	INR	2017	6.85% - 7.45%	-	4,000.00	-	Nil
Vendor finance facility from bank	INR	2018	7.75% - 8.40%	3,074.12	1,000.00	-	Nil
Vendor finance facility from bank	INR	2017	8.45%	-	1,934.29	3,973.62	Nil
Vendor finance facility from bank	INR	2018	7.75% - 9.00%	936.28	-	-	Nil
Vendor finance facility from bank	INR	2018	7.75% - 8.40%	350.02	-	-	Nil
Total				**10,404.71**	**9,240.25**	**12,730.63**	**-**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

19. Trade payables

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Trade payables			
- Total outstanding due of micro enterprises and small enterprises {refer note (a) below for details of dues to micro and small enterprises}	22.43	14.81	7.22
- Total outstanding due of creditors other than micro enterprises and small enterprises	53,613.79	32,669.39	29,451.26
Total	**53,636.22**	**32,684.20**	**29,458.48**

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 39

(a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
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	22.43	14.81	7.22
Interest due on above	0.48	0.14	0.20
	22.91	**14.95**	**7.42**
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	1.48	2.52	2.13
The amount of interest accrued and remaining unpaid at the end of each accounting year	10.52	8.56	5.90
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

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current portion of secured bank loans	255.38	974.27	3,190.80
Capital creditors	5,185.29	1,397.49	938.43
Interest accrued on borrowings/cash credit	45.36	33.28	56.04
Payable to employees	1,816.02	1,553.40	1,275.92
Unpaid dividend	74.56	54.91	77.46
Interest free deposits from customers	13.04	13.04	32.89
Other liabilities*	4,405.75	2,289.19	1,980.89
Total Other financial liabilities	**11,795.40**	**6,315.58**	**7,552.43**
Current	**11,795.40**	**6,315.58**	**7,552.43**
Non-current	-	-	-
Total	**11,795.40**	**6,315.58**	**7,552.43**

* Other liabilities represent rate difference for price decrease not yet paid to the customers.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

21. Provisions

	Non-current	Current	Non-current	Current	Non-current	Current
	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017	As at 01 April 2016	As at 01 April 2016
A-Provision for employee benefits						
Compensated absences	1,487.49	150.42	1,145.99	160.18	927.16	91.81
Gratuity (refer note 37)	-	764.99	-	540.96	-	397.15
Total-A	**1,487.49**	**915.41**	**1,145.99**	**701.14**	**927.16**	**488.96**
B-Other provisions						
Provision for warranties {Refer (a) below}	-	61.02	-	32.74	-	70.17
Provision for lease equilisation	515.55	-	479.30	21.19	437.27	-
Provision for tax (net of advance tax ₹ 1,153.05 lakhs)	-	151.04	-	-	-	-
Total-B	**515.55**	**212.06**	**479.30**	**53.93**	**437.27**	**70.17**
Total-Provisions (A+B)	**2,003.04**	**1,127.47**	**1,625.29**	**755.07**	**1,364.43**	**559.13**

(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.

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
At the beginning of the year	32.74	70.17	71.34
Arising during the year (net of reversals)	124.92	22.11	117.92
Utilized during the year	(96.64)	(59.54)	(119.09)
At the end of the year	**61.02**	**32.74**	**70.17**

22. Other liabilities

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
A-Non-current			
Deferred Income	1,296.26	890.11	656.34
Total-A	**1,296.26**	**890.11**	**656.34**
B - Current			
Deferred Income	78.58	55.59	46.16
Advances from customers	3,812.84	4,720.54	5,825.35
Statutory dues	1,630.75	1,092.39	1,006.18
Total-B	**5,522.17**	**5,868.52**	**6,877.69**
Total-Other liabilities (A+B)	**6,818.43**	**6,758.63**	**7,534.03**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

23. Income tax

A. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
for Current period		
Income tax	1,828.42	1,130.95
Less: MAT credit entitlement	(1,139.38)	(1,130.95)
for prior periods	(4.33)	47.42
Deferred tax	1,934.00	994.47
Total	**2,618.71**	**1,041.89**

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit plan	268.54	(115.57)	152.97	117.88	-	117.88

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Rate (%)	Amount	Rate (%)	Amount
Profit before tax		9,754.94		6,478.99
Enacted tax rates in India	34.61%	3,375.99	34.61%	2,242.25
Effect of:				
Share of profit of equity accounted investee	-4.76%	(464.45)	-5.62%	(364.43)
Difference in tax rates*	-13.27%	(1,116.09)	-14.60%	(792.21)
Tax related to prior periods	-0.04%	(4.33)	0.73%	47.42
Tax credit for MAT	-11.68%	(1,139.38)	-17.46%	(1,130.95)
Movement in recognised temporary differences	18.86%	1,840.02	15.35%	994.47
Exempt income	-0.02%	(0.64)	-0.01%	(0.48)
Deferred tax on Items of OCI	0.96%	93.97	0.00%	-
Others	0.34%	33.62	0.71%	45.82
Income tax expanse	**26.84%**	**2,618.71**	**16.08%**	**1,041.89**

*The Company has paid taxes under MAT.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

D. Recognised deferred tax assets and liabilities

Particulars	Deferred tax assets			Deferred tax liabilities			Net Deferred tax assets/(liabilities)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	**As at 31 March 2018**	As at 31 March 2017	As at 01 April 2016	**As at 31 March 2018**	As at 31 March 2017	As at 01 April 2016
Undistributed profits of associate	-	-	-	(1,407.67)	(1,257.55)	(1,079.43)	(1,407.67)	(1,257.55)	(1,079.43)
Property, plant and equipment and intangible assets (net)	-	-	-	(6,252.13)	(5,378.31)	(4,928.33)	(6,252.13)	(5,378.31)	(4,928.33)
Provision for compensated absences	511.92	392.07	292.80	-	-	-	511.92	392.07	292.80
Provision for doubtful debts and advances	62.70	33.94	28.18	-	-	-	62.70	33.94	28.18
Provision for bonus	178.45	195.16	176.39	-	-	-	178.45	195.16	176.39
Provision for gratuity	246.35	187.21	86.26	-	-	-	246.35	187.21	86.26
Deferred revenue	480.42	327.31	243.15	-	-	-	480.42	327.31	243.15
Unabsorbed depreciation	-	1,162.11	1,857.59	-	-	-	-	1,162.11	1,857.59
Provision for lease equilisation	180.15	171.09	151.33	-	-	-	180.15	171.09	151.33
Cess on royalty/design fee	-	7.18	6.75	-	-	-	-	7.18	6.75
Carry forward MAT credits	4,619.31	3,514.09	2,392.19	-	-	-	4,619.31	3,514.09	2,392.19
Total	**6,279.30**	**5,990.16**	**5,234.64**	**(7,659.80)**	**(6,635.86)**	**(6,007.76)**	**(1,380.50)**	**(645.70)**	**(773.12)**

E. Movement of temporary differences

Particulars	As at 01 April 2016	Recognised temporary differences	Recognised tax credits	As at 31 March 2017	Recognised temporary differences	Recognised tax credits	**As at 31 March 2018**
Undistributed profits of associate	(1,079.43)	(178.12)	-	(1,257.55)	(150.12)	-	(1,407.67)
Property, plant and equipment and intangible assets (net)	(4,928.33)	(449.98)	-	(5,378.31)	(873.82)	-	(6,252.13)
Provision for compensated absences	292.80	99.27	-	392.07	119.85	-	511.92
Provision for doubtful debts and advances	28.18	5.76	-	33.94	28.76	-	62.70
Provision for bonus	176.39	18.77	-	195.16	(16.71)	-	178.45
Provision for gratuity	86.26	100.95	-	187.21	59.14	-	246.35
Deferred revenue	243.15	84.16	-	327.31	153.11	-	480.42
Unabsorbed depreciation	1,857.59	(695.48)	-	1,162.11	(1,162.11)	-	-
Provision for lease equilisation	151.33	19.76	-	171.09	9.06	-	180.15
Cess on royalty/design fee	6.75	0.43	-	7.18	(7.18)	-	-
Carry forward MAT credits	2,392.19	-	1,121.90	3,514.09	-	1,105.22	4,619.31
Total	**(773.12)**	**(994.47)**	**1,121.90**	**(645.70)**	**(1,840.02)**	**1,105.22**	**(1,380.50)**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

24. Revenue from operations*

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products (including excise duty)		
Finished goods	1,50,742.19	1,29,125.84
Traded goods	2,664.37	675.03
Moulds, tools and dies	14,486.67	11,824.57
Total Sale of products (A)	**1,67,893.23**	**1,41,625.44**
Sale of services (B)	**844.22**	**649.36**
Other operating revenues		
Scrap Sales	289.93	222.21
Government grant (refer note 45)	149.21	92.37
Total Other operating revenues (C)	**439.14**	**314.58**
Total Revenue from operations (A+B+C)	**1,69,176.59**	**1,42,589.38**

* refer note 46

25. Other Income

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income under Effective Interest method		
on bank deposits held at amortised cost	10.22	9.59
on other financial assets	17.93	8.32
Dividend	3.01	2.40
Net gain on sale of property plant and equipment	9.63	27.82
Rental income from property subleased	48.36	154.65
Provisions/creditors no longer required written back	167.96	11.06
Net gain on account of foreign exchange transaction	250.09	221.17
Net change in fair value of investment in equity shares held at FVTPL	-	12.28
Mark to market gain on cross currency swaps	26.42	-
Miscellaneous income	12.43	153.16
Total	**546.05**	**600.45**

26.1 Cost of raw material and components consumed

	Year ended 31 March 2018	Year ended 31 March 2017
Inventory of materials at the beginning of the year	5,636.27	5,348.06
Add: Purchases	1,01,452.71	72,975.65
Less: Inventory of materials at the end of the year	(11,038.39)	(5,636.27)
Total	**96,050.59**	**72,687.44**

26.2 Cost of moulds, tools & dies

	Year ended 31 March 2018	Year ended 31 March 2017
Inventory at the beginning of the year	2,567.33	1,978.76
Add: Purchases	10,252.12	9,332.11
Less: Inventory at the end of the year	(913.23)	(2,567.33)
Total	**11,906.22**	**8,743.54**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

27. Purchase of Traded Goods

	Year ended 31 March 2018	Year ended 31 March 2017
Automotive lamps/components	2,442.86	401.07
Total	**2,442.86**	**401.07**

28. Changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 14)

		Year ended 31 March 2018	Year ended 31 March 2017
Opening inventory	Finished goods	1,626.37	1,349.25
	Work-in-progress	622.87	659.59
	Stock-in-trade	160.92	351.71
		2,410.16	**2,360.55**
Closing inventory	Finished goods	2,031.67	1,626.37
	Work-in-progress	1,600.44	622.87
	Stock-in-trade	163.65	160.92
		3,795.76	**2,410.16**
(Increase)/Decrease in inventory	Finished goods	(405.30)	(277.12)
	Work-in-progress	(977.57)	36.72
	Stock-in-trade	(2.73)	190.79
		(1,385.60)	**(49.61)**

29. Excise duty

	Year ended 31 March 2018	Year ended 31 March 2017
Excise duty (refer note 46)	4,184.44	15,497.05
Total	**4,184.44**	**15,497.05**

30. Employee benefits expense

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	15,720.16	13,371.86
Contribution to provident and other funds	656.70	584.36
Compensated absences	581.28	421.54
Gratuity (refer note 37)	247.21	173.66
Staff welfare	1,687.48	1,433.45
Total	**18,892.83**	**15,984.87**

31. Finance costs

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses on financial liabilities measured at amortised cost	718.62	1,066.44
Total	**718.62**	**1,066.44**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

32. Depreciation and amortization expense

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant & equipment	4,702.74	4,031.68
Amortization of intangible assets	141.76	107.37
Total	**4,844.50**	**4,139.05**

33. Other expenses

	Year ended 31 March 2018	Year ended 31 March 2017
Stores and spares	1,078.87	518.19
Packing material	3,028.90	2,383.36
Power and fuel	4,988.26	4,467.16
Rent	318.92	266.45
Rates and taxes	157.05	255.42
Insurance	157.66	117.17
Repairs and maintenance	3,001.74	2,566.48
Freight and forwarding	3,078.71	2,149.53
Bank charges	78.11	59.63
Commission on sales - other than sole selling agent	107.91	63.80
Travelling and conveyance	1,576.56	1,298.87
Legal and professional	277.10	170.92
Management support fees	2,187.94	1,784.46
Design, support and testing charges	260.95	131.59
Directors' sitting fees	20.22	12.46
Payment to auditors (refer note 33.1 below)	49.92	54.37
Royalty	2,002.21	1,774.39
Diminution in value of assets held for sale	63.85	-
Warranty	124.92	22.11
Increase/(decrease) of excise duty on finished goods	(190.32)	67.77
Provision for doubtful debts / advances (net)	81.33	16.65
Advertising and publicity	19.24	17.54
Selling and promotion	193.79	226.63
Communication	144.94	166.90
Printing & stationery	128.66	102.49
Net change in fair value of investment in equity shares held at FVTPL	8.09	-
Miscellaneous	636.17	566.05
Contribution towards Corporate Social Responsibility (refer note 33.2 below)	73.58	33.62
Total	**23,655.28**	**19,294.01**

Above expenses include research and development expenses (refer note 43)

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

33.1 Payment to Auditor (excluding applicable taxes)

	Year ended 31 March 2018	Year ended 31 March 2017
As auditor:		
Audit fee	31.50	32.48
Tax audit fee	3.00	3.50
Limited Review	10.50	12.90
In other capacity:		
Certification fees	-	0.40
Reimbursement of expenses	4.92	5.09
Total	**49.92**	**54.37**

33.2 Corporate social responsibility (CSR)

As per the provisions of section 135 of the Companies Act, 2013, the Company had to spend atleast 2% of the average profits of the preceding three financial years towards CSR which amounts to ₹ 71.26 lakhs (31 March 2017: ₹ 37.42 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 ₹ 73.58 lakhs (31 March 2017 ₹ 33.62 lakhs) and has accordingly charged the same to the statement of Profit and Loss.

34. Earnings per share (EPS)

	Year ended 31 March 2018	Year ended 31 March 2017
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for attributable to equity shareholders	7,136.23	5,437.10
Weighted average number of equity shares	93.48	93.48
Basic and Diluted Earnings per share in ₹ {Nominal value of shares of ₹ 10 (Previous year : ₹ 10)}	**76.34**	**58.17**

35. Operating leases

A. Leases as lessee

The Company has taken office premises, warehouses and residential accommodation for some of its employees on operating lease, with an option of renewal at the end of the lease term. Lease expense charged during the year to the Statement of Profit and Loss aggregate to ₹ 318.92 lakhs (previous year ₹ 266.45 lakhs).

Future minimum lease payments under non-cancellable operating lease are as under:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Payable in less than one year	6.00	6.00
Payable between one and five years	27.00	24.00
Payable after more than five years	276.00	285.00
Total	**309.00**	**315.00**

B. Leases as lessor

The Company has leased out a portion of its building under a operating lease arrangement. The leases may be renewed for a further period based on mutual agreement of the parties. During the year, an amount of ₹ 48.36 lakhs (previous year ₹ 154.65 lakhs) was recognised as rental income in the Statement of Profit and Loss. As at 31 March 2018, there are no future minimum lease payments under non-cancellable operating lease as receivable.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

36. 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. Accordingly, 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 has no reportable segments in accordance with Ind AS - 108 Operating Segments.

a. The entity wide disclosures as required by Ind AS -108 are as follows:

Product/Service Description	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products (including excise duty)		
Finished goods	1,50,742.19	1,29,125.84
Traded goods	2,664.37	675.03
Moulds, tools and dies	14,486.67	11,824.57
Sale of services	844.22	649.36
Other operating revenues		
Scrap sales	289.93	222.21
Government grant	149.21	92.37
Total	**1,69,176.59**	**1,42,589.38**

b. Revenue from external customer

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
India	1,65,768.91	1,39,932.48
Other countries*	3,407.68	2,656.90
Total	**1,69,176.59**	**1,42,589.38**

* Exports to any single country are not material to be disclosed

Non current assets**

Particulars	As at 31 March 2018	As at 31 March 2017
India	57,483.10	44,792.54
Other countries#	-	-
Total	**57,483.10**	**44,792.54**

** Non-current assets exclude financial instruments, deferred tax assets and investments.

Exports to any single country are not material to be disclosed.

Major customers

Details of customers which accounts for more than 10% of Company's total revenue are as follows

Particulars	As at 31 March 2018	As at 31 March 2017
Maruti Suzuki Limited	47,350.55	45,140.55
Honda Motorcycle and Scooter India Private Limited	18,726.33	11,207.96

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

37. 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 ₹ 656.70 lakhs (previous year ₹ 584.36 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 ₹ 220.18 lakhs in contributions to its defined benefit plans in 2018-19.

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 2018	As at 31 March 2017	As at 01 April 2016
Balance at the beginning of the year	1,794.71	1,479.63	1,330.83
Benefits paid	(91.44)	(73.88)	(258.91)
Current service cost	175.48	144.87	117.79
Liability acquired through employee transfer	6.78	-	-
Past service cost	42.36	-	-
Interest cost	131.17	112.53	95.51
Actuarial (gains) losses recognised in other comprehensive income			
changes in demographic assumptions	-	-	-
changes in financial assumptions	136.28	38.29	15.88
experience adjustments	141.45	93.27	178.53
Balance at the end of the year	**2,336.79**	**1,794.71**	**1,479.63**

b) Reconciliation of the present value of plan assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balance at the beginning of the year	1,253.75	1,082.48	1,186.64
Contributions paid into the plan	298.51	147.74	61.79
Benefits paid	(91.45)	(74.09)	(258.92)
Interest income	101.80	83.95	84.87
Actuarial (gains) losses recognised in other comprehensive income	9.19	13.67	8.10
Balance at the end of the year	**1,571.80**	**1,253.75**	**1,082.48**
Net defined benefit (asset)	**764.99**	**540.96**	**397.15**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

c) Expense recognised in Statement of Profit and Loss

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	175.48	144.87
Interest cost	131.17	112.53
Past service gain	42.36	-
Interest income	(101.80)	(83.95)
Total	**247.21**	**173.45**

d) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Actuarial (gain) loss on defined benefit obligation	277.73	131.56
Return on plan assets excluding interest income	(9.19)	(13.67)
Total	**268.54**	**117.89**

e) Plan assets

Plan assets comprise of the following:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Investment with Insurer	1,547.38	1,232.05	1,060.94
%age	98%	98%	98%
Bank	24.42	21.70	21.54
%age	2%	2%	2%

C. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Discount rate	7.65%	7.50%	7.80%
Future salary growth	7.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	5.00%

At 31 March 2018, the weighted-average duration of the defined benefit obligation was 20.84 years (31 March 2017: 20.92 years; 01 April 2016: 20.73 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 2018		Year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(160.96)	181.99	(122.42)	138.39
Future salary growth (1% movement)	176.51	(159.44)	131.31	(118.84)
Attrition rate (1% movement)	7.13	(7.23)	14.25	(14.17)

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 Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

38. Explanation of transition to IND AS

As stated in Note 2A, these are the Company's first consolidated financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its consolidated financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these consolidated financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 01 April2016.

In preparing its consolidated Ind AS balance sheet as at 01 April2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in consolidated financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

I. Optional exemptions availed and mandatory exceptions

In preparing these consolidated financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Exemptions availed

1. Property plant and equipment, intangible assets and investment properties

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets. The carrying values of property, plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities.

B. Mandatory Exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

with estimates made for the same date in accordance with the previous GAAP unless there i.s objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

II. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

A. Reconciliation of equity

Particulars	Note	As at 31 March 2017			As at date of transition 01 April 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I. ASSETS							
Non-current assets							
Property, plant and equipment	a, b, f, g	38,408.14	3,130.22	41,538.36	40,542.23	(1,090.85)	39,451.38
Capital work-in-progress	g	5,248.19	(3,214.65)	2,033.54	1,703.78	-	1,703.78
Intangible assets		333.02	-	333.02	256.74	-	256.74
Investments accounted using the equity method		7,777.15	-	7,777.15	6,773.61	-	6,773.61
Financial assets							
Investments		96.00	-	96.00	96.00	-	96.00
Loans		238.17	-	238.17	217.78	-	217.78
Derivatives		-	-	-	65.35	-	65.35
Others		240.77	-	240.77	133.61	-	133.61
Other Tax assets	i	26.10	(6.27)	19.83	12.71	-	12.71
Deferred tax assets (net)	i	3,507.83	(3,507.83)	-	2,392.19	(2,392.19)	-
Other Non-current assets		867.79	-	867.79	453.62	-	453.62

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2017			As at date of transition 01 April 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Current assets							
Inventories		11,604.54	-	11,604.54	10,455.02	-	10,455.02
Financial assets							
Investments	d	9.87	13.40	23.27	9.87	1.12	10.99
Trade receivables		19,094.22	-	19,094.22	18,119.04	-	18,119.04
Cash and cash equivalents		67.07	-	67.07	268.06	-	268.06
Bank balances other than above		14.97	-	14.97	-	-	-
Derivatives		56.56	-	56.56	621.59	-	621.59
Others		22.18	-	22.18	22.57	-	22.57
Other current assets		3,869.21	-	3,869.21	3,646.58	-	3,646.58
Assets held for sale		65.65	-	65.65	65.65	-	65.65
TOTAL		**91,547.43**	**(3,585.13)**	**87,962.30**	**85,856.00**	**(3,481.92)**	**82,374.08**
II EQUITY AND LIABILITIES							
Equity							
Equity share capital		934.77	-	934.77	934.77	-	934.77
Other equity						-	
Capital reserve		0.65	-	0.65	0.65	-	0.65
Securities premium account		6,796.66	-	6,796.66	6,796.66	-	6,796.66
Retained earnings	j	16,943.02	(1,446.72)	15,496.30	11,963.14	(1,244.06)	10,719.08
Revaluation reserve	a	-	-	-	770.67	(770.67)	-
General reserves	a	6,912.80	770.67	7,683.47	6,370.80	770.67	7,141.47
Liabilities							
Non current liabilities							
Financial liabilities							
Borrowings		363.77	-	363.77	1,057.29	-	1,057.29
Provisions	g	1,646.48	(21.19)	1,625.29	1,364.43	-	1,364.43
Deferred tax liabilities (net)	i	2,794.40	(2,148.70)	645.70	1,944.18	(1,171.06)	773.12
Other non-current liabilities	b	-	890.11	890.11	-	656.34	656.34
Current liabilities							
Financial liabilities							
Borrowings		7,902.21	-	7,902.21	8,482.54	-	8,482.54
Trade payables		32,684.20	-	32,684.20	29,458.48	-	29,458.48
Other financial liabilities		6,315.58	-	6,315.58	7,552.43	-	7,552.43
Provisions	g	2,439.96	(1,684.89)	755.07	2,328.43	(1,769.30)	559.13
Other current liabilities	b	5,812.93	55.59	5,868.52	6,831.53	46.16	6,877.69
TOTAL		**91,547.43**	**(3,585.13)**	**87,962.30**	**85,856.00**	**(3,481.92)**	**82,374.08**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

II. Reconciliations between previous GAAP and Ind AS

B. Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	As at 31 March 2017		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
REVENUE				
Revenue from operations	b, c, h	1,29,978.10	12,611.28	1,42,589.38
Other income	d, h	569.47	30.98	600.45
		1,30,547.57	**12,642.26**	**1,43,189.83**
EXPENSES				
Cost of materials consumed				
Cost of raw material and components consumed	h	75,315.44	(2,628.00)	72,687.44
Cost of moulds, tools & dies		8,743.54	-	8,743.54
Purchase of stock in trade		401.07	-	401.07
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(49.61)	0.00	(49.61)
Excise duty	c	-	15,497.05	15,497.05
Employee benefits expenses	e	16,102.75	(117.88)	15,984.87
Finance costs	h	1,141.04	(74.60)	1,066.44
Depreciation and amortization	b, f, g	4,042.52	96.53	4,139.05
Other expenses	c, f, g, h	19,484.33	(190.32)	19,294.01
		1,25,181.08	**12,582.78**	**1,37,763.86**
Profit before share in net profit of associate		**5,366.49**	**59.48**	**5,425.97**
Profit of associate		**1,053.02**	**-**	**1,053.02**
Profit before tax		**6,419.51**	**59.48**	**6,478.99**
Current Tax	i	1,149.86	(18.91)	1,130.95
Less : MAT credit entitlement	i	(1,149.86)	18.91	(1,130.95)
Deferred Tax	i	850.21	144.26	994.47
Current Tax for earlier years		47.42	-	47.42
Income tax expense		**897.63**	**144.26**	**1,041.89**
Profit for the year		**5,521.88**	**(84.78)**	**5,437.10**
Other comprehensive income				
Remeasurements of defined benefit liability	e	-	117.88	117.88
		-	**117.88**	**117.88**
Total Comprehensive income for the year		**5,521.88**		**5,319.22**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Notes to the reconciliation

a) Revaluation reserve

In the previous year, the Company decided to measure earlier revalued Land, Building and Plant & Machinery as per cost model. Accordingly, the balance of revaluation reserve appearing as at 01 April 2016 amounting to ₹ 770.67 lakhs was adjusted with respective carrying amount of Land, Building and Plant & Machinery. However, under Ind AS, since the Company has elected to continue with the carrying values under previous GAAP as deemed cost, hence such adjustment of revaluation reserve have been reversed. Further, the revaluation reserve has been transferred to General reserve on the transition date.

Consolidated Balance sheet	Dr./ (Cr.)	
	As at 31 March 2017	As at 01 April 2016
Property, plant and equipment - plant and machinery	770.67	-
Adjustment to retained earnings	**770.67**	**-**

b) Deferred income

Under previous GAAP, the Company had recognised government grants related to capital assets and were presented as net from the cost of property, plant and equipment. As per Ind AS 20, the Company has presented government grants related to assets, in balance sheet by setting up the grant as deferred income.

The impact arising from the change is summarised as follows:

Statement of Profit and Loss	Dr./ (Cr.)
	Year ended 31 March 2017
Revenue from operations (government grants)	(46.16)
Depreciation and amortisation expense	46.16
Adjustment before income tax	**-**

Consolidated Balance sheet	Dr./ (Cr.)	
	As at 31 March 2017	As at 01 April 2016
Property, plant and equipment	945.70	702.50
Deferred income	(945.70)	(702.50)
Adjustment to retained earnings	**-**	**-**
Current	(55.59)	(46.16)
Non current	(890.11)	(656.34)
Total	**(945.70)**	**(702.50)**

c) Sales incentive and Excise duty

Sales incentive

The Company provides cash discounts to its customer to get prompt payment. Under previous GAAP, these discounts were shown as expenses under the head “other expenses”. Under Ind AS, revenue from sales of goods shall be measured at the fair value of the consideration received or receivable. Therefore, these discounts have been netted off from revenue from sales of goods. This has resulted in an decrease in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and equity as at 31 March 2016 has remain unchanged.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Excise duty

Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and equity as at 31 March 2017 has remained unchanged.

The impact arising from the change is summarised as follows:

Statement of Profit and Loss	**Dr./ (Cr.)**
	Year ended 31 March 2017
Revenue from operations	(15,211.82)
Excise duty	15,497.05
Other expenses	(285.23)
Adjustment before income tax	**-**

d) **Fair valuation of investments**

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries, associates and joint ventures as well as debt securities have been fair valued. The Company has designated certain investments classified as fair value through profit or loss. Under the previous GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost.

The impact arising from the change is summarised as follows:

Consolidated Statement of Profit or Loss	**Dr./ (Cr.)**
	Year ended 31 March 2017
Other income - Financial asset at fair value through profit or loss - net change in fair value - Gain/(loss)	(12.28)
Adjustment before income tax	**(12.28)**

Consolidated Balance sheet	**Dr./ (Cr.)**	
	As at 31 March 2017	As at 01 April 2016
Investments - financial assets at FVTPL	13.40	1.12
Adjustment to retained earnings	**13.40**	**1.12**

e) **Remeasurement of defined benefit liability (asset)**

Under Ind AS, remeasurement of defined benefit liability (asset) are recognised in other comprehensive income. Under the previous GAAP, the Company recognised such remeasurements in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 01 April 2016 or as on 31 March 2017.

f) **Property, Plant and Equipment and Depreciation**

Under Ind AS, Property, plant and equipment ("PPE") includes machine spares that meet the criteria of PPE are capitalised as part of cost of PPE. The Company, in accordance with Ind AS 16 - Property, Plant and Equipment, has identified certain spare parts and stand-by equipment as these meet the definition of PPE, which were earlier charged to Statement of Profit and Loss in the previous GAAP. These have been capitalised as Property, plant and equipment.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

The impact arising from the change is summarised as follows:

Statement of Profit and Loss	Dr./ (Cr.) Year ended 31 March 2017
Other expenses (Repair and maintenance)	(42.91)
Depreciation	83.64
Adjustment before income tax	**40.73**

Consolidated Balance sheet	Dr./ (Cr.) As at 31 March 2017	 As at 01 April 2016
Property, plant and equipment - plant and machinery	35.31	76.04
Adjustment to retained earnings	**35.31**	**76.04**

g) **Lease arrangement**

Upon performing re-evaluation of lease arrangement of land at Sanand, the land was classified as operating lease from finance lease. Hence, the land has been decapitalised and provision for lease equilisation as required under operating lease has been recognised as on 01 April 2016.

Further, the Company was setting up a plant at Sanand during the year ended 31 March 2017. The land and building located at Sanand were erroneously reclassified to Capital work in progress as at 31 March 2017 . The building amounting to ₹ 1,345.27 lakhs has been reclassified to Property, plant and equipment since no construction activity was being performed on such building.

The impact arising from the change is summarised as follows:

Statement of Profit and Loss	Dr./ (Cr.) Year ended 31 March 2017
Rent (Provision for lease equilisation)	63.22
Depreciation	(33.27)
Adjustment before income tax	**29.95**

Consolidated Balance sheet	Dr./ (Cr.) As at 31 March 2017	 As at 01 April 2016
Provision for lease equilisation	(500.49)	(437.27)
Provision for finance lease	2,206.57	2,206.57
Property, plant and equipment	1,345.27	(1,869.39)
Capital work in progress	(3,181.38)	-
Adjustment to retained earnings	**(130.03)**	**(100.09)**

h) **Others**

i) Under previous GAAP, raw material sold to vendors amounting to ₹ 262.79 lakhs was grouped under revenue from operations. However, same is appearing as netted off with consumption.

ii) Under previous GAAP, recovery of notice pay amounting to ₹ 18.69 lakhs were grouped under revenue and bank charges amounting to ₹ 74.59 lakhs were grouped in Finance cost. However, same have been reclassified to other income and other expenses respectively.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

i) **The impact arising from the above changes in tax expense are summarised as follows:**

Statement of Profit and Loss	Dr./ (Cr.)
	Year ended 31 March 2017
Impact of above changes in tax expense (current tax and MAT credit entitlement)	6.27
Impact of above changes in deferred tax expense	(33.86)
Impact of deferred tax on undistributed profit of associate	178.12
Total	**150.53**

Changes in Retained earnings on account of changed in deferred tax liabilities

The above changes (decreased)/ increased the deferred tax liability as follows based on a tax rate of 34.61%:

Consolidated Balance sheet	Note	Dr./ (Cr.)	
		As at 31 March 2017	As at 01 April 2016
Revaluation reserve	a	(266.71)	(266.71)
Undistributed profits of associate		(1,257.55)	(1,079.43)
Difference in WDV of spares capitalised	f	(12.23)	(26.32)
Provision for lease equilisation	g	171.09	151.33
Property, plant and equipment (EPCG licenses)	b	945.70	702.50
Deferred income	b	(945.70)	(702.50)
Adjustment to retained earnings		**(1,365.40)**	**(1,221.13)**

Changes in deferred tax asset/liabilities have been summarised below:

Consolidated Balance sheet	As at 31 March 2017	As at 01 April 2016
Deferred tax liability as per previous GAAP	2,794.40	1,944.18
Adjustment to retained earnings	1,365.40	1,221.13
Deferred tax liability as per IND AS	**4,159.80**	**3,165.31**
Mat credit as per previous GAAP	3,507.83	2,392.19
Impact of tax of above adjustments	6.27	-
Mat credit as per IND AS	**3,514.10**	**2,392.19**
Net Deferred tax asset as per IND AS	**(645.70)**	**(773.12)**

j) **Retained earnings**

The above changes (decreased) increased total equity as follows:

Consolidated Balance sheet	Note	Increase / (Decrease)	
		As at 31 March 2017	As at 01 April 2016
Property, plant and equipment (Capitalisation of spares)	f	35.31	76.04
Fair valuation of investments	d	13.40	1.12
Lease arrangement	g	(130.03)	(100.09)
Income tax expense	i	(1,365.40)	(1,221.13)
Adjustment to retained earnings		**(1,446.72)**	**(1,244.06)**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

k) The transition from previous GAAP to Ind AS has affected the cash flow for the year ended 31 March 2017 as follows:

Particulars	Previous GAAP	Adjustment on transition to Ind AS*	Ind AS
Cash flows from / (used) in operating activities	10,007.80	(47.96)	9,959.84
Cash flows from / (used) in investing activities	(6,207.54)	(4.09)	(6,211.63)
Cash flows from / (used) in financing activities	(4,023.80)	74.60	(3,949.20)
Net increase / (decrease) in cash and cash equivalents	**(223.54)**	**22.55**	**(200.99)**

* ₹ 22.55 lakhs represents unclaimed dividend reclassified from cash and cash equivalents to other non-current assets.

39. 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 2018			As at 31 March 2017			As at 01 April 2016		
		Cost	FVTPL	Amortised cost	Cost	FVTPL	Amortised cost	Cost	FVTPL	Amortised cost
Financial assets										
Non-current										
Investments	6	96.00	-	-	96.00	-	-	96.00	-	-
Loans	7	-	-	392.42	-	-	238.17	-	-	217.78
Derivatives	11	-	-	-	-	-	-	-	65.35	-
Others	8	-	-	231.49	-	-	240.77	-	-	133.61
Current										
Investments	6	-	15.18	-	-	23.27	-	-	10.99	-
Trade receivables	9	-	-	31,822.68	-	-	19,094.22	-	-	18,119.04
Cash and cash equivalents	10	-	-	124.10	-	-	67.07	-	-	268.06
Bank balances other than above	10	-	-	46.94	-	-	14.97	-	-	-
Loans	7	-	-	94.67	-	-	-	-	-	-
Derivatives	11	-	-	-	-	56.56	-	-	621.59	-
Others	8	-	-	3,255.19	-	-	22.18	-	-	22.57
Total		**96.00**	**15.18**	**35,967.49**	**96.00**	**79.83**	**19,677.38**	**96.00**	**697.93**	**18,761.06**
Financial liabilities										
Non-current										
Borrowings	18	-	-	228.30	-	-	363.77	-	-	1,057.29
Current										
Borrowings	18	-	-	9,921.03	-	-	7,902.21	-	-	8,482.54
Trade payables	19	-	-	53,636.22	-	-	32,684.20	-	-	29,458.48
Other financial liabilities	20	-	-	11,795.40	-	-	6,315.58	-	-	7,552.43
Total		**-**	**-**	**75,580.95**	**-**	**-**	**47,265.76**	**-**	**-**	**46,550.74**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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 2018			As at 31 March 2017			As at 01 April 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non - Current									
Derivatives	-	-	-	-	-	-	-	65.35	-
Current									
Investments	15.18	-	-	23.27	-	-	10.99	-	-
Derivatives	-	-	-	-	56.56	-	-	621.59	-

Assets and liabilities which are measured at amortised cost

1. Fair value of cash and cash equivalents, other bank balances, trade receivables, short term loans, current other financial assets, trade payables, current other financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments.
2. 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.
3. Fair value of margin money with banks and claims recoverable included in non-current other financial assets are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.
4. Fair value of all other non-current assets have not been disclosed as the change from carrying amount is not significant.

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
Financial instruments measured at fair value			
Cross currency Swaps	The fair value is determined using quoted swap rates at the valuation date	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 are no financial assets and liabilities valued at Level 3 fair values. There have been no transfers to and from Level 3 during the year.

c) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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 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.

(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 expected credit loss allowance on trade receivables:	As at 31 March 2018	As at 31 March 2017
Balance as at the beginning of the year	72.90	56.26
Movement during the year	81.35	16.64
Balance as at the end of the year	**154.25**	**72.90**

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.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

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.

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:

- The Company is having short term/working capital limit of ₹ 19,050 lakhs to meet short term funding requirement.
- The Company is also having vendor financing/bill discounting limit of ₹ 14,350 lakhs to meet the funding requirement.

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 2018			As at 31 March 2017			As at 01 April 2016		
	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year
Borrowings									
Indian rupee loan	483.68	255.38	228.30	932.73	568.96	363.77	1,142.39	499.19	643.20
Foreign currency loan	-	-	-	405.31	405.31	-	3,105.70	2,691.61	414.09
Other borrowings									
Commercial Papers	-	-	-	4,000.00	4,000.00	-	-	-	-
Working Capital facility	5,560.61	5,560.61	-	967.92	967.92	-	4,508.92	4,508.92	-
Vendor finance facility	4,360.42	4,360.42	-	2,934.29	2,934.29	-	3,973.62	3,973.62	-
Trade payables	53,636.22	53,636.22	-	32,684.20	32,684.20	-	29,458.48	29,458.48	-
Other financial liabilities									
Current portion of secured bank loans	255.38	255.38	-	974.27	974.27	-	3,190.80	3,190.80	-
Capital creditors	5,185.29	5,185.29	-	1,397.49	1,397.49	-	938.43	938.43	-

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Non derivative financial liabilities	As at 31 March 2018			As at 31 March 2017			As at 01 April 2016		
	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year
Interest accrued on borrowings/ cash credit	45.36	45.36	-	33.28	33.28	-	56.04	56.04	-
Payable to employees	1,816.02	1,816.02	-	1,553.40	1,553.40	-	1,275.92	1,275.92	-
Unpaid dividend	74.56	74.56	-	54.91	54.91	-	77.46	77.46	-
Interest free deposits from customers	13.04	13.04	-	13.04	13.04	-	32.89	32.89	-
Other liabilities	4,405.75	4,405.75	-	2,289.19	2,289.19	-	1,980.89	1,980.89	-
Total	**75,836.33**	**75,608.03**	**228.30**	**48,240.03**	**47,876.26**	**363.77**	**49,741.54**	**48,684.25**	**1,057.29**

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.

(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 2018	Borrowings	Current Account Balances	Trade payables and other financial liabilities	Trade receivables	Less: Cross currency swaps	Net exposure of recognised financial assets/ (liabilities)	
						Foreign currency	INR
EUR	-	-	(10.58)	6.42	-	(4.16)	(336.29)
GBP	-	-	(0.01)	2.24	-	2.23	205.73
JPY	-	-	(2,317.04)	-	-	(2,317.04)	(1,425.09)
USD	-	0.04	(124.02)	5.67	-	(118.31)	(7,711.55)
THB	-	-	(0.08)	-	-	(0.08)	(0.16)
TWD	-	10.69	(2.00)	-	-	8.69	19.55
CNY	-	-	(0.03)	-	-	(0.03)	(0.30)
IDR	-	-	(1,482.52)	-	-	(1,482.52)	(7.00)

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(All amounts are presented in ₹ Lakhs, unless otherwise stated)

As at 31 March 2017	Borrowings	Current Account Balances	Trade payables and other financial liabilities	Trade receivables	Less: Cross currency swaps	Net exposure of recognised financial assets/ (liabilities)	
						Foreign currency	INR
EUR	-	-	(2.84)	2.54	-	(0.30)	(20.87)
GBP	-	-	-	2.56	-	2.56	207.12
JPY	-	-	(691.20)	-	-	(691.20)	(400.90)
USD	(6.25)	-	(59.29)	7.07	6.25	(52.22)	(3,386.32)

As at 01 April 2016	Borrowings	Current Account Balances	Trade payables and other financial liabilities	Trade receivables	Less: Cross currency swaps	Net exposure of recognised financial assets/ (liabilities)	
						Foreign currency	INR
EUR	-	-	(0.05)	1.05	-	1.00	75.51
GBP	-	-	-	2.00	-	2.00	190.64
JPY	-	-	(850.06)	-	-	(850.06)	(501.54)
USD	(46.88)	-	(25.13)	9.07	46.88	(16.06)	(1,063.97)
CHF	-	-	(0.07)	-	-	(0.07)	(5.05)
SGD	-	-	(0.03)	-	-	(0.03)	(1.24)

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, CHF: Swiss Franc, SGD: Singapore Dollar, THB: Thai Bhat, 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.

The impact on profit/loss before tax is as below:

	Year ended 31 March 2018		Year ended 31 March 2017	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	(77.12)	77.12	(33.86)	33.86
JPY (1% movement)	(14.25)	14.25	(4.01)	4.01
Other currencies	(1.18)	1.18	1.86	(1.86)

(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

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for the year ended 31 March 2018

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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	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Borrowings			
Term loans			
Fixed interest	-	409.07	736.32
Variable interest	483.68	928.97	3,511.77
Others			
Commercial papers - Fixed interest	-	4,000.00	-
Cash credit/Working capital facility			
Fixed interest	-	-	86.71
Variable interest	5,560.61	967.92	4,422.21
Vendor finance facility			
Fixed interest	-	1,934.29	3,973.62
Variable interest	4,360.42	1,000.00	-
Total	**10,404.71**	**9,240.25**	**12,730.63**

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	Year ended 31 March 2018	Year ended 31 March 2017
1% increase	(62.02)	(96.96)
1% decrease	62.02	96.96

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(All amounts are presented in ₹ Lakhs, unless otherwise stated)

40. Related Party Disclosure

A. Names of related parties and related party relationship

S.No.	Particulars	Name of Related parties
1.	Enterprise having significant influence	Stanley Electric Co. Ltd., Japan
2.	Key Management Personnel	Mr. Dhanesh Kumar Jain (Chairman)
		Mr. Deepak Jain (Managing Director)
		Mr. Anmol Jain (Joint Managing Director)
		Mr. Eiichi Hirooka (Senior Executive Director- upto 03.02.2018)
		Mr. Tadayoshi Aoki (Senior Executive Director- from 03.02.2018)
		Mr. Norihisa Sato (Executive Director- upto 08.08.2016)
		Mr. Koji Sawada (Executive Director- from 09.08.2016)
		Mr. Avinash Parkash Gandhi (Independent Director)
		Mr. Rajeev Kapoor (Independent Director)
		Mr. Gursaran Singh (Independent Director- upto 19.04.2017)
		Mr. Munish Chandra Gupta (Independent Director)
		Mr. Rattan Kapur (Independent Director)
		Mrs. Pallavi Dinodia Gupta (Independent Director)
		Mr. Dhiraj Dhar Gupta (Independent Director)
3.	Relatives of Key Management Personnel	Mrs. Usha Jain (Spouse of Chairman)
		Mr. Mahesh Kumar Jain (Brother of Chairman)
4.	Enterprise significantly influenced by Key Management Personnel or their Relatives	Lumax Auto Technologies Limited
		Lumax DK Auto Industries Limited
		Lumax Tours & Travels Limited
		Lumax Finance Private Limited
		Lumax Ancillary Limited
		Lumax Cornaglia Auto Technologies Pvt. Ltd.
		Lumax Mannoh Allied Technologies Ltd
		Lumax Management Services Pvt. Ltd.
		Lumax Energy Solutions Pvt. Ltd.
		Bharat Enterprises
		Mahavir Udyog
		D.K. Jain & Sons (HUF)
		Lumax Charitable Trust Foundation

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(All amounts are presented in ₹ Lakhs, unless otherwise stated)

B. Details of Related Parties Transactions

S. No.	Account Head	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	Total
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
A)	TRANSACTIONS										
i.	***Sale of Raw Materials and Components including Semi-finished Goods***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	2,887.82	467.53	2,887.82	467.53
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	54.60	98.32	54.60	98.32
	Lumax Ancillary Ltd.	-	-	-	-	-	-	559.42	371.97	559.42	371.97
	Bharat Enterprises	-	-	-	-	-	-	1.36	4.59	1.36	4.59
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	-	0.51	-	0.51	-
	Stanley Electric Co. Ltd.	-	6.17	-	-	-	-		-	-	6.17
	Total (i)	**-**	**6.17**	**-**	**-**	**-**	**-**	**3,503.71**	**942.41**	**3,503.71**	**948.58**
ii.	***Sale of Finished Goods***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	5,272.94	4,257.48	5,272.94	4,257.48
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	95.13	217.05	95.13	217.05
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	-	4.80	-	4.80	-
	Lumax Ancillary Ltd.	-	-	-	-	-	-	127.70	-	127.70	-
	Total (ii)	**-**	**-**	**-**	**-**	**-**	**-**	**5,500.57**	**4,474.53**	**5,500.57**	**4,474.53**
iii.	***Sale of Fixed Assets***										
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	2.56	-	2.56
	Lumax Ancillary Ltd.	-	-	-	-	-	-	3.09	-	3.09	-
	Total (iii)	**-**	**-**	**-**	**-**	**-**	**-**	**3.09**	**2.56**	**3.09**	**2.56**
iv.	***Sale of services***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	24.72	15.28	24.72	15.28
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	7.58	8.71	7.58	8.71
	Lumax Ancillary Ltd.	-	-	-	-	-	-	6.00	8.42	6.00	8.42
	Bharat Enterprises	-	-	-	-	-	-	1.63	2.58	1.63	2.58
	Mahavir Udyog	-	-	-	-	-	-	0.28	0.97	0.28	0.97
	Stanley Electric Co. Ltd.	60.95	41.49	-	-	-	-	-	-	60.95	41.49
	Total (iv)	**60.95**	**41.49**	**-**	**-**	**-**	**-**	**40.21**	**35.96**	**101.16**	**77.45**
v.	***Purchase of Raw Materials, Components and Moulds***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	12,489.51	4,570.12	12,489.51	4,570.12
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	11,433.38	9,511.57	11,433.38	9,511.57
	Lumax Ancillary Ltd.	-	-	-	-	-	-	6,946.85	5,375.11	6,946.85	5,375.11
	Bharat Enterprises	-	-	-	-	-	-	2,286.21	1,892.82	2,286.21	1,892.82
	Mahavir Udyog	-	-	-	-	-	-	262.80	239.85	262.80	239.85
	Stanley Electric Co. Ltd.	9,588.78	2,366.95	-	-	-	-	-	-	9,588.78	2,366.95
	Total (v)	**9,588.78**	**2,366.95**	**-**	**-**	**-**	**-**	**33,418.75**	**21,589.47**	**43,007.53**	**23,956.42**

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(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	Total
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
vi.	***Purchase of Packing Material (net)***										
	Mahavir Udyog	-	-	-	-	-	-	1,972.35	1,525.39	1,972.35	1,525.39
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	3.39	-	3.39	-
	Total (vi)	**-**	**-**	**-**	**-**	**-**	**-**	**1,975.74**	**1,525.39**	**1,975.74**	**1,525.39**
vii.	***Purchase of Spares & Samples***										
	Lumax Energy Solutions P. Ltd.	-	-	-	-	-	-	21.15	16.33	21.15	16.33
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.78	-	0.78	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	3.81	-	3.81	-
	Stanley Electric Co. Ltd.	6.36	1.04	-	-	-	-	-	-	6.36	1.04
	Total (vii)	**6.36**	**1.04**	**-**	**-**	**-**	**-**	**25.74**	**16.33**	**32.10**	**17.37**
viii.	***Purchase of Fixed Assets***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	42.74	0.66	42.74	0.66
	Lumax Management Services P. Ltd.	-	-	-	-	-	-	-	8.61	-	8.61
	Stanley Electric Co. Ltd.	2.59	140.90	-	-	-	-	-	-	2.59	140.90
	Total (viii)	**2.59**	**140.90**	**-**	**-**	**-**	**-**	**42.74**	**9.27**	**45.33**	**150.17**
ix.	***Purchase Of Services***										
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	567.87	451.27	567.87	451.27
	Total (ix)	**-**	**-**	**-**	**-**	**-**	**-**	**567.87**	**451.27**	**567.87**	**451.27**
x.	***Technical Charges***										
	Design, Drawing & Testing Charges										
	Stanley Electric Co. Ltd.	1,370.26	2,024.28	-	-	-	-	-	-	1,370.26	2,024.28
	Management Support Fee										
	Stanley Electric Co. Ltd.	978.70	801.14	-	-	-	-	-	-	978.70	801.14
	Lumax Management Services P. Ltd.	-	-	-	-	-	-	1,481.90	1,120.62	1,481.90	1,120.62
	Total (x)	**2,348.96**	**2,825.42**	**-**	**-**	**-**	**-**	**1,481.90**	**1,120.62**	**3,830.86**	**3,946.04**
xi.	***Rent Received***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	65.59	-	65.59
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	-	2.49	-	2.49
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	3.33	-	3.33
	Lumax Energy Solutions Private Limited	-	-	-	-	-	-	-	0.34	-	0.34
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	3.53	-	3.53	-
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	53.18	47.16	53.18	47.16
	Total (xi)	**-**	**-**	**-**	**-**	**-**	**-**	**56.71**	**118.91**	**56.71**	**118.91**

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(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	Total
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
xii)	***Rent Paid***										
	Mr. Dhanesh Kumar Jain	-	-	15.12	16.39	-	-	-	-	15.12	16.39
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	171.15	156.14	171.15	156.14
	Total (xii)	**-**	**-**	**15.12**	**16.39**	**-**	**-**	**171.15**	**156.14**	**186.27**	**172.53**
(xiii)	***Managerial Remuneration (short term employee benefits)***										
	Mr. Deepak Jain	-	-	134.22	133.68	-	-	-	-	134.22	133.68
	Mr. Anmol Jain	-	-	53.66	53.66	-	-	-	-	53.66	53.66
	Mr. Eiichi Hirooka (upto 03.02.18)	-	-	16.06	20.80	-	-	-	-	16.06	20.80
	Mr. Tadayoshi Aoki (w.e.f. 03.02.18)	-	-	2.48	-	-	-	-	-	2.48	-
	Mr. Norihisa Sato (upto 08.08.16)	-	-	-	7.58	-	-	-	-	-	7.58
	Mr. Koji Sawada (w.e.f. 09.08.16)	-	-	15.42	7.98	-	-	-	-	15.42	7.98
	Total (xiii)	**-**	**-**	**221.84**	**223.70**	**-**	**-**	**-**	**-**	**221.84**	**223.70**
(xiv)	***Commission to Director***										
	Mr. Dhanesh Kumar Jain	-	-	97.44	59.69	-	-	-	-	97.44	59.69
	Mr. Deepak Jain	-	-	337.49	149.31	-	-	-	-	337.49	149.31
	Mr. Anmol Jain	-	-	194.88	119.39	-	-	-	-	194.88	119.39
	Total (xiv)	**-**	**-**	**629.81**	**328.39**	**-**	**-**	**-**	**-**	**629.81**	**328.39**
(xv)	***Royalty (gross)***										
	Stanley Electric Co. Ltd.	2,002.21	1,774.39	-	-	-	-	-	-	2,002.21	1,774.39
	Total (xv)	**2,002.21**	**1,774.39**	**-**	**-**	**-**	**-**	**-**	**-**	**2,002.21**	**1,774.39**
(xvi)	***Dividend Paid***										
	Mr. Dhanesh Kumar Jain	-	-	301.20	-	-	-	-	-	301.20	-
	Mr. Deepak Jain	-	-	20.69	-	-	-	-	-	20.69	-
	Mr. Anmol Jain	-	-	8.03	-	-	-	-	-	8.03	-
	Ms. Usha Jain	-	-	-	-	21.85	-	-	-	21.85	-
	Mr. Mahesh Kumar Jain	-	-	-	-	0.01	-	-	-	0.01	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	76.13	-	76.13	-
	Lumax Finance Pvt. Ltd.	-	-	-	-	-	-	60.50	-	60.50	-
	Stanley Electric Co. Ltd.	484.79	-	-	-	-	-	-	-	484.79	-
	Total (xvi)	**484.79**	**-**	**329.92**	**-**	**21.86**	**-**	**136.63**	**-**	**973.20**	**-**
(xvii)	***Travelling & Conveyance***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.42	0.97	0.42	0.97
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	0.29	-	0.29
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	0.41	1.52	0.41	1.52
	Stanley Electric Co Ltd	102.78	46.56	-	-	-	-	-	-	102.78	46.56
	Total (xvii)	**102.78**	**46.56**	**-**	**-**	**-**	**-**	**0.83**	**2.78**	**103.61**	**49.34**

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(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	Total
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
xviii)	***Communication Costs***										
	Lumax Ancillary Ltd.	-	-	-	-	-	-	1.90	1.21	1.90	1.21
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.54	-	0.54	-
	Total (xviii)	**-**	**-**	**-**	**-**	**-**	**-**	**2.44**	**1.21**	**2.44**	**1.21**
xix)	***Discount, Rebate & Claims***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	1.37	0.13	1.37	0.13
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	0.11	(0.01)	0.11	(0.01)
	Lumax Mannoh Allied Technologies Ltd	-	-	-	-	-	-	-	0.02	-	0.02
	Total (xix)	**-**	**-**	**-**	**-**	**-**	**-**	**1.48**	**0.14**	**1.48**	**0.14**
xx)	***Doubtful Debts***										
	Lumax Mannoh Allied Technologies Ltd	-	-	-	-	-	-	-	0.29	-	0.29
	Total (xx)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.29**	**-**	**0.29**
xxi)	***Freight Inward***										
	Lumax Ancillary Ltd	-	-	-	-	-	-	-	0.02	-	0.02
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	(0.51)	-	(0.51)
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	0.19	-	0.19	-
	Total (xxi)	**-**	**-**	**-**	**-**	**-**	**-**	**0.19**	**(0.49)**	**0.19**	**(0.49)**
xxii)	***Insurance Charges***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	3.95	-	3.95	-
	Total (xxii)	**-**	**-**	**-**	**-**	**-**	**-**	**3.95**	**-**	**3.95**	**-**
xxiii)	***Interest Income***										
	Lumax Cornaglia Auto Technologies P. Ltd.	-	-	-	-	-	-	(0.35)	-	(0.35)	-
	Total (xxiii)	**-**	**-**	**-**	**-**	**-**	**-**	**(0.35)**	**-**	**(0.35)**	**-**
xxiv)	***Legal & Professional Charges***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.05	-	0.05	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	23.62	1.08	23.62	1.08
	Total (xxiv)	**-**	**-**	**-**	**-**	**-**	**-**	**23.67**	**1.08**	**23.67**	**1.08**
xxv)	***Miscellaneous Expenses***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	2.87	-	2.87	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	-	0.74	-	0.74
	Total (xxv)	**-**	**-**	**-**	**-**	**-**	**-**	**2.87**	**0.74**	**2.87**	**0.74**
xxvi)	***Packing & Forwarding***										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	0.17	-	0.17
	Total (xxvi)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.17**	**-**	**0.17**

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for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		TOTAL	TOTAL
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
xxvii)	*Personnel Expenses*					-					
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	0.33	3.26	0.33	3.26
	Stanley Electric Co Ltd	55.45	28.28	-	-	-	-	-	-	55.45	28.28
	Total (xxvii)	**55.45**	**28.28**	**-**	**-**	**-**	**-**	**0.33**	**3.26**	**55.78**	**31.54**
xxviii)	*Printing & Stationery Expenses*										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.02	-	0.02	-
	Total (xxviii)	**-**	**-**	**-**	**-**	**-**	**-**	**0.02**	**-**	**0.02**	**-**
xxix)	*Reimbursement Received*										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	(0.16)	-	(0.16)	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	(7.70)	(8.80)	(7.70)	(8.80)
	Stanley Electric Co Ltd	(215.70)	(171.64)	-	-	-	-	-	-	(215.70)	(171.64)
	Total (xxix)	**(215.70)**	**(171.64)**	**-**	**-**	**-**	**-**	**(7.86)**	**(8.80)**	**(223.56)**	**(180.44)**
xxx)	*Reimbursement given*										
	Lumax Ancillary Ltd.	-	-	-	-	-	-	3.06	-	3.06	-
	Total (xxx)	**-**	**-**	**-**	**-**	**-**	**-**	**3.06**	**-**	**3.06**	**-**
xxxi)	*Repair to Plant & Machinery*										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	6.76	-	6.76	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	2.84	-	2.84	-
	Total (xxxi)	**-**	**-**	**-**	**-**	**-**	**-**	**9.60**	**-**	**9.60**	**-**
xxxii)	*Repairs & Maintenance-Others (General)*										
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	71.44	47.85	71.44	47.85
	Total (xxxii)	**-**	**-**	**-**	**-**	**-**	**-**	**71.44**	**47.85**	**71.44**	**47.85**
xxxiii)	*Building Repair & Maintenance*										
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	4.19	-	4.19
	Total (xxxiii)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4.19**	**-**	**4.19**
xxxiv)	*Sales promotion*										
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	18.48	-	18.48	-
	Total (xxxiv)	**-**	**-**	**-**	**-**	**-**	**-**	**18.48**	**-**	**18.48**	**-**
xxxv)	*Welfare (Staff And Labour)*										
	Lumax Dk Auto Industries Ltd.	-	-	-	-	-	-	-	2.53	-	2.53
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	12.86	-	12.86	-
	Stanley Electric Co Ltd	42.08	58.21	-	-	-	-	-	-	42.08	58.21
	Total (xxxv)	**42.08**	**58.21**	**-**	**-**	**-**	**-**	**12.86**	**2.53**	**54.94**	**60.74**
xxxvi)	*Corporate Social Responsibility Contribution (CSR)*										
	Lumax Charitable Trust Foundation	-	-	-	-	-	-	73.58	33.62	73.58	33.62
	Total (xxxvi)	**-**	**-**	**-**	**-**	**-**	**-**	**73.58**	**33.62**	**73.58**	**33.62**
xxxvii)	*Sitting Fee*										
	Mr. Avinash Parkash Gandhi	-	-	4.61	2.80	-	-	-	-	4.61	2.80
	Mr. Rajeev Kapoor	-	-	2.20	-	-	-	-	-	2.20	-
	Mr. Gursaran Singh	-	-	-	0.40	-	-	-	-	-	0.40
	Mr. Munish Chandra Gupta	-	-	4.00	3.00	-	-	-	-	4.00	3.00
	Mr. Rattan Kapur	-	-	3.60	2.80	-	-	-	-	3.60	2.80
	Ms. Pallavi Dinodia Gupta	-	-	1.80	2.00	-	-	-	-	1.80	2.00
	Mr. Dhiraj Dhar Gupta	-	-	4.00	1.40	-	-	-	-	4.00	1.40
	Total (xxxvii)	**-**	**-**	**20.21**	**12.40**	**-**	**-**	**-**	**-**	**20.21**	**12.40**
	Gross Total	**14,479.25**	**7,117.77**	**1,216.90**	**580.88**	**21.86**	**-**	**47,141.40**	**30,531.43**	**62,859.41**	**38,230.08**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

C. Details of Closing Balances of Related Parties

S. No.	Account Head	Enterprise having significant influence			Enterprises owned or significantly influenced by key management personnel or their relatives			Total	Total	Total
		As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
B)	**BALANCES AT THE YEAR END**									
i)	**Trade Receivables**									
	Lumax Auto Technologies Ltd.				3,558.60	1,559.95	1,780.79	3,558.60	1,559.95	1,780.79
	Lumax DK Auto Industries Ltd.				59.92	57.80	120.71	59.92	57.80	120.71
	Lumax Cornaglia Auto Technologies P. Ltd.				8.16	7.87	6.79	8.16	7.87	6.79
	Lumax Tours & Travels Ltd.				-	0.02	0.34	-	0.02	0.34
	Lumax Ancillary Ltd.				211.61	81.71	43.02	211.61	81.71	43.02
	Bharat Enterprises				-	0.79	0.68	-	0.79	0.68
	Lumax Mannoh Allied Technologies Ltd.				5.31	-	9.95	5.31	-	9.95
	Lumax Energy Solutions P. Ltd.				-	0.03	-	-	0.03	-
	Total (i)	**-**	**-**	**-**	**3,843.60**	**1,708.17**	**1,962.28**	**3,843.60**	**1,708.17**	**1,962.28**
ii)	**Advance received from Customers**									
	Stanley Electric Co. Ltd.	3.27	-	-				3.27	-	-
	Total (ii)	**3.27**	**-**	**-**	**-**	**-**	**-**	**3.27**	**-**	**-**
iii)	**Trade Payables**									
	Lumax Auto Technologies Ltd.				5,393.54	1,956.15	1,386.57	5,393.54	1,956.15	1,386.57
	Lumax DK Auto Industries Ltd.				5,452.77	3,765.49	3,494.92	5,452.77	3,765.49	3,494.92
	Lumax Mannoh Allied Technologies Ltd.				-	-	0.10	-	-	0.10
	Lumax Tours & Travels Ltd.				43.18	22.49	37.93	43.18	22.49	37.93
	Lumax Ancillary Ltd.				1,889.69	1,357.22	1,200.45	1,889.69	1,357.22	1,200.45
	Bharat Enterprises				696.72	472.34	450.89	696.72	472.34	450.89
	Mahavir Udyog				524.87	476.53	462.39	524.87	476.53	462.39
	Lumax Management Services P. Ltd.				525.53	83.20	154.01	525.53	83.20	154.01
	Lumax Energy Solutions P. Ltd.				3.12	2.66	7.70	3.12	2.66	7.70
	Stanley Electric Co. Ltd.	7,670.58	3,925.28	1,536.21				7,670.58	3,925.28	1,536.21
	Total (iii)	**7,670.58**	**3,925.28**	**1,536.21**	**14,529.42**	**8,136.08**	**7,194.96**	**22,200.00**	**12,061.36**	**8,731.17**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

41. Capital and other commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Estimated amount of Contract (Net of Advances paid during the year ₹ 724.57 lakhs (31 March 2017: ₹834.16 lakhs; 01 April 2016: ₹421.68 lakhs) remaining to be executed on capital account and not provided for)	1,250.48	2,314.84	633.66

42. Contingent liabilities

S. No.	Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(i)	Income tax cases*	405.67	1.77	7.41
(ii)	Excise, customs and Service tax*	75.21	15.70	42.98
(iii)	Sales tax and VAT*	26.37	102.58	46.61
(iv)	Export obligation#	9,935.23	6,915.98	5,674.46

* 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.

Further, the Company is directly or indirectly involved in other lawsuits, claims and proceedings, which arise in the ordinary course of business. The Company have challenged these litigation with respective authorities. Based on the facts currently available, management believes that likelihood of outflow of resources is remote and hence the Company has not recognised these litigations under contingent liability as well.

#Outstanding export obligation of ₹ 9,935.23 lakhs (31 March 2017: ₹ 6,915.98 lakhs; 01 April 2016: ₹ 5,674.46 lakhs) 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 ₹ 1,655.87 lakhs (31 March 2017: ₹ 1152.66 lakhs; 01 April 2016: ₹ 945.74 lakhs).

43. 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 2018	Year ended 31 March 2017
Capital expenditure	**282.75**	**212.98**

b. Revenue expenditure

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	1,012.80	900.09
Contribution to provident fund	48.57	43.92
Contribution to other funds	2.58	2.27
Staff welfare	166.89	171.42
Gratuity	40.18	32.54
Insurance	6.28	5.43
Repair & maintenance	140.84	133.69
Travelling & conveyance	443.87	350.98
Research & development	0.54	0.35
Power & fuel	10.51	9.27
Miscellaneous	70.00	52.57
Design, support & testing charges	21.51	9.74
Material/Consumable/Spares	-	3.46
Depreciation	163.76	129.63
Finance cost	4.87	6.35
Total	**2,133.20**	**1,851.71**

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(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 2018	Year ended 31 March 2017
Capital expenditure	**200.71**	**201.96**

b. Revenue expenditure

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	716.52	683.14
Contribution to provident fund	31.57	27.87
Contribution to other funds	0.06	2.03
Staff welfare	78.80	59.86
Gratuity	13.22	16.69
Insurance	2.27	3.20
Repair & maintenance	75.15	52.80
Travelling & conveyance	137.87	156.13
Legal & professional expenses	13.12	22.10
Power & fuel	29.51	29.80
Miscellaneous	30.56	26.82
Design, support & testing charges	7.58	8.96
Material/Consumable/Spares	49.05	0.98
Depreciation	103.89	75.39
Finance cost	1.25	1.72
Total	**1,290.42**	**1,167.49**

44. Claim recoverable represents receivables from West Bengal Industrial Development Corporation in Relation to Singur Land. The Company has relied on legal opinion for ascertaining the recoverability of the claim.

45. Government grant

A. Waiver of payment of Import duty under Export Promotion Capital Goods (EPCG) scheme

Under EPCG scheme, the government allows waiver of import duty on import of certain specified capital goods subject to fulfilment of certain export obligation over a period of time. The Company has treated the same as capital grant. During the year, the Company has recognised income of ₹ 57.51 lakhs (previous year: ₹ 46.16 lakhs) under the scheme.

B. Export incentives

The Company is availing export incentives under duty drawback rules and Merchandise Export from India Scheme (MEIS) of Central government. These incentives are availed in case of export of cars and specified parts to specified destinations. During the year, the Company has recognised income of ₹ 91.69 lakhs (previous year ₹ 46.21 lakhs) under the above schemes.

46. Post applicability of Goods and Services Tax (GST) w.e.f. 01 July 2017, Revenue from operations are required to be disclosed net of GST in accordance with the requirement of Ind AS. Accordingly, the Revenue from operations for the year ended 31 March 2018 are not comparable with the immediately preceding year ended 31 March 2017 which are reported inclusive of Excise Duty. The following additional information is being provided to facilitate such understanding :

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A. Revenue from operations	1,69,176.59	1,42,589.38
B. Excise duty	4,184.44	15,497.05
C. Revenue from operations excluding excise duty (A - B)	1,64,992.15	1,27,092.33

47. Recent accounting pronouncement

A. Amendment to Ind AS 21:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from 01 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

B. Amendment to Ind AS 115:

Ind AS 115- Revenue from Contracts with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Moreover, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach-Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after 01 April 2018.

The Company will adopt the standard on 01 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted.

While, the Company is in the process of implementing Ind AS 115 on financial statement, the effect on adoption of Ind AS 115 is expected to be insignificant.

48. The company held the following specified Bank Notes (SBNs) and the following transactions were incurred during the period from 08 November, 2016 to 30 December, 2016 as provided in the table below:

Particulars	SBNs	Other Denomination notes	Total
Balance as on 08.11.2016*	20.45	7.00	27.45
Add : Permitted Receipts*	-	25.47	25.47
Less : Permitted Payments*	-	21.10	21.10
Less : Deposited in Bank*	20.45	-	20.45
Balance as on 30.12.2016*	-	11.37	11.37

* Above disclosure is excluding money held in Taiwan Doller (TWD) in Taiwan.

49. Investments accounted using the equity method

The 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.

Notes to Consolidated Ind AS Financial Statements

for the year ended 31 March 2018

(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Carrying value of Investment	**8,675.82**	7,777.15	6,773.61

a. Information relating to Assets and Liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Percentage ownership interest	21.28%	21.28%	21.28%
Current assets	33,146.08	27,366.34	23,426.03
Non-current assets	25,207.87	22,170.76	20,438.83
Current liabilities	14,274.25	2,131.53	2,900.23
Non-current liabilities	3,426.89	10,975.82	9,250.77
Net Assets	**40,652.81**	**36,429.75**	**31,713.86**
Group's share of Net Assets (21.28%)*	**8,650.92**	**7,752.25**	**6,748.71**

*Carrying value of investment includes Rs. 24.90 lakhs on account of Goodwill generated at the time of acquisition.

b. Information relating to Statement of Profit and Loss

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Revenue	1,11,276.97	1,07,448.97
Profit	6,299.68	4,950.15
Other comprehensive income	5.90	(2.52)
Total comprehensive income	**6,305.58**	**4,947.63**
Group's share of profit (21.28%)	**1,340.79**	**1,053.56**
Group's share of OCI (21.28%)	**1.25**	**(0.54)**
Group's share of total comprehensive income (21.28%)	**1,342.04**	**1,053.02**
c. Dividend received from SL Lumax Limited	**379.38**	49.48

50. 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.

51. The figures relating to previous years as per previous IGAAP were audited by another firm of Chartered Accountants. Those figures, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind-AS, have been audited by B S R & Associates LLP.

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 Gupta
Partner
Membership No. 095037

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Shruti Kant Rustagi
Chief Financial Officer

Ankita Gupta
Company Secretary

Place : New Delhi
Date : 28 May 2018

Form AOC-1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company

PART "B": Associates

(Amount in Rs. Lakhs)

Name of Associates Company		**SL Lumax Limited**
1.	Latest Audited Balance Sheet Date	31 March 2018
2.	Shares of Associate Company held by the company on the year end	
	a. Number of shares of associate held by the Company at the year end	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 Balance Sheet	8,675.82
6.	Profit/Loss for the year	
	a. Considered in Consolidation	1,342.04
	b. Not Considered in Consolidation	-

As per our report of even date attached

For on behalf of Lumax Industries Limited

Deepak Jain
Chairman & Managing Director
DIN: 00004972

Place: New Delhi
Date: 28 May 2018

Lumax Industries Limited
www.lumaxindustries.com | www.lumaxworld.in

Concept, Content & Design
WYATT Prism COMMUNICATIONS
(info@wyatt.co.in)

Lumax Industries Limited

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Website: www.lumaxindustries.com, Tel: 011 49857832
Email: lumaxshare@lumaxmail.com, CIN: L74899DL1981PLC012804

DK JAIN GROUP

NOTICE
OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty- Seventh (37th) Annual General Meeting (AGM) of Lumax Industries Limited will be held as under:

Day	:	**Wednesday**
Date	:	**18th July 2018**
Time	:	**10.30 A.M.**
Venue	:	**Air Force Auditorium, Subroto Park, New Delhi-110010**

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended 31st March 2018, Audited Balance Sheet as at 31st March 2018 and the Statement of Profit and Loss for the Financial Year ended on that date together with the reports of the Board of Directors and Auditors thereon.

2. To declare the Dividend of ₹ 23.00 per Equity Shares as recommended by the Board of Directors for the Financial Year ended 31st March 2018.

3. To appoint a Director in place of Mr. Koji Sawada (DIN: 07582189), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

4. Ratification of Remuneration of Cost Auditors' for the Financial Year 2018-19.

"Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, and The Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March 2019, be paid the remuneration amounting to ₹ 1.50 Lakhs and also the payment of applicable tax and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit.

Resolved further that the Board of Directors and/or the Company Secretary 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 acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

5. Approval of Material Related Party Transactions with Lumax Auto Technologies Limited

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"**Resolved** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations, 2015) and Section 188 of the Companies Act, 2013 or any other applicable law, rules, regulation for the time being in force or any re-enactment thereof and also pursuant to consent of Audit Committee and Board of Directors (hereinafter referred to as the "Board"), **that** the consent and approval of the Shareholders, be and is hereby accorded to the Board of Directors, for Material Related Party Transactions entered with Lumax Auto Technologies Limited (LATL) for 2017-18 and for a further period of Three (3) years including transactions of purchase / sale of raw material, finished goods etc. and any other transactions, exceeding the threshold limits, which are material in nature in terms of Listing Regulations, 2015 or other applicable laws, rules and regulations for the time being in force".

Resolved further that the Board of Directors and/or the Company Secretary 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 acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

6. Approval of Material Related Party Transactions with Stanley Electric Co. Ltd

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"**Resolved** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations, 2015) and Section 188 of the Companies Act, 2013 or any other applicable law, rules, regulation for the time being in force or any re-enactment thereof and also pursuant to consent of Audit Committee and

Board of Directors (hereinafter referred to as the "Board"), **that** the consent and approval of the Shareholders, be and is hereby accorded to the Board of Directors, for Material Related Party Transactions entered with Stanley Electric Co. Ltd. (Stanley) for 2017-18 and for a further period of Three (3) years including transactions of purchase/ sale of raw material, finished goods etc. and any other transactions, exceeding the threshold limits, which are material in nature in terms of Listing Regulations, 2015 or other applicable laws, rules and regulations for the time being in force".

Resolved further that the Board of Directors and/or the Company Secretary 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 acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

7. **Appointment of Mr. Tadayoshi Aoki as Senior Executive Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"**Resolved that** Mr. Tadayoshi Aoki (DIN: 08053387), a Nominee of Stanley, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 120 of the Articles of Association of the Company and on recommendation of Nomination and Remuneration Committee, who holds office upto the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation."

"**Resolved further that** in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and subject to the approval of Member(s) and the Central Government and other authorities, as applicable, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Tadayoshi Aoki as Senior Executive Director of the Company, for a period of Three (3) Years with effect from 3rd February 2018 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 "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 and/ or remuneration, subject to the provisions of applicable laws and approvals and/ or as may be directed by the Central Government, if any, and agreed to by the said Senior Executive Director."

"**Resolved further that** since the period of office of Mr. Tadayoshi Aoki as Director is liable to determination by retirement by rotation, he shall continue to hold office of Senior Executive 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 Senior Executive Director."

"**Resolved further that** in the event of absence of or inadequacy of net profit during any of the Financial Year, the remuneration to the Senior Executive Director shall be further restricted within the ceiling specified in Section II of 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."

8. **Appointment of Mr. Vineet Sahni as Senior Executive Director of the Company.**

To consider and if thought fit, to pass with or without modification(s) the following Resolution an a Ordinary Resolution:

"**Resolved that** Mr. Vineet Sahni (DIN: 03616096), who was appointed as an Additional Director of the Company by the Board of Directors pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 120 of the Articles of Association of the Company and on recommendation of Nomination and Remuneration Committee, who holds office upto the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation."

"**Resolved further that** in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and subject to the approval of Member(s) and the Central Government and other authorities, as applicable, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Vineet Sahni as Senior Executive Director to be designated as CEO & Senior Executive Director of the Company, for a period of Five (5) Years with effect from 1st April 2018 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 and/ or remuneration, subject to the provisions of applicable laws and approvals and/ or as may be directed by the Central Government, if any, and agreed to by the said Senior Executive Director."

"**Resolved further that** since the period of office of Mr. Vineet Sahni as Director is liable to determination by retirement by rotation, he shall continue to hold office of Senior Executive 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 Senior Executive Director."

"**Resolved further that** in the event of absence of or inadequacy of net profit during any of the Financial Year, the remuneration to the Senior Executive Director shall be further restricted within the ceiling specified in Section II of 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

ANKITA GUPTA
COMPANY SECRETARY
M.NO. A50166

Place: New Delhi
Date: 28th May 2018

NOTES:

1. ***Proxies: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and such a proxy need not be a Member of the Company. Proxy Form duly filled up and signed in order to be effective should reach to the Company's Registered Office not less than 48 hours before the scheduled time of the meeting. Proxy form is enclosed.***

   A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.

2. **The E-Voting Instructions forms an integral part of this Notice and is attached to this Notice.**

3. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 11th July 2018 to Wednesday, the 18th July 2018 (both days inclusive).

4. **Dividend Entitlement:** Dividend on Equity Shares, as recommended by the Directors, if approved at the Meeting 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 10th July 2018 as per the beneficial ownership data furnished by NSDL/CDSL for the purpose and in respect of Shares held in physical form after giving effect to all valid Shares Transfers in physical form, which are lodged with the Company before 10th July 2018.

   Dividend Amount of 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.

   Dividend Warrants in respect of Members holding in Physical Form will be sent through post by 14th August 2018 (tentative date).

   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 Warrant, 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.

   Members are requested to note that pursuant to the provisions of Section 124 the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), the amount of Dividend unclaimed or unpaid for a period of 7 Years from the date of transfer 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 Fund or the Company after the transfer of Unpaid or Unclaimed Dividend amount to the Government. The amount lying in the Unpaid Dividend Account for the Year ended 2009-10 has been transferred to the Investor Education & Protection Fund on 26th September 2017. The Unpaid Dividend Amount for the Year ended 2010-11 is due for transfer to the Investor Education & Protection Fund in the month of October, 2018. Members who have not encashed their Dividend for the Year ended 2010-2011 and onwards are therefore, requested to make their claims to the Company immediately.

   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 Rules.

5. **Change of Address:** The Members holding shares in physical mode are requested to intimate to the Registrar and Share Transfer Agent- M/s Karvy Computershare Private Limited immediately, if there is any change in their registered address. Demat Members should inform the change of address to their respective Depository Participants.

6. **Corporate Member:** Corporate Member intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (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/ Registrar and Share Transfer Agent.

8. **Declaration:** Details as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 in respect of the Directors seeking appointment/ re-appointment at the AGM, forms integral part of the notice. The Directors have furnished the requisite consents/ declarations for their appointment/ re-appointment.

9. **Security:** Owing to security concerns, the auditorium authorities do not allow carrying inside brief cases, bags, eatables; therefore, Members attending are requested to make their own arrangement for the safe keeping of their belongings.

10. **Queries:** Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company Secretary at least 15 days before the ensuing AGM.

11. **AGM Attendance Slip:** Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting. Under no circumstance Duplicate Attendance Slip will be issued at the venue of the AGM.

12. **Explanatory Statement:** Pursuant to Section 102(1) of the Companies Act, 2013, Explanatory Statement in respect of Special Business to be transacted at the Meeting is annexed hereto.

13. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company has provided a facility for voting by electronic means to all its Members to enable them to cast their vote electronically through the electronic voting facility provided by Karvy Computershare Private Limited.

    The facility for voting through Ballot Paper will also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Members who have cast their vote by remote e-voting prior to the Meeting may attend the AGM but shall not be entitled to cast their vote again.

14. The Notice of AGM, Annual Report, Attendance Slip and instructions for e-voting are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the aforesaid documents are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have still not registered their e-mail addresses are requested to register their e-mail addresses, in respect of shares held in electronic mode, with their depository participant and in respect of the shares held in physical mode, with the Company/Karvy Computershare Pvt. Ltd., the Registrar and Share Transfer Agent.

15. All documents referred in the Notice and Explanatory Statement will be available for inspection by the Members at the registered office of the Company between 11:00 A.M. to 01:00 P.M. on all working days upto the day of the AGM.

16. Notice of this AGM, Audited Financial Statements for Financial Year 2017-18 together with Boards' Report and Auditors' Report are available on the website of the Company www.lumaxindustries.com.

EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013)

Item No. 4

The Board of Directors on the recommendation of the Audit Committee, have approved the appointment and remuneration of M/s Jitender Navneet & Co., Cost Accountants (Firm Regn. No. 000119) as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2018-19 at a fee of ₹ 1.50 Lakhs plus Service Tax and reimbursement of out of pocket expenses.

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 Shareholders of the Company.

Accordingly, consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March 2019.

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.

Your Directors recommend the Resolution set forth in Item No. 4 for approval of the Shareholders as an Ordinary Resolution.

Item No. 5 & 6

Pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a transaction with a Related Party shall be considered Material if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a Financial Year, exceeds ten percent of the Annual Consolidated Turnover of the Company as per the last audited Financial statements of the Company.

The Company is engaged in the business of manufacturing of automotive lighting equipments and related products. The Company supplies its products to almost all major Original Equipment Manufacturers (OEMs) in India. These products are to be manufactured as per the needs of the OEMs. The Designs, Specifications, Tools, Material and other Engineering and Testing related matters are finalized in consultation with and advise of the OEM's. Hence, in order to sustain quality standards of the Company, to maintain commercial confidentiality and in the best interest of the Company and its Shareholders, the Company undertakes certain transactions of purchase/ sale of raw material, finished goods etc. and such kind of other transactions with Lumax Auto Technologies Limited (LATL) and Stanley Electric Co. Ltd. (Stanley) respectively, which are Related Parties of the Company.

A summary of transactions carried out with LATL & Stanley during the Financial Year 2017-18 together with projections until 2020-21 are tabulated as under:

S. No.	Particulars of Transactions with Lumax Auto Technologies Limited	₹ In Crores		% to Turnover	Projected Transactions Proposed for Approval		
		2017-18	Cumulative		2018-19	2019-20	2020-21
1.	Purchase of Raw materials, Components and Moulds	124.89	207.22	16%	Δ 20% on 2017-18	Δ 20% on 2018-19	Δ 20% on 2019-20
2.	Purchase of Finished Goods	-					
3.	Purchases of Packing Material	0					
4.	Purchase of Spares & Samples	0.01					
5.	Purchase of Fixed Assets	0.43					
6.	Sale of Raw Materials and components including semi-finished goods	28.87					
7.	Sale of Finished Goods	52.72					
8.	Sale of Services	0.24					

S. No.	Particulars of Transactions with Stanley Electric Co. Ltd.	₹ In Crores		% to Turnover	Projected Transactions Proposed for Approval		
		2017-18	Cumulative		2018-19	2019-20	2020-21
1.	Sale of Services	0.60	140.09	11%	Δ 20% on 2017-18	Δ 20% on 2018-19	Δ 20% on 2019-20
2.	Purchase of Raw materials, Components and Moulds	95.88					
3.	Purchase of Spares & Samples	0.06					
4.	Purchase of Fixed Assets	0.03					
5.	Technical Charges (Design, Drawing & Testing Charges)	13.70					
6.	Royalty	20.02					
7.	Management Support Fees	9.78					

These transactions as well as the proposed transactions would continue to be in ordinary course of business and at arm's length basis.

The Audit Committee of the Company, from time to time, grants omnibus approval for aforesaid transactions and other type of transactions entered into/ to be entered into with LATL & Stanley respectively. During the Financial Year 2017-18 these transactions has exceeded the Materiality threshold prescribed under Listing Regulations i.e. 10% of the Company's Annual Consolidated Turnover as per the last audited Financial Statements and same is also expected to cross applicable Materiality thresholds in future as well.

The Company proposes to obtain approval of the Shareholders for Financial Year 2017-18 and for a further approval to the Board of Directors for a further period of Three (3) years for entering into transactions with LATL & Stanley. The Board is of the opinion that aforesaid transactions with LATL & Stanley are in the best interests of the Company.

For Resolution proposed in Item No.5, Mr. Deepak Jain and Mr. Anmol Jain, being Director on the Board of the Company as well as Director on the Board & Shareholders of LATL are interested in the said Resolution. Also, Mr. D.D. Gupta being Director of the Company as well as Director on the Board of LATL is interested in the said Resolution.

None of the other Directors, Key Managerial Personnel of the Company and their relatives, other than to the extent of their shareholding are concerned or interested, Financial or otherwise, in the said Resolution.

For Resolution proposed in Item No.6 Mr. Deepak Jain and Mr. Anmol Jain are interested up to the extent of Shareholding in Stanley granted under Stock Options. Also Mr. Tadayoshi Aoki, Mr. Toru Tanabe and Mr. Koji Sawada being Directors on the Board of the Company are interested in the said Resolution being the Representatives of Stanley on the Board of the Company.

None of the other Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested, Financial or otherwise, in the said Resolution.

Your Directors recommend the Resolution set forth in Item Nos. 5 & 6 for approval of the Shareholders as an Ordinary Resolution.

Item No.7

The Board of Directors have appointed Mr. Tadayoshi Aoki, Nominee of Stanley Electric Co. Ltd, Japan, the Financial and Technical Collaborator, as Additional Director for time being, on the Board of the Company at their Meeting held on 3rd February 2018, subject to his regular appointment in the ensuing AGM. Accordingly, he shall hold office upto the date of this AGM and is to be appointed as Regular Director in this Meeting.

In accordance with agreement(s) entered into between the Company and Stanley and on the recommendation of the Nomination and Remuneration Committee the Board have appointed Mr. Tadayoshi Aoki as Senior Executive Director of the Company for a period of Three (3) Years with effect from 3rd February 2018, on the remuneration and terms as set out in the Resolution and also in this Explanatory Statement, subject to the approval of the shareholders in the AGM and the Central Government.

Mr. Tadayoshi Aoki satisfies all the conditions Part I of Schedule V of the Companies Act, 2013 except the conditions of paragraph (e) i.e. Non-Resident in India, the approval for same has been applied to Central Government as required under the law. The remuneration payable to Mr. Tadayoshi Aoki is commensurate with his educational background, experience in the Auto lighting business and the responsibilities as Senior Executive Director of the Company of this size. His contribution, as Nominee of the Stanley will be significant for the growth of the Company.

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	₹1,00,000 per month	
4.	Family Allowance	₹12,000 per month	
5.	Perquisites & Allowances for Mr. Tadayoshi Aoki		
a.	Proceeding/ Outfitting allowance to self and his family.	Mr. Tadayoshi Aoki shall be eligible for proceeding/Outfitting allowance at the rate of maximum of two months 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/ returning allowance subject to maximum at the rate of 50% of 2 months salary and at the rate of 25% in case of children below 12 year	
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. as per the Service Agreement between the Company and Stanley.	
c.	Other benefits	i)	The Company will provide a Chauffeur driven Car to him. The Company shall bear all the expenses in respect of car such as servicing, repairs, fuel, taxes, comprehensive insurance premium etc. including the salary for the Chauffeur.
		ii)	The Company will also provide the facilities of Telephone and Gas etc.
		iii)	The Company to pay to and fro travelling expenses of Mr. Tadayoshi Aoki and his family when he goes on special leave/holiday passage granted to him.

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.

The Board considers that the appointment of Mr. Tadayoshi Aoki as Director as well as Senior Executive Director will be beneficial for the Company considering his educational background, experience in the Auto lighting business and 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.

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 ensuing AGM.

Except Mr. Tadayoshi Aoki, Mr. Koji Sawada 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. 7 of the Notice.

Your Directors recommend the Resolution set forth in Item No. 7 for approval of the Shareholders as Special Resolution.

Item No. 8

The Board of Directors have appointed Mr. Vineet Sahni, as an Additional Director for the time being, on the Board of the Company at their Meeting held on 31st March 2018, subject to his regular appointment in the ensuing AGM. Accordingly, he shall hold office upto the date of this AGM and is to be appointed as Regular Director in this Meeting.

The Board of Directors at its meeting held on 31st March 2018, on the recommendation of the Nomination and Remuneration Committee have appointed Mr. Vineet Sahni as Senior Executive Director of the Company for a period of Five (5) years with effect from 1st April 2018, on the remuneration and terms as set out in the Resolution and also in this Explanatory Statement, subject to the approval of the Shareholders in the AGM.

Mr. Vineet Sahni satisfies all the conditions Part I of Schedule V of the Companies Act, 2013. The remuneration payable to Mr. Vineet Sahni is commensurate with his educational background, experience in the Auto lighting business and the responsibilities as Senior Executive Director of the Company of this size.

Particulars of Remuneration and Perquisites:

S. No.	Particulars	Amount
1.	Salary	₹ 82,28,400 per annum
2.	Perquisites & Allowances	₹ 1,52,81,400 per annum
3.	Total	₹ 2,35,09,800 per annum
4.	Commission	Up to 1% per annum of the Net Profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013. The commission may be paid quarterly, half Yearly or annually as the Board may determine from time to time subject to overall limits of remuneration prescribed under Section 197 of the Companies Act, 2013.
5.	Other benefits	The Company will provide a Chauffeur driven Car to him. The Company shall bear all the expenses in respect of car such as servicing, repairs, fuel, taxes, comprehensive insurance premium etc. including the salary for the Chauffeur.
Perquisites & Allowances, subject to maximum of the limits as given above, shall include House Rent Allowance and reimbursement of all expenses on Leave Travel Concession, Medical, Mediclaim, Superannuation fund and National Pension Scheme on actual basis, if incurred by him on self, spouse and dependent parent(s) and dependent children as the case may be. The Company shall make all applicable Statutory Payments viz. Provident Funds, Gratuity, as per the rules of the Company in respect of above remuneration.		

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.

The Board considers that the appointment of Mr. Vineet Sahni as Director as well as Senior Executive Director will be beneficial for the Company considering his educational background, experience in the Auto lighting business. Therefore, the Board recommends his appointment.

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 ensuing AGM. The Annual Increments shall be recommended by Nomination and Remuneration Committee for further approval of Board of Directors and Shareholders, however shall remain within overall ceiling applicable to whole-time Directors as prescribed under the Companies Act, 2013.

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. 8 of the Notice.

Your Directors recommend the Resolution set forth in Item No. 8 for approval of the Members as an Ordinary Resolution.

BY ORDER OF THE BOARD
FOR LUMAX INDUSTRIES LIMITED

ANKITA GUPTA
COMPANY SECRETARY
M.NO. A50166

Place: New Delhi
Date: 28th May 2018

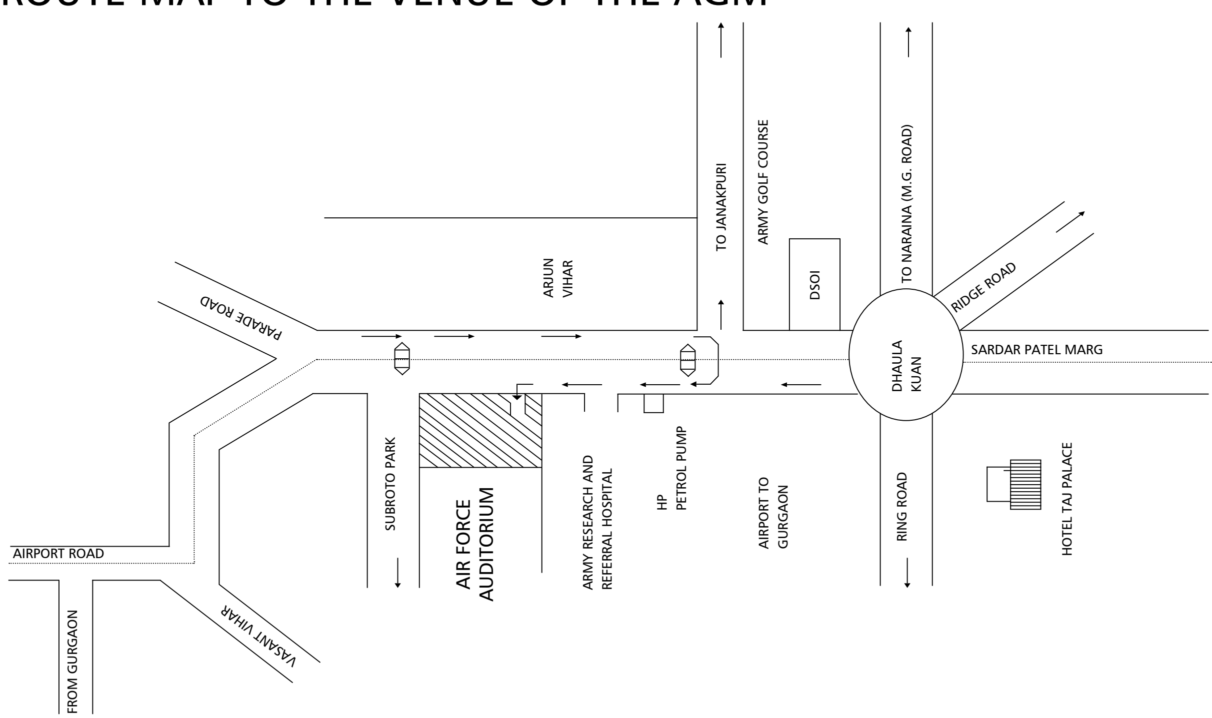
Note: As per the requirements of Secretarial Standard-2 (SS-2) issued by Institute of Company Secretaries of India (ICSI) the information required to be mentioned in the Explanatory Statement pertaining to Directors seeking Appointment/Re-appointment have been covered in the Corporate Governance Report which forms the part of Annual Report.

INFORMATION AS PER REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 & SECRETARIAL STANDARD (SS-2)

PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

S. No.	Particulars	Mr. Tadayoshi Aoki	Mr. Vineet Sahni	Mr. Koji Sawada
1.	**Director Identification Number**	08053387	03616096	07582189
2.	**Date of Birth**	27.07.1966	01.04.1965	21.04.1963
3.	**Qualification**	Mechanical Engineer from Tokyo Denki, University, Japan	B.E Mechanical from Delhi College of Engineering and PG Diploma in Management from MSPI – Delhi	Graduate from Osaka Institute of Technology, Japan
4.	**Nature of Expertise**	Having rich experience of around 28 Years in the field of Car Electronics, Engineering, Sales of car electronic parts and Sales Planning Division.	Having vast experience of successful Mergers & Acquisitions, managing overseas partner relationships, setting-up Greenfield projects, rich organizational turnarounds, establishing strong relationships with OEMs across segments - domestic & global	Having over 30 Years of rich experience in Quality Control and Lamp Assembly.
5.	**Name of Listed Companies in which Directorship held other than Lumax Industries Limited**	Nil	Nil	Nil
6.	**Chairman/ Member of the Committee of the Board of Listed Companies other than Lumax Industries Limited**	Nil	Nil	Nil
7.	**Relationship with other Directors interse**	Related to Mr. Koji Sawada and Mr. Toru Tanabe as Nominee Directors of Stanley Electric Co., Ltd.	Not related with any Director/KMP of the Company	Related to Mr. Tadayoshi Aoki and Mr. Toru Tanabe as Nominee Directors of Stanley Electric Co., Ltd.
8.	**No. of Shares held in the Company**	Nil	1,000	Nil

ROUTE MAP TO THE VENUE OF THE AGM



LUMAX INDUSTRIES LIMITED

Registered Office: 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi–110046
Website: www.lumaxindustries.com, Tel: 011 49857832
Email:lumaxshare@lumaxmail.com, CIN:L74899DL1981PLC012804

DK JAIN GROUP

ATTENDANCE SLIP

Regd. Folio No. | *Demat A/c No.
No. of Shares Held: | DP.ID No.

Name and Address of the Shareholders:

I/We hereby record my/our presence at the 37th Annual General Meeting of the Company held on Wednesday, 18th July 2018 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010.

____

Signature of Member/ Proxy

Notes: -

Please fill this Attendance Slip & hand over at the reception.

Members are requested to bring their copy of the Annual Report to the Meeting.

*Those who holds shares in Demat form must quote their Demat A/c No. and Depository Participant (DP) ID.No.

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DK JAIN GROUP

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):______________________	Email Id:______________________
Registered address:______________________	Folio No./* Client ID:______________________
______________________	*DP. ID:______________________

I/We, being the Member(s) of ____________ shares of Lumax Industries Limited, hereby appoint:

1) Name: ______________________ E-mail id ____________

Address: ______________________ Signatures: ____________ or failing him/her

2) Name: ______________________ E-mail id ____________

Address: ______________________ Signatures: ____________ or failing him/her

3) Name: ______________________ E-mail id ____________

Address: ______________________ Signatures: ____________ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 37th Annual General Meeting of the Company, to be held on Wednesday, July 18, 2018 at 10.30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Resolution	*For	*Against
Ordinary Business			
1	Adoption of Audited Annual Accounts for the year ended 31st March 2018 and the Auditors and Directors Reports thereon.		
2	Declaration of Dividend on Equity Shares for the year ended 31st March 2018.		
3	Re-appointment of Mr. Koji Sawada (DIN: 07582189), who retires by rotation.		
Special Business			
4	Ratification of remuneration of Cost Auditor for the Financial year 2018-19.		
5	Approval of Material Related Party Transaction with Lumax Auto Technologies Limited		
6	Approval of Material Related Party Transaction with Stanley Electric Co. Ltd.		
7	Appointment of Mr. Tadayoshi Aoki as Senior Executive Director of the Company.		
8	Appointment of Mr. Vineet Sahni as Senior Executive Director of the Company.		

*Applicable for investors holding shares in electronic form.

Signed ________ day of ________ 2018.

Affix Revenue Stamp

____
Signature of Shareholder

______________________ Signature of first proxy holder

______________________ signature of second proxy holder

______________________ signature of third proxy holder

Notes:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

* (2) Please put a ‘X’ in the appropriate column against the Resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all the Resolutions, your proxy will be entitled to vote in the manner as he/she thins appropriate.