

LIL:CS:2019-20

Date: 07.08.2019

BSE Limited
1st 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

Subject: Corrigendum to the Annual Report for the Financial Year 2018-19

Sir/Ma'am,

This is with reference to the captioned subject wherein you are requested to kindly note that there are certain inadvertent printing and typographical errors in Point No. A of Annexure- E appearing on Page Number 82 of the Annual Report for the Financial Year 2018-19. The information as aforesaid i.e. printed vis a vis corrected figures are reproduced as below:

S. No.	Name of Executive Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all Employees	
			Printed	Corrected
1.	Mr. Deepak Jain	Chairman & Managing Director	11.40	136.75
2.	Mr. Anmol Jain	Joint Managing Director	4.07	48.86
3.	Mr. Vineet Sahni	CEO & Senior Executive Director	7.92	94.99
4.	Mr. Tadayoshi Aoki	Senior Executive Director	0.36	4.31
5.	Mr. Koji Sawada	Executive Director	0.35	4.20

Accordingly, you are requested to read the corrected figures as mentioned above. Except the correction mentioned above, there is no change in the Annual Report for the Financial Year 2018-19.

In this regard, we enclose a copy of the Corrigendum proposed to be published in the newspapers i.e. Financial Express (English- All Editions) and Jansatta (Hindi- Delhi Edition) for information of Shareholders.

Further, the revised Annual Report for the Financial Year 2018-19 is being made available on the Company's website at www.lumaxworld.in/lumaxindustries.

We sincerely regret the inconvenience caused in this regard.



Lumax Industries Limited
Plot No. -878, Udyog Vihar
Phase-V, Gurugram - 122016
Haryana, India

T +91 124 4760000
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

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **LUMAX INDUSTRIES LIMITED**

Ankita Gupta

**ANKITA GUPTA
COMPANY SECRETARY
M.NO. A50166**



LUMAX INDUSTRIES LIMITED

Regd. Office: 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046
Website: www.lumaxworld.in/lumaxindustries, Tel: 0124-4760000
Email: lumaxshare@lumaxmail.com, CIN: L74899DL1981PLC012804

CORRIGENDUM TO THE ANNUAL REPORT FOR THE FINANCIAL YEAR 2018-19
(FOR KIND ATTENTION OF SHAREHOLDERS)

In furtherance to our Notice of Annual General Meeting published in Financial Express (English Edition) and Jansatta (Hindi Edition) on 29th July 2019 with respect to dispatch of Annual Report to the Shareholders of the Company for the Financial Year 2018-19, kindly note the corrections as appearing hereunder with respect to and in connection with the said Annual Report.

In Point No. A of Annexure- E appearing on Page Number 82 of the Annual Report for the Financial Year 2018-19, w.r.t. Ratio of Remuneration of each Director to Median Remuneration of all Employees be read as follows:

S. No.	Name of Executive Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all Employees	
			Printed	Corrected (To be read as)
1.	Mr. Deepak Jain	Chairman & Managing Director	11.40	136.75
2.	Mr. Anmol Jain	Joint Managing Director	4.07	48.86
3.	Mr. Vineet Sahni	CEO & Senior Executive Director	7.92	94.99
4.	Mr. Tadayoshi Aoki	Senior Executive Director	0.36	4.31
5.	Mr. Koji Sawada	Executive Director	0.35	4.20

This Corrigendum should be read in conjunction with the said Annual Report. This Corrigendum along with revised version of the said Annual Report is available on the Company's website at www.lumaxworld.in/lumaxindustries.

We sincerely regret the inconvenience caused in this regard.

Place: Gurugram
Date: 07.08.2019

For LUMAX INDUSTRIES LIMITED


ANKITA GUPTA
COMPANY SECRETARY

BSE Limited
1st 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

Subject: Submission of Annual Report of the Company along with Notice convening 38th Annual General Meeting ("AGM"), Proxy Form and Admission Slip

Sir/Ma'am,

With due compliance of Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company and Notice (including Proxy Form and Admission Slip) convening the 38th AGM for the Financial Year 2018-19, which is being sent to the Members of the Company in prescribed mode(s).

The above said information is also being made available on the website of the Company at www.lumaxworld.in/lumaxindustries.

The AGM of the Company will be held on Friday, 23 August 2019, at 10:30 A.M. at Air Force Auditorium, Subroto Park New, Delhi-110010.

This is for your information and record.

Thanking you,

Yours faithfully,

For **LUMAX INDUSTRIES LIMITED**

ANKITA GUPTA
COMPANY SECRETARY
M.NO. A50166



4Sight

ACROSS THE PAGES

Corporate Overview	02 – 28
About Group	02 – 03
About Lumax Industries Limited	04 – 05
Value creation capitals	06 – 07
Our journey through milestones	08 – 09
4sight is reach	10
4sight is possibility	11 – 13
4sight is innovation	14 – 15
4sight is right partnership	16 – 17
Management Message	18 – 19
Our numbers. Our performance.	20 – 21
4sight is an ambition	22 – 23
4sight is embracing the future while safeguarding it	24 – 25
Our Foundation. Our Team.	26 – 27
Corporate information	28
Statutory Reports	29 – 99
Boards Report	29 – 41
Management Discussions and Analysis	42 – 48
Corporate Governance	49 – 99
Financial Section	100 – 221
Standalone	100 – 161
Consolidated	162 – 221
Form AOC-1	222
Notice	223 – 246

Investor information

Market Capitalisation	: ₹ 1700 Cr
as at 31 March 2019	
CIN	: L74899DL1981PLC012804
BSE Code	: 517206
NSE Symbol	: LUMAXIND
Bloomberg Code	: LUMX:Natl India
Dividend Declared	: ₹ 35/- per share
AGM Date	: 23 August 2019
AGM Venue	: Air Force Auditorium, Subroto Park New Delhi-110010

Disclaimer

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

Please find our online version at [<https://www.lumaxworld.in/lumaxindustries/annual-report.html>]

Or simply scan to download



Business is about identifying a gap that can be filled with a possibility - something which is not, but can be. It is about building an appropriate strategy using insights and turning them into a reality, a need.

Simply put, business is looking into the future, it is a foresight.

For years, Lumax has directed its energies in creating an environment that allows technology to flourish and employees to thrive. Our value system is based on our vision to think beyond the present. And technology is what helps us take this vision beyond. We look at technology as a capacity to foresee what lies ahead. It gives us foresight. But it does not just end there. There is a difference between knowing what will be needed and providing the same. This is where the 4 pillars of our business come into practice. Technology, Innovation, Collaboration and Customers – together these 4 pillars help make our foresight a reality. Hence becoming our '4sight'.

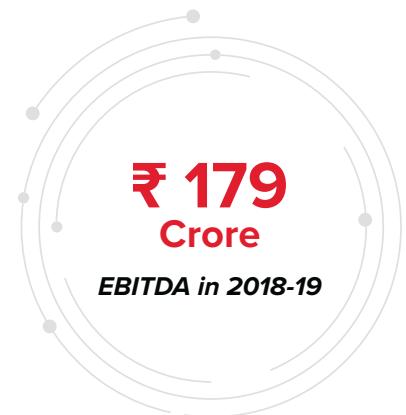
Today, our 4sight is what we are known and recognised for in the Indian automotive lighting space. To us, 4sight is more than what meets the eye. It is a dimension of our identity and it would only be fitting to say that.

4Sight is POSSIBILITY.

4Sight is INNOVATION.

4Sight is STRATEGY.

4Sight is FUTURE.



EBITDA: Earnings before interest, tax, depreciation and amortisation | PAT: Profit after tax | EPS: Earnings per share

RoE: Return on equity | RoCE: Return on capital employed

* Excluding exceptional items

Leaders in Automotive Lighting and Gear Shifters

The DK Jain Group is one of the pioneers and leading business houses of the automotive industry.

The DK Jain Group commenced operations in the year 1945 with the establishment of Globe Auto. Late Mr S. C. Jain, the Group's true visionary, was the man behind this beginning and starting of a trading firm. Over the years, the Group has grown from strength to strength.

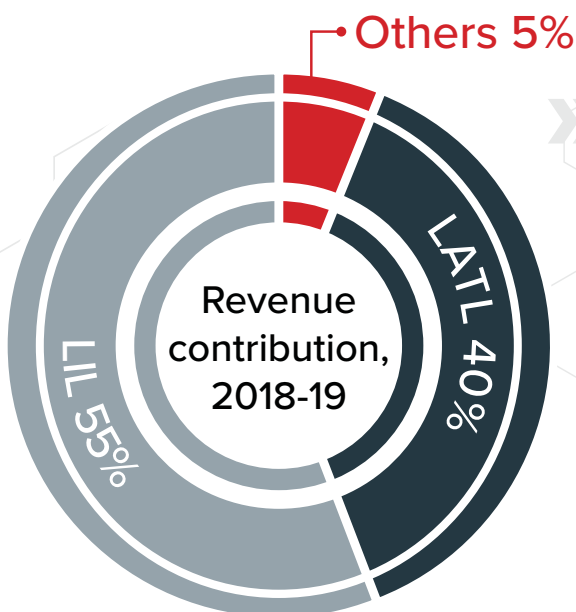
After the successful establishment of Globe Auto, Lumax was incorporated, the flagship brand of the DK Jain Group of Companies.

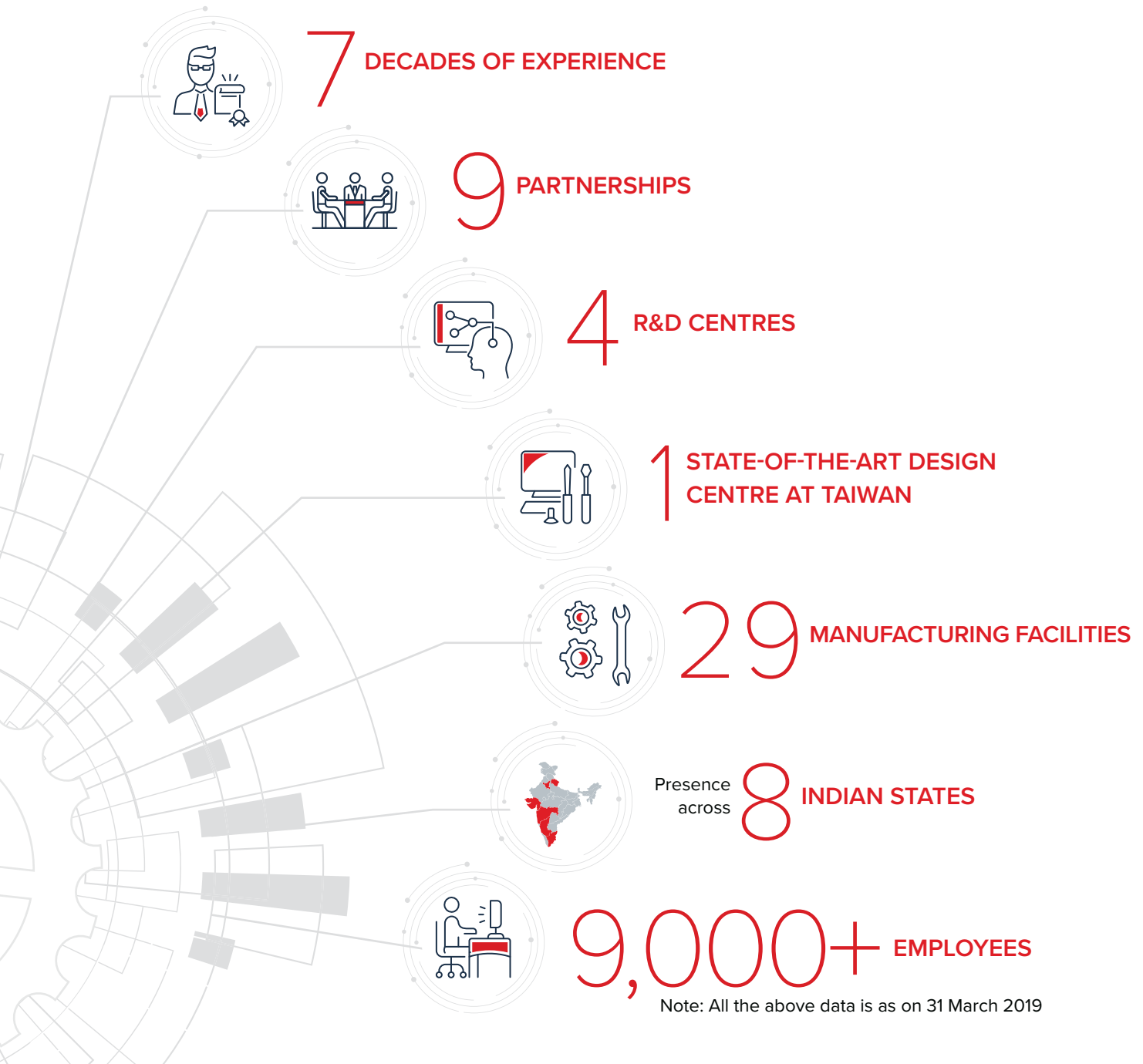
Today, the DK Jain Group enjoys a remarkable half-a-century old history that has witnessed path-breaking innovations, leading technology and a well-sustained manufacturing and market

leadership through the years.

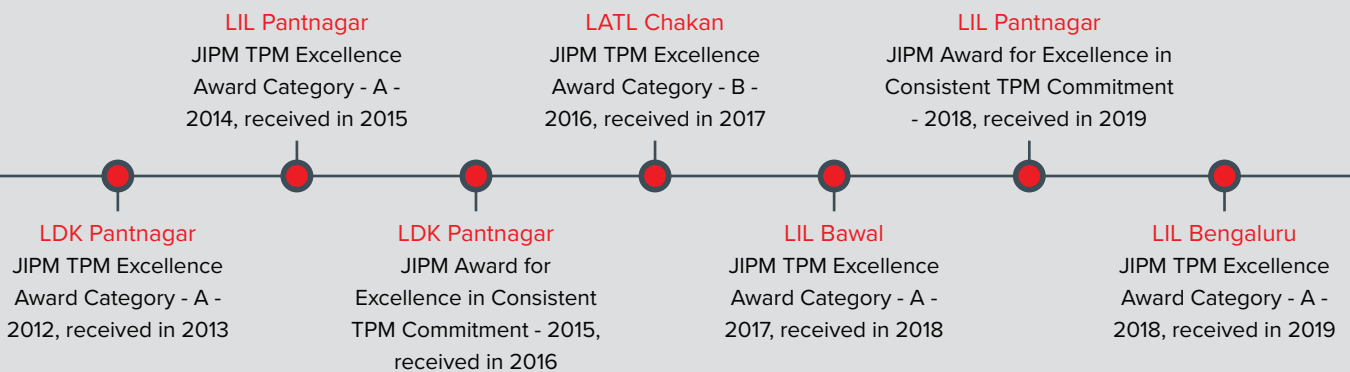
The Group is a complete solution provider and a global player in the automotive components space, comprising two listed entities viz-a-viz Lumax Industries Limited (LIL) and Lumax Auto Technologies Limited (LATL).

The DK Jain Group takes the centre stage as a market leader in automotive lighting and gear shifters in India. It also enjoys over 3 decades of well-established relations with the Stanley Electric Co. Ltd., Japan. It also boasts of many other successful joint ventures and technical partnership with reputed global companies across the world.





TPM Milestones over the years



About Lumax Industries Limited

Market leader and ace solution provider of automobile lighting in the Indian automotive industry

Lumax Industries Limited is the flagship company of the DK Jain Group. Through the years, the Company has gradually evolved from being a trading firm to a leading company today in the automotive industry. Equipped with the latest and best-in-class technology and expertise to manufacture world-class products, the Company is on course towards capitalising opportunities of the near future.

Lumax has enjoyed a significant presence in the Automotive Industry for over 7 decades. The Company is one of the leading manufacturer of automotive lighting for the OEMs. Its impressive and unmatched product range right from 2-wheeler to 3-wheeler and from 4-wheeler to commercial vehicles, make the Company an established automotive lighting player in the domestic market.

Lumax offers an array of automobile lighting systems and solutions,

comprising complete lighting solutions for front and rear (head lamps and tail lamps), sundry and auxiliary lamps and other related products and accessories for 4-wheelers, 2/3-wheelers, trucks, buses, tractors - farm equipment and for various other diverse applications.

Keeping technology at the frontier of knowledge, Lumax stands tall on its technical collaboration with Stanley, Japan. This enables the Company to lead in all aspects while also foreseeing the future. With the focus on the automotive industry's changing market dynamics, Lumax is now equipping itself to adopt a multi-pronged approach to address this same growing need. The Company strives and continuously works towards improving manufacturing processes with emphasis on products from the future while being constantly updated on technological frontier.



Our Group Purpose

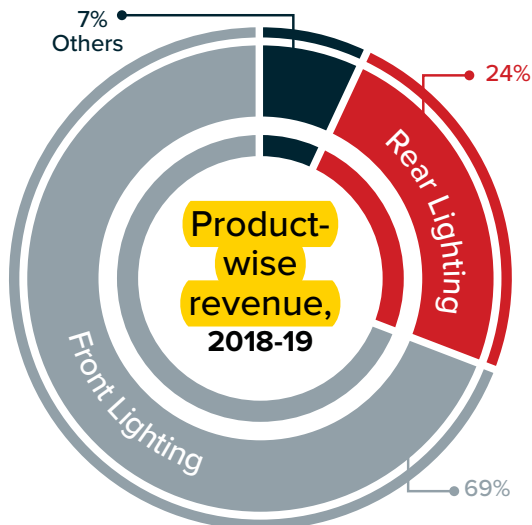
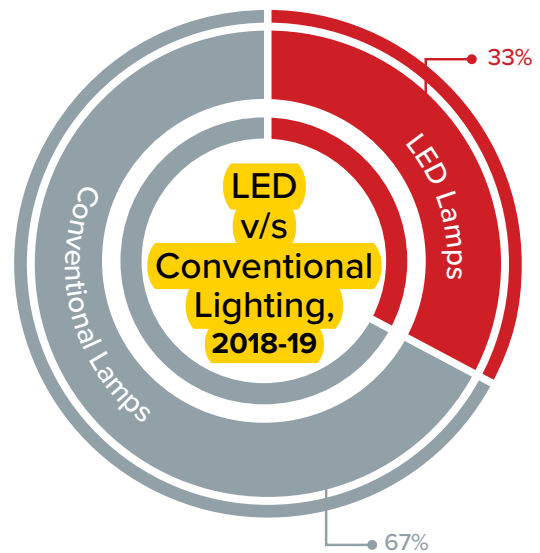
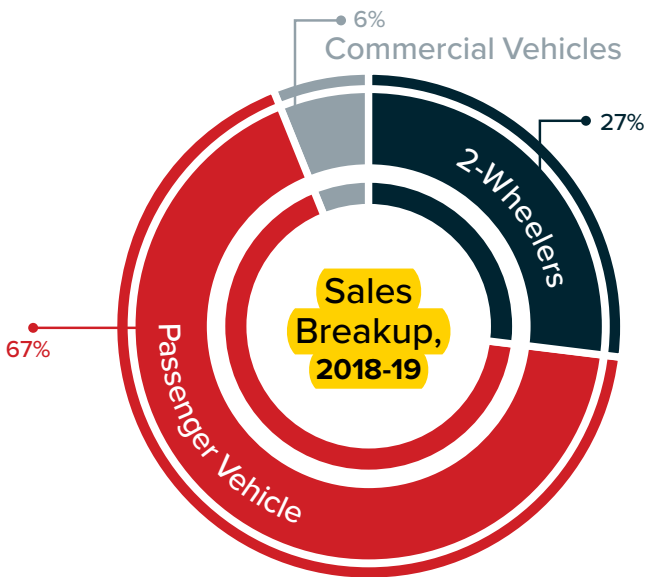
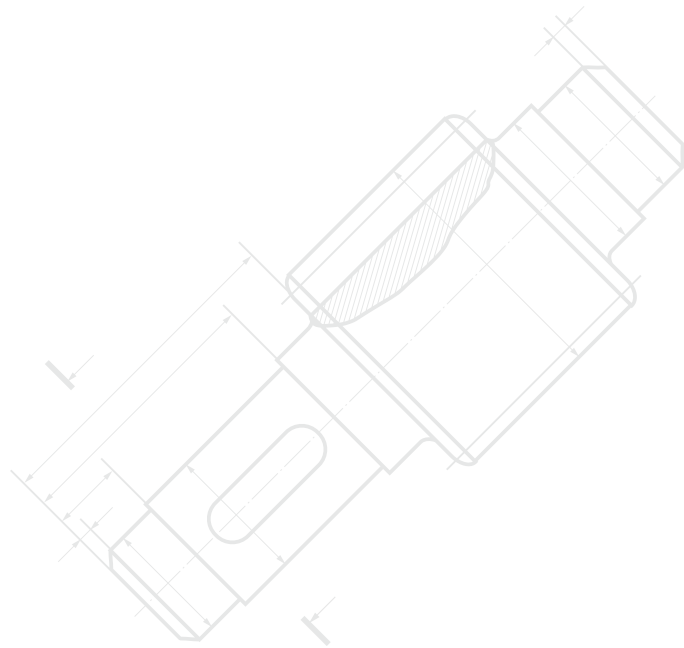
We deliver pride and progress with positivity

Our Vision

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

Our Values

- Respect
- Integrity
- Passion
- Excellence



Front Lighting: Head Lamp & Fog Lamp
Rear Lighting: Tail Lamp & High Mount Stop Tail Lamp
Others: Auxiliary Lamps, Indicators
Note: All the above data are as on 31 March 2019

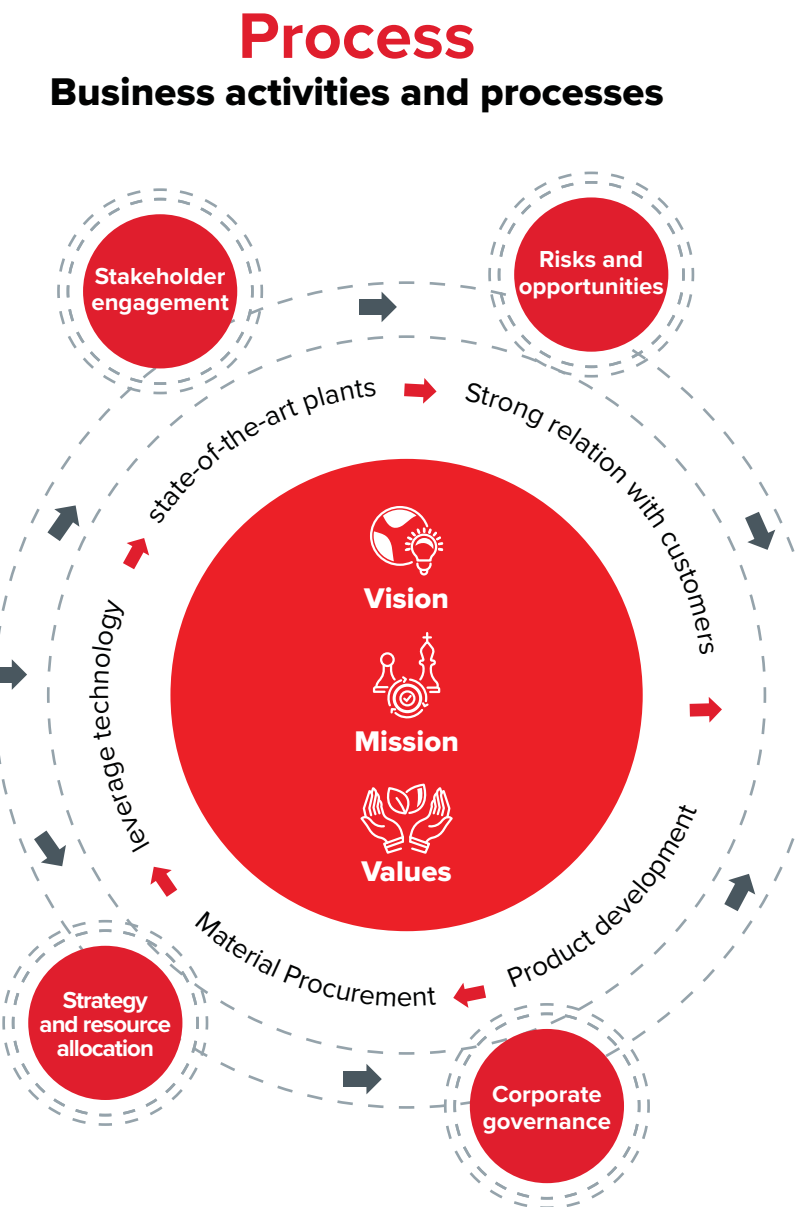
Value creation capitals

Lumax operates in a highly dynamic business environment that is constantly required to adapt to the fast-changing technological advancements in the domestic and international market. The Company's vision is to align its business activities so as to realise the market potential by offering value-added products. Over the years, Lumax has

been gradually developing its strengths in lighting domain with special attention and efforts in the area of innovation and technology. Together, the Company's technological expertise, backed by its strong R&D and a customer-centric approach has well translated into market leadership, creating value for the clients as well as the Company. Given below is our comprehensive value creation model through our six important capitals.

INPUT

- Financial capital**
 - ₹ 94 Cr Capex
 - 0.01 Debt: Equity
- Manufacturing capital**
 - 10 Production facilities
- Intellectual capital**
 - ₹ 43 Cr R&D spend
 - 1 Technical collaboration
- Human capital**
 - 9,202 Training hours
 - 488 New employees hired
- Natural capital**
 - 74217279 kWh Energy consumption
- Social relationship capital**
 - Key stakeholders
 - Government and Regulatory bodies
 - Vendors
 - Customers
 - Investors
 - Communities
 - Education & Health





OUTPUT

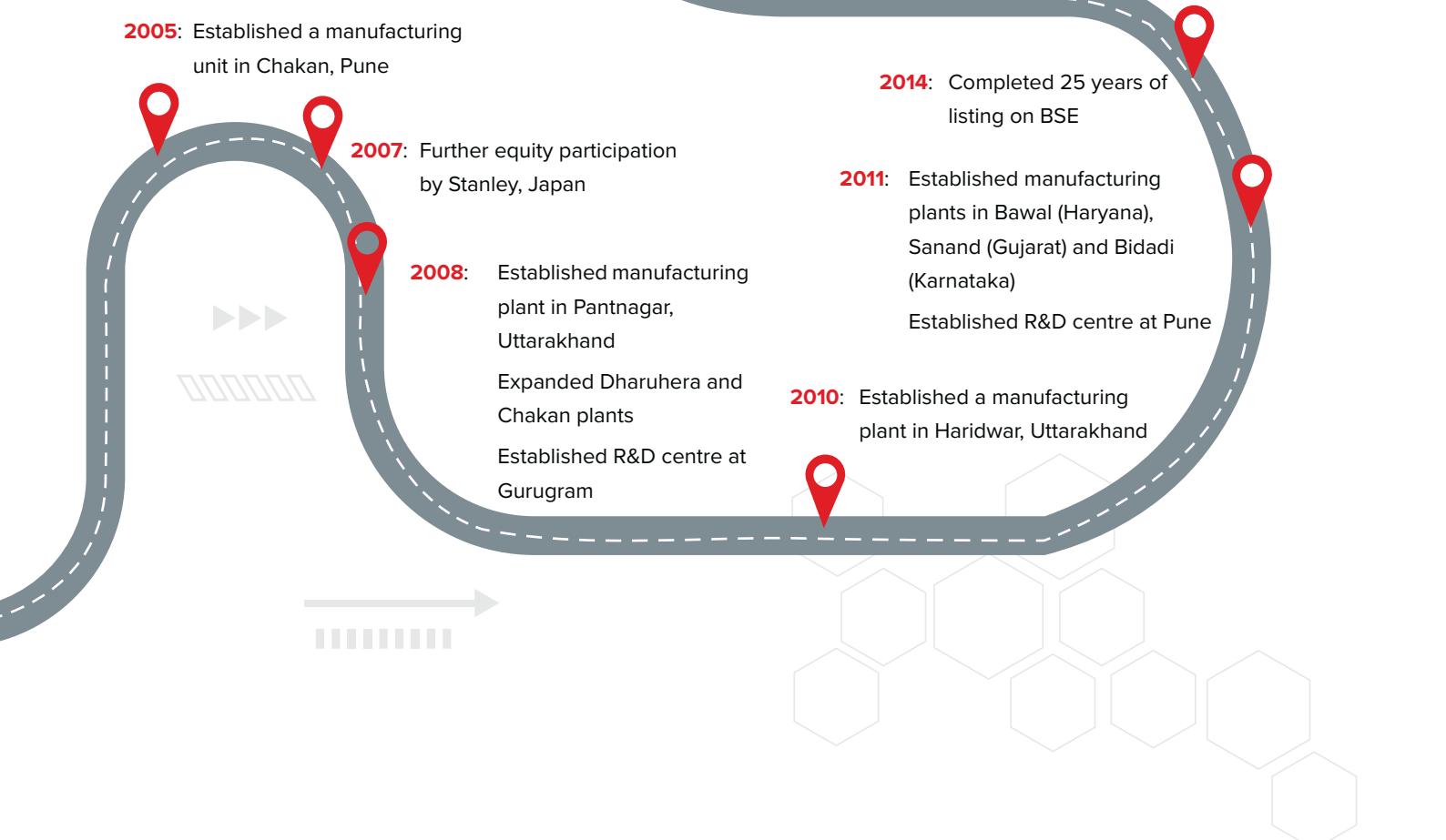
- **Financial capital**
 - ₹ 1,851 Cr Sales, up 12%
 - EBITDA, up 9.7%
- **Manufacturing capital**
 - 4,80,54,161 Lamps manufactured
 - 3 TPM Facilities
- **Intellectual capital**
 - 3 Design Registration
- **Human capital**
 - 4893 Total employees
 - 7% Women employees
 - 12 Years of average experience
 - 45 Designed workshops
 - 864 Safety training hours
- **Natural capital**
 - 6,212 tons reduction in carbon emissions
- **Social relationship capital**
 - ₹ 128 Cr contribution to exchequers by way of taxes etc.
 - 293 Vendors
 - 32 customers
 - 466 Cataract surgeries conducted
 - Career counselling to 2200 students
 - 200 Students integrated in school

OUTCOME

- **Financial capital**
 - Debt reduction and low-dependency on loans
 - In-house capex funding
- **Manufacturing capital**
 - Increase in revenue base due to capacity expansion
 - Concreting and reinforcing customer relations
 - Efficient supply chain management resulting in low logistics cost
 - Improved market share
- **Intellectual capital**
 - Steady presence at the forefront of cutting-edge technological solutions in the automotive lighting systems while strengthening position as market leaders
 - Improved operational efficiencies through streamlined processes
- **Human capital**
 - Low attrition rate
 - Low operational accidents
 - Improved quality and productivity
 - Optimal use of human resource
 - Alignment of organisational policies and practices to national legislation and best practice standards
 - Improvement in communications
- **Natural capital**
 - 910273 kWh Energy saving
- **Social relationship capital**
 - Uplifted communities in operational areas
 - Understanding environmental impact
 - Strong governance and transparency
 - 25 years+ Average relationship with key customers
 - 10 years+ Average relationship with vendors
 - Strong investor confidence
 - Top 6 customers contributing 80% revenue

Our journey through milestones





2005: Established a manufacturing unit in Chakan, Pune

2007: Further equity participation by Stanley, Japan

2008: Established manufacturing plant in Pantnagar, Uttarakhand
Expanded Dharuhera and Chakan plants
Established R&D centre at Gurugram

2010: Established a manufacturing plant in Haridwar, Uttarakhand

2011: Established manufacturing plants in Bawal (Haryana), Sanand (Gujarat) and Bidadi (Karnataka)
Established R&D centre at Pune

2014: Completed 25 years of listing on BSE

2015: Received the TPM award from JIPM

2016: Opened Design centre in Taiwan

2017: Expanded facility at Sanand, Gujarat

2018: Bawal Plant won, JIPM - TPM Excellence Award

2019: Bengaluru & Pantnagar plant won JIPM-TPM Excellence award



4sight is reach

Our manufacturing facilities

One of the best ways to grow business is to be where the customer is

Lumax adapts a customer-centric approach. Proximity to our customers is important for a seamless experience and on-time delivery. Keeping these in mind, we have strategically planned and located our plants in the automotive belt of India to aid better accessibility and faster delivery. Each of these manufacturing facilities have been carefully designed, planned and laid out to meet international standards of engineering plants while also keeping customers' requirement in mind.



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

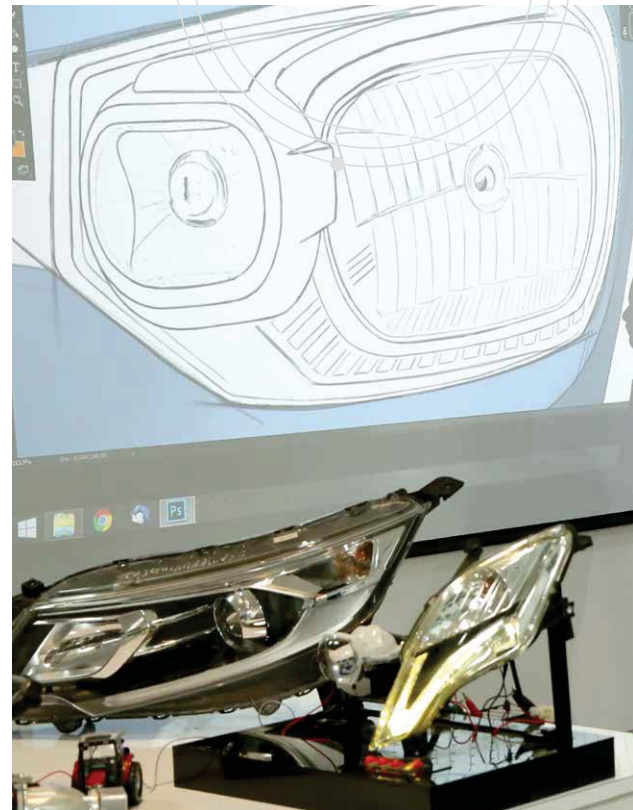
4sight is possibility

A possibility uncovered through strong R&D

Research and development is a great tool for identifying, creating and viewing the future today! It is working on possibilities while overcoming limitations.

At Lumax, our R&D team forms the backbone of our capabilities. It gives us the agility to swiftly adapt the market's ever-changing trends. Further, it gives us the power to realign our processes so as to develop customised products across segments with shorter turn-around, using the latest technology. Hence adding flexibility to our offerings with a wide range of products for OEMs.

As a market leader in the Indian automotive lighting space, the Company strives to be the first to bring the most modern global technology for its products as per customer and market needs. Backed by a strong R&D team, the Company's efforts are directed towards developing new processes that improve efficiencies and quicken turnaround time. The team designs and develops products and offers technology solutions that are easily adaptable by customers across large product platforms. The basic motto is to capitalise on emerging trends such as the increased use of electronics, stricter safety regulations and transformation of LED lamps from conventional lamps. As on 31 March 2019, the research team at Lumax has a strength of 222 engineers located at 2 R&D centres and one design centre in Taiwan.



4sight is strength Our core competency

Market Leaders:

FULFILLING CUSTOMER EXPECTATIONS THROUGH AMELIORATION

When it comes to meeting the ever-growing customer demands and satiating the need for updated technology, Lumax stays ahead of the competition by bringing cutting-edge technology from its foreign partners to the market. The Company integrates its offerings by continuously updating its operation processes. It also helps the Company streamline the organisation for better fulfilment of customers' expectation. It works closely in sync with customers and the internal R&D team to deliver as promised. As a result, the Company enjoys a significant market share in the Indian automotive lighting industry.

Experienced Team:

QUALITY PRODUCTS THROUGH EXPERIENCE AND EFFORTS

Lumax is home to a team of multi-disciplinary enthusiasts who are young, hardworking and high-spirited. Their technical know-how and skill for developing technologies and delivering high quality products is unmatched. The technical team's efforts are well-aligned with the Company's vision, making their endeavours highly optimised to cater to customer needs. This well diverse and efficient team backs up Lumax significantly in serving and developing a culture of continuous improvement within the Company. It also helps foster a high-quality development model with great capacity for value creation and market competitiveness.

Research & Development:

DRIVING DEVELOPMENT THROUGH INNOVATION

Lumax closely observes every market trend and customer needs. With innovation at the crux, the Company strives to accelerate growth through innovation in technology, products and processes. It is continuously adopting innovative and ground-breaking initiatives. The Company's long-term goal is providing high-quality automotive lamps, identifying and building future technologies, creating quality-driven value and becoming a pioneer of intelligent solutions across the global automotive lighting industry.



Technology Expertise:

ENABLING ADVANCEMENT THROUGH CUTTING-EDGE TECHNOLOGY

Lumax is known in the Indian Automotive lighting industry for its cutting-edge technology that offers ahead of time. The Company's motto is to be technologically-advanced and offer excellent user-experience with innovative products. The R&D teams at the two research centres, work hard to ameliorate the existing technology, develop new products and improve processes. They constantly observe and follow future trends while also innovating and building competencies to appropriately cater a dynamic business environment. The Company's collaboration with the Japanese world leader, Stanley, helps bring in technical excellence and expertise in this area. It helps leverage future opportunities while aiding advancement. Thus, helping to achieve technological leadership in the automotive lighting space backed with efficient operations, management and pro-active risk control.

Faster Turnaround:

PRECISE ACTIONS THROUGH DECISIONS

Over the years, Lumax has successfully addressed market demands by providing fitting solutions. Add to that a faster turnaround time that only expedites decision-making and product delivery. The Company has grown its local presence by investing in various supply chain management processes and technologies in critical markets. Such diverse and wide local assistance cuts down manufacturing time and expedites decision-making. Thereby attaining faster turnaround and long-term product availability to clients. This aspect positively affects the Company's competency by winning more orders, more on-time deliveries and a steady demand rise.

Customer First:

BUILDING GROWTH THROUGH RELATIONS

At Lumax, customer satisfaction is a priority. The Company uses a 'Customer first' approach and its 10 cutting-edge manufacturing facilities across India is a testimony to the same. Strategically located in the automotive hubs, these facilities are equipped with globally-recognised modern equipment. Lumax has always focussed on being futuristic in terms of its offerings and remained at par with global technology standards. This approach helps the Company better understand its customers. It has further assisted in making processes more efficient while building new and stronger relationships and paving better path to future.



4sight is innovation

Innovation to find a better way of doing things

Innovation is putting together two things that already exist and bringing out something totally new.

At Lumax, we realise the importance of innovation in any business. Our R&D team works hard studying the market trends. Their findings help us foresee where the industry is headed. Thus, enabling us to respond to the ever-changing industry demands while designing new products or upgrading existing ones. All in all, it helps us offer a comprehensive range of automotive lighting products that are safe and also look aesthetically good.

Today, the Indian automotive industry is fast evolving. The demand for all electric vehicles, safety norms (Daytime Running Lamps or DRLs) and BS VI norms are gradually redefining the automotive space in India. The Company's better understanding of technology and market leadership in bringing advanced automotive lighting solutions helps it to develop intelligent and energy efficient lighting solutions.

Our product portfolio for the automotive lighting systems covers a wide spectrum of all major external lighting products across segments such as LED headlamps, conventional headlamps, tail lamps, fog lamps, daytime running lamps (DRL), blinkers, high mount stop lamps etc.

The wide-ranged breadth of our offerings include products catering to two-wheelers, three-wheelers, passenger vehicles, commercial

vehicles and off-highway vehicles across the business verticals.

Today, LED technology is rapidly becoming the preferred lighting solution in the automotive lighting industry. It has gradually been penetrating headlamp design, making it a distinctive feature while enabling innovative functions. Over the years, the automotive lighting world has experienced a steady upgradation. It has undergone a constant development of lighting solutions such as adaptive front and rear lighting and dynamic bend lighting systems. At Lumax, we have built on our capabilities by promptly responding to the demands and opportunities arising from OEMs for advanced LEDs and laser-based light modules. LEDs also help improve on the vehicle safety front. Thus, making LEDs a perfect infusion of safety and aesthetics.





At Lumax, we have built on our capabilities by promptly responding to the demands and opportunities arising from OEMs for advanced LEDs and laser-based light modules.

4sight is right partnership

The partnership with customers is a mindset of always putting them first.

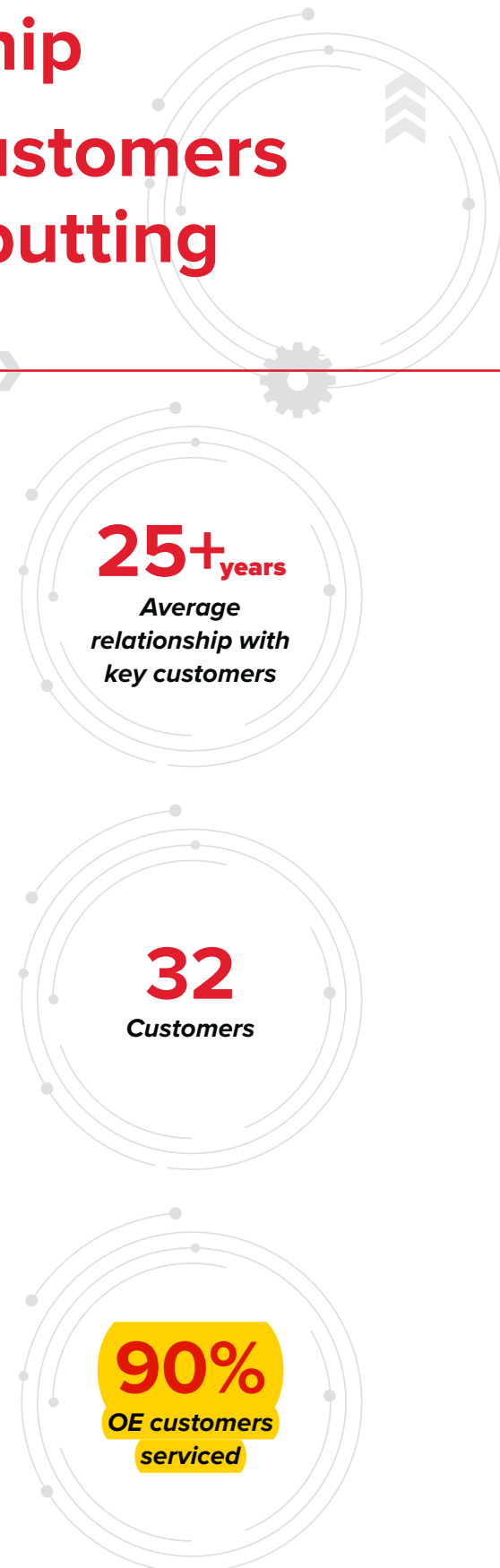
Keeping our customers' requirements as prime focus is what has resulted in our long standing relations with them.

At Lumax, customers are our constant partners and companions. We believe in creating value for our customers by delivering on their expectations, even before they realise it's need.

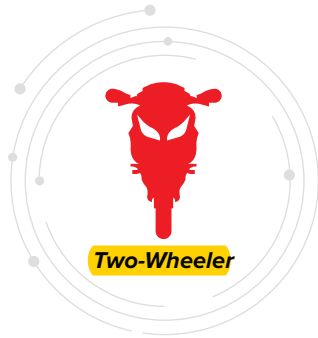
Our research team is constantly working on innovating new products for a better customer experience and satisfaction. The Company's customer acquisition and retention rate mirrors it's customer-centric approach perfectly.

Over the years, Lumax has enjoyed strong and long-standing customer relationships with many of the leading OEMs. A well-defined process and strategy enable us to regularly evaluate our customers' expectations, response and satisfaction with respect to our products. Having stood true to our promises and delivering at par to expectations in the past, we have successfully developed strong relations with our customers.

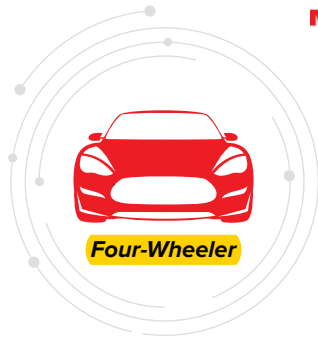
Result: we supply to over 90% of the OEMs in the industry today. We do everything possible to fulfill our customers' expectations. We work hard to build and maintain their trust through our offerings which automatically results in long standing relations with them.



CUSTOMER PORTFOLIO



Two-Wheeler



Four-Wheeler



Way of Life!



TOYOTA



RENAULT



Volkswagen



NISSAN



GM



TATA



FIAT



Commercial Vehicle



ASHOK LEYLAND



DAIMLER



PIAGGIO



VOLVO

Tractors/FES



JOHN DEERE



ESCORTS



SONALIKA INTERNATIONAL



TAFE



Mahindra Rise



CNH INDUSTRIAL

Exports



Audi



Case New Holland



JOHN DEERE



NISSAN



Truck-lite

Defence & Aero Space



Vehicle Factory Jabalpur

Management Message



“Lumax Industries Limited continued strengthening its presence across markets as a leading, agile and innovative global automobile lighting solution provider. We delivered growth and improved profitability.”

Dear Reader,

Business is a continuous process of dealing with the future. It is an instinctive exercise of foresight. Foresight to imagine, believe and deliver.

The year 2018-19 was about growth, challenges and foresight. We continued delivering superior results, proving our efforts to be on course with our vision. Our priced investments - technological collaboration and team expertise gathered over years - are in sync with our vision and mission. These take us closer to future by being ready for it. It gives me immense pleasure to inform you that we registered a record performance during 2018-19 in all key financial metrics, further strengthening our portfolio by adding new customers.

During 2018-19, we reported the following sets of numbers

1. Revenues of Rs 1,851 Cr, 12% increase over 2017-18
2. EBITDA of Rs 179 Cr, 24% increase over 2017-18
3. PAT of Rs 107 Cr, 70% increase over 2017-18
4. EBITDA margins of 9.7%, 100bps increase over 2017-18

The year 2018 had been a challenging year for the industry owing to several regulatory and pricing changes. As per the SIAM data, the automobile production grew marginally by 6.26% to 3,09,15,420 vehicles in 2018-19 from 2,90,94,447 in 2017-18. The overall sales got impacted owing to these external and unanticipated developments within the industry. Further, the recent BS VI norms for electric vehicles made it a mandate for all auto manufacturers to supply cleaner, safer and sustainable vehicles. Apart from these, a mix of other reasons like high interest rates with tight liquidity conditions by NBFCs, increased insurance premiums, volatility in exchange rate and oil prices and uncertainty caused by upcoming elections also contributed to a tepid growth.

During the year, Lumax Industries Limited continued its focus on developing new products. The strong support from our partners and longstanding customers strengthened the Company's presence across markets. As a result, we are identified as a leading, agile and innovative global automobile lighting solution provider, delivering growth with improved profitability. This stands proof to our ability to seamlessly build on the previous year's record in the Company's earning power. We have

remained consistent in the implementation of our long-term strategy of offering the best to our customers while continuously developing and innovating new products. Result: over the last few years, our shareholders have received a significantly higher returns than the industry performance.

The year 2018 was one with big changes for both the Indian and the global markets. Development of new technologies, move towards BS VI regulations and the ever-changing customer needs were some of the areas that demonstrated big changes. Together, these are not only redefining markets but also creating opportunities on way. The need for all electric vehicles will drive our business significantly. This is because LED automotive lamps consume lesser electricity and last longest as compared to the traditional automotive lamps, resulting in higher sales and margins and improved realisations.

CHANGING BUSINESS DYNAMICS

The Company is anticipated to gain ground and benefit from the rapid expansion of the industry's domestic LED automotive lighting segment. As one of our forward-thinking initiatives, we have decided to set up an in-house electronic facility for manufacturing PCBs for captive use. Our strategic collaboration with Stanley Electric Co. Ltd., Japan, will further help garner this opportunity. Lumax enjoys a strong R&D and technical support and an international design centre in Taiwan, which is optimally leveraged to develop automotive lighting while catering to a large group of customers.

BETTERING THE BEST

During the year, the Company successfully implemented SAP S/4HANA to streamline work processes and improve workflow by assessing business operations. It is anticipated that this change will play a key role in achieving organisational goals and help recognise workflow process to improve productivity. Other strategic actions carried out were working towards increasing efficiency, green field expansions, acquiring new customers, improved capacity utilisations and processes.

THE BEST OF BOTH WORLDS

We have proactively been conducting technology shows at our OEMs' premises. Additionally, we are also strengthening our R&D centres in Pune and Gurugram. These centres not only work on build-to-print but also design-to-deliver solutions. The engineering units on the other, work on enhancing design capabilities as well as

zeroing in on product indigenisation. We are among the few industry players who bring latest technology into India.

We are confident that these strategic pursuits, powering our transformative journey, will enable us to serve new customer needs, fuel growth and improve profitability, progressively.

After sustaining market leadership, we are now gearing up to further expand our market share. This will not only involve sharpening our focus on next-generation technologies like LED and electronics, but also require us to widen our OEM export basket, bagging new clients and developing cost-effective solutions.

Going further, we target to generate a growth in top line and also anticipate the LED mix in the Company's top line share to jump to ~50-55% in the ensuing 2-3 years. LED mix in the Company's top line has constantly improved from 8% in FY17 to 25% in FY18 and further to 33% in FY19. With the continued support from our stakeholders, the Company will march towards its strategic goal of green field expansions, acquiring new customers and other technical developments to further boost margins and RoCE.

Warm regards,

Mr. Dhanesh Kumar Jain

Chairman Emeritus

Mr. Deepak Jain

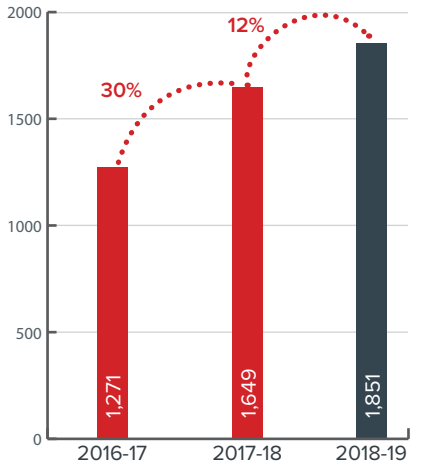
Chairman and MD

Mr Anmol Jain

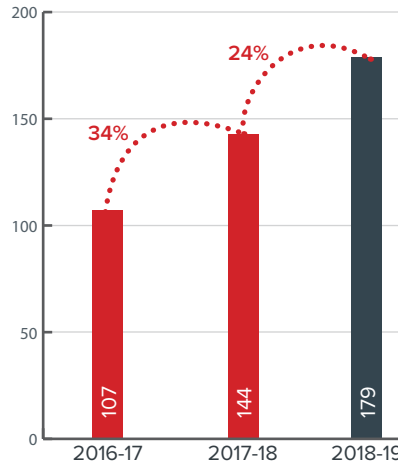
Joint MD



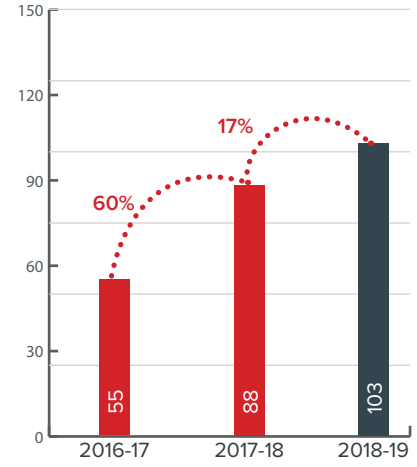
Our numbers. Our performance.



Revenue from operations (₹ in crore)

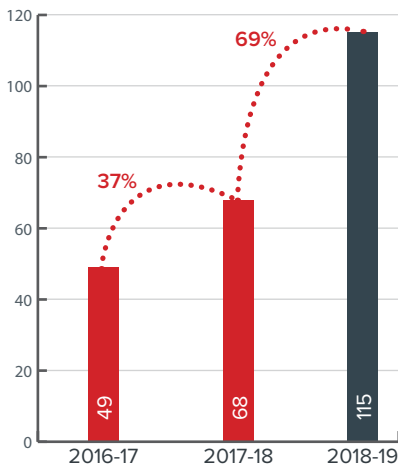


EBITDA (₹ in crore)

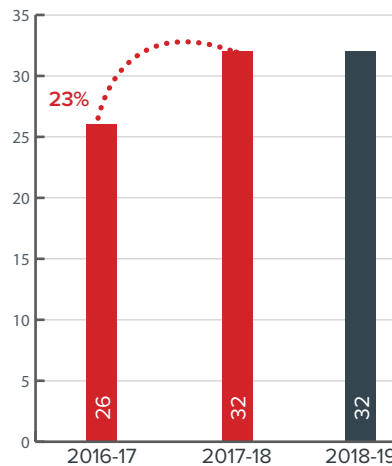


PBT* (₹ in crore)

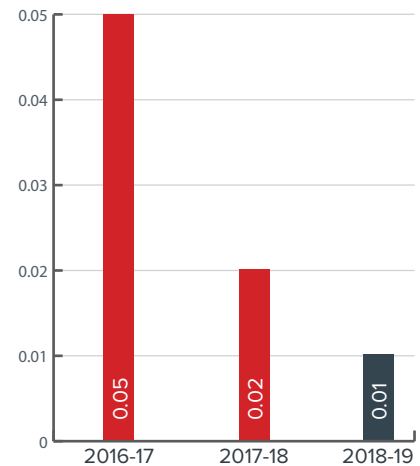
*PBT before exceptional



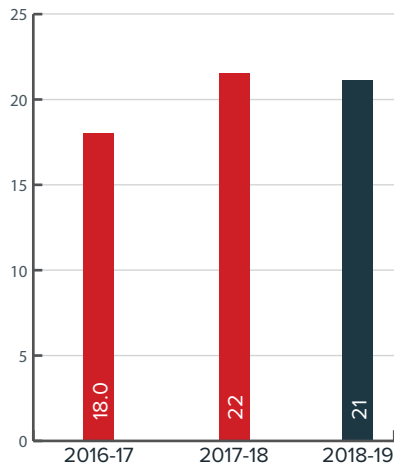
EPS (₹)



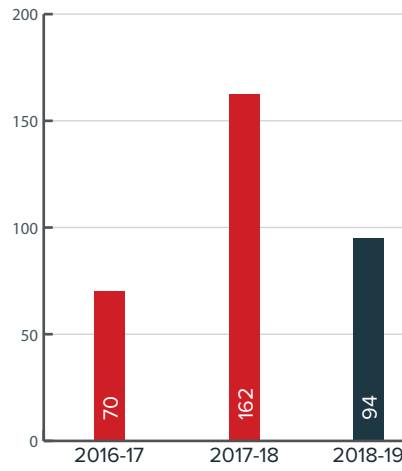
RoCE %



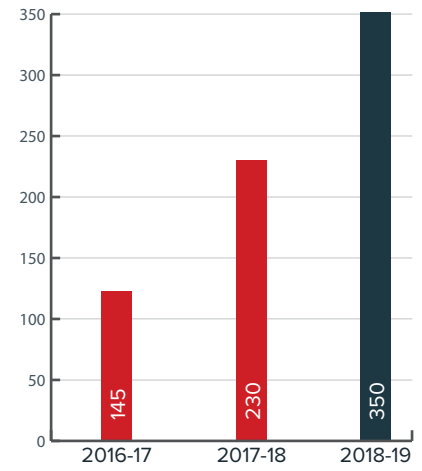
Debt reduction (₹ in crore)



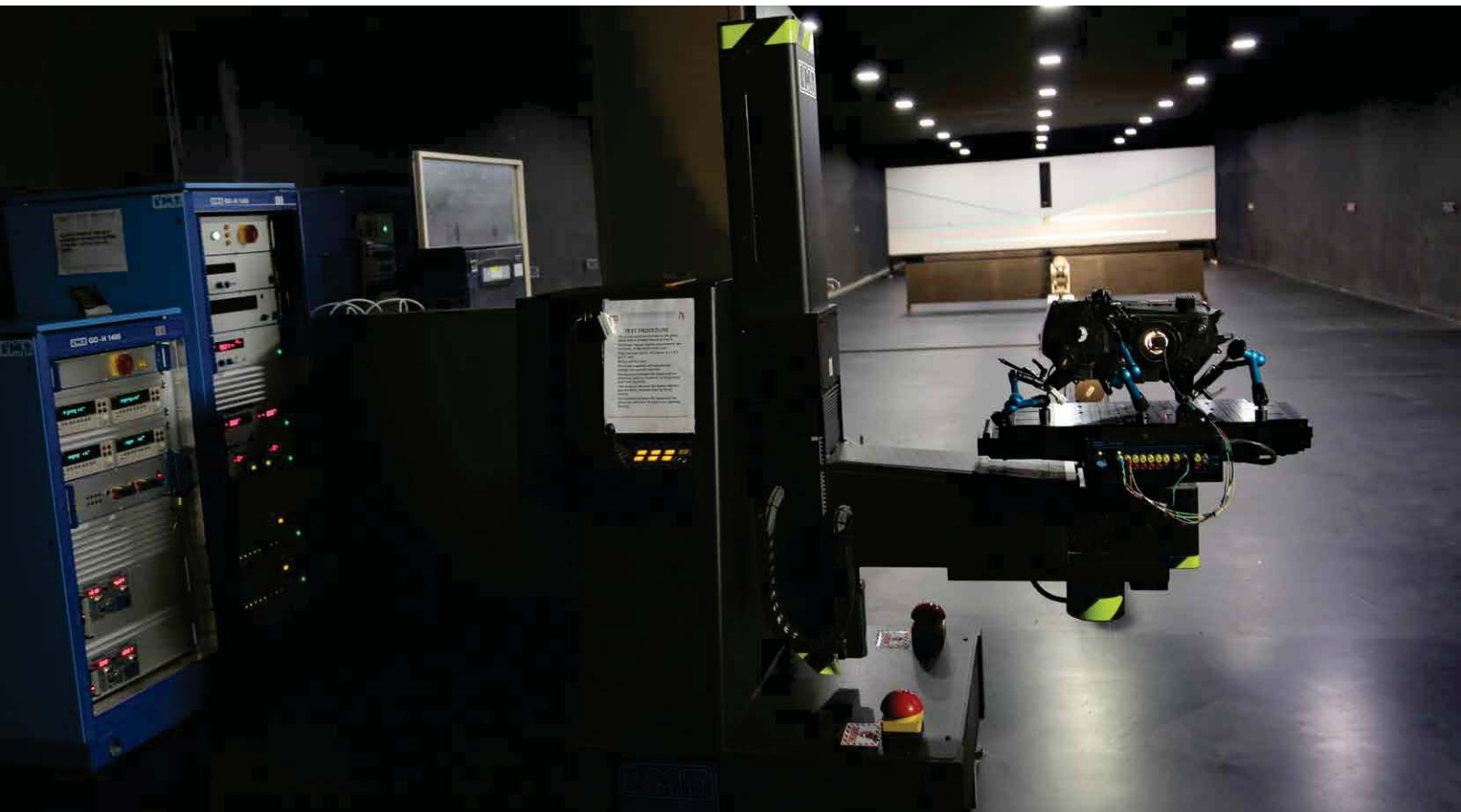
RoE %



Capex (₹ in crore)



Dividend (% of face value)



4sight is an ambition

Ambition to grow steadily with positive numbers

Who we are tomorrow begins with what we do today. Here is a look at our achievements that we imagined, believed and achieved.



- The Bawal plant won three awards namely Gold award, Star award & Special award for 'Best overall Project' in International Convention on Quality Control Circles (ICQCC) competition held in Singapore on 23 and 24 October 2018. From a total participation of 470 teams, the Bawal plant ranked first in Overall Performance
- The Dharuhera plant won Gold award in International Convention on Quality Control Circles (ICQCC) competition held in Singapore on 23 and 24 October 2018
- The Company was awarded with Design & Development award by SML Isuzu in December 2018
- The Pantnagar plant received award for 'Excellence in Consistent TPM Commitment' on 29 January 2019
- The Bengaluru plant received the 'TPM Excellence Category A Award' on 29 January 2019
- The Pantnagar plant won 'Best Practice Awards' at ACMA Technology Summit held in Pune on 29 and 30 January 2019
- The Pantnagar and Bawal plant were awarded Silver and Bronze, respectively, for 'Manufacturing Excellence' at ACMA awards held in Pune on 29 and 30 January 2019
- The Bawal plant won Bronze award in 'Excellence in Supplier Development' at ACMA awards held in Pune on 29 and 30 January 2019
- The Chakan R&D Centre won Bronze in 'Excellence in Technology Product' at ACMA awards held in Pune on 29 and 30 January 2019



'TPM Excellence Category A Award' on January, 2019 to Pantnagar and Bengaluru plants



Received the Overall Performance (Shield) Award from Maruti Suzuki India Limited in May, 2019.



Bagged four prestigious awards from ACMA for Manufacturing Excellence, Excellence in Technology, Product Innovation and Excellence in Supplier Development in 2019.



SML Isuzu Award for Design and Development December, 2018



Team Sankalp from Bawal won the 'Best Overall Project' Award at the ICQCC, Singapore, 2018. The team also bagged 'Star award' and along with Team Jagriti from Dharuhera also won the 'Gold award' at the competition



4sight is embracing the future while safeguarding it

Lumax has a longstanding commitment to addressing the needs of the society, in view of its belief that for any economic development to be meaningful, the benefits from the business must trickle down to the society at large. We at Lumax deem that the corporate goals must be aligned with the larger societal goals. Owing to this belief, the Lumax Charitable Foundation, an expression of Lumax's corporate social responsibility was created. A small beginning, at the various Lumax locations, to give back to society and support the underprivileged communities.

With the objective of providing comprehensive community development, the foundation has created programmes in the fields of Health and Education, the basic necessities to create a better tomorrow.

Initially the Foundation was essentially involved in charity-based and philanthropic activities like, providing sponsorship support to other grant seeking organisations, educational institutions, etc., today, our presence is at all locations, where we have our facilities, expanding to Gujarat.

The vision for holistic community development has motivated us to delve deeper into the needs of the disadvantaged communities in the areas of Education and Health. Various interventions at multiple levels in each of these areas are crafted to find synergy with one another and aim to bring about societal change.



EDUCATION

Education plays a pivotal role for it provides the power of knowledge while teaching personal, social and economic development skills. It has been our endeavour to provide holistic education with opportunity to learn through play

way means, learning aid support, we supplement the curriculum with fun based learning like art craft, dance, drama, life-skills programs, career counseling, celebrating festivals, excursion trips to feed the curious minds and provide well-rounded exposure. Taking learning beyond classrooms.

We aim to help empower these children and help them evolve into sensitive, open minded, responsible citizens.





HEALTH

Good health indicates an overall state of well being. Our programs under 'Health' aim at early detection of diseases to facilitate right treatment at the right time for the same.

Cancer Camp

CANCER MUKT COMMUNITY



9.6 million deaths occur worldwide due to cancer. Early detection of cancer can help save lives - making cancer treatment easier and accessible. Our 'Cancer MukT Community' aids in detecting this life-threatening disease for the underprivileged. It specially focuses on women who refrain from visiting hospitals or health centres. Through this initiative, we conduct cancer screening and diagnosis camps in the rural area in Haryana, near our plant locations.

Cataract Screening & Surgeries



As per The World Health Organisation 572 million people are in need of a clear vision. 90% people suffer from poor vision/eyesight in the lower income countries. Nearly 12 million people in India are blind and the estimates say 80% of the blindness can be rectified with adequate and right care.

Under our Cataract screening and surgeries program, we help poor and underprivileged community by providing best eyecare support to them. Our target is to make the community cataract free by giving them primary eyecare services like eyescreeing and cataract surgeries.

Homeopathic Dispensary

Started in a humble way at many years ago, the homeopathic dispensary was established to serving the medical needs of the underprivileged. A large number of patients from the adjoining areas visit to receive treatment for common ailments to major ailments.

Our Foundation. Our Team.



LEFT TO RIGHT

Mr. Avinash Parkash Gandhi
(Independent Director)

Mrs. Ritika Modi
(Independent Director)

Mr. Dhanesh Kumar Jain
(Chairman Emeritus)

Mr. Munish Chandra Gupta
(Independent Director)

Mr. Dhiraj Dhar Gupta
(Independent Director)

Mr. Anmol Jain
(Joint Managing Director)

1

2

3

4

5

6



Mr. Koji Sawada
(Executive Director)

7

Mr. Toru Tanabe
(Non-Executive Director)

8

Mr. Deepak Jain
(Chairman and Managing Director)

9

Mr. Rattan Kapur
(Independent Director)

10

Mr. Tadayoshi Aoki
(Senior Executive Director)

11

Mr. Vineet Sahni
(Senior Executive Director)

12

Mr. Rajeev Kapoor
(Independent Director)

13

Corporate information



Mr. Dhanesh Kumar 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. Avinash Parkash Gandhi

Independent Director

Mr. Rattan Kapur

Independent Director

Mr. Rajeev Kapoor

Independent Director

Mr. Munish Chandra Gupta

Independent Director

Mr. Dhiraj Dhar Gupta

Independent Director

Mrs. Ritika Modi

Independent Director

BOARD COMMITTEES:

Audit Committee

Mr. Avinash Parkash Gandhi – Chairman

Mr. Munish Chandra Gupta – Member

Mr. Dhiraj Dhar Gupta – Member

Mr. Rattan Kapur – Member

Mr. Deepak Jain – Member

Mr. Tadayoshi Aoki – Member

Mr. Rajeev Kapoor – Member

Nomination And Remuneration Committee

Mr. Rattan Kapur – Chairman

Mr. Avinash Parkash Gandhi – Member

Mr. Dhiraj Dhar Gupta – Member

Share Transfer/ Stakeholder Relationship Committee

Mr. Dhiraj Dhar Gupta – Chairman

Mr. Deepak Jain – Member

Mr. Tadayoshi Aoki – Member

Corporate Social Responsibility Committee

Mr. Munish Chandra Gupta – Chairman

Mr. Avinash Parkash Gandhi – Member

Mr. Deepak Jain – Member

Mr. Anmol Jain – Member

GROUP CHIEF FINANCIAL OFFICER

Mr. Sanjay Mehta

GROUP COMPANY SECRETARY

Mr. Sanjay Kumar Sachdev

CHIEF FINANCIAL OFFICER

Mr. Shruti Kant Rustagi

COMPANY SECRETARY

Ms. Ankita Gupta

REGISTRAR & SHARE TRANSFER AGENT

M/s Karvy Fintech 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, Delhi, India

CORPORATE IDENTITY NUMBER

L74899DL1981PLC012804

BANKERS

HDFC Bank Ltd.

HSBC Bank

ICICI Bank Ltd.

IDBI Bank Ltd.

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 & Associates LLP,
Gurugram

INTERNAL AUDITORS

M/s Grant Thornton India LLP

MANUFACTURING LOCATIONS

Northern Region

HARYANA

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

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

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

UTTARAKHAND

Plot No. 51, Sector 11, IIE,
Pant Nagar, Uttarakhand.

District Udham Singh Nagar,

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

Western Region

MAHARASHTRA

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

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

GUJARAT

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

Southern Region

KARNATAKA

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

BOARDS' REPORT

DEAR SHAREHOLDERS,

The Board of Directors ("Board") have pleasure in presenting the 38th Annual Report on the business and operations together with Audited Financial Accounts of your Company ("the Company") for the Financial Year ended 31 March 2019.

1. FINANCIAL PERFORMANCE- STANDALONE & CONSOLIDATED

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

Particulars	(₹ in Lakhs unless otherwise stated)			
	Standalone		Consolidated	
	For the Financial Year 31 March 2019	For the Financial Year 31 March 2018	For the Financial Year 31 March 2019	For the Financial Year 31 March 2018
Revenue from Operations	1,85,145.00	1,69,119.07	1,85,145.00	1,69,119.07
Other Income	2,551.88	925.43	1,153.11	546.05
Total Income	1,87,696.88	1,70,044.50	1,86,298.11	1,69,665.12
Total Expenses	1,77,408.93	1,61,252.22	1,77,408.93	1,61,252.22
Profit before exceptional items, income tax and share in profit/loss of associate	10,287.95	8,792.28	8,889.19	8,412.90
Exceptional items	3,620.27	-	3,620.27	-
Profit before share in net profit/(loss) of associate	-	-	12,509.45	8,412.90
Profit/ (Loss) of Associate	-	-	918.65	1,342.04
Profit Before Tax (PBT)	13,908.22	8,792.28	13,428.10	9,754.94
Tax Expenses	3,168.22	2,468.59	3,048.68	2,618.71
Profit for the Year	10,740.00	6,323.69	10,379.42	7,136.23
Other Comprehensive Income Items that will not be re-classified to profit or loss				
- Remeasurement of defined benefit liability/asset	210.05	268.54	210.05	268.54
- Income Tax relating to above		(115.57)		(115.57)
Net other Comprehensive Income	210.05	152.97	210.05	152.97
Total Comprehensive Income	10,529.95	6,170.72	10,169.37	6,983.26
Paid-up Equity Share Capital	934.77	934.77	934.77	934.77
Earning Per Share (EPS) (not annualized)				
Basic/Diluted EPS (In ₹)	114.89	67.65	111.04	76.34

1. Financial Results for the Year ended 31 March 2019 are in compliance with Indian Accounting Standards (Ind-AS) prescribed under Section 133 of Companies Act, 2013

2. Exceptional items represent gain amounting to ₹ 3,620.27 Lakhs on sale of land and building

a. COMPANY PERFORMANCE

Standalone:

On standalone basis the Company clocked growth of 12% in Revenue from Operations.

For the Financial Year 2018-19, the profit before tax and exceptional items (PBT) stood at ₹ 10,287.95 Lakhs as compared to ₹ 8,792.28 Lakhs in the previous year witnessing a significant growth of 17%. The PBT after exceptional items stood at ₹ 13,908.22 Lakhs as compared to ₹ 8,792.28 Lakhs in the previous year registering a growth of 58%. The Profit after Tax (PAT) stood at ₹ 10,740 Lakhs as compared to ₹ 6,323.69 Lakhs registering a growth of 70%. The Total Comprehensive Income increased to ₹ 10,529.95 Lakhs as against ₹ 6,170.72 Lakhs in the previous year registering a growth of 71%. The Basic and Diluted Earnings per share also grew by 70%.

Consolidate:

At the consolidate level, the Revenue from Operations grew by 12% whereas the Profit before tax (PBT) and Profit for the Period stood at ₹ 13,428.10 Lakhs and ₹ 10,379.42 Lakhs respectively

showing a significant increase by 38% & 45% respectively. The Total Comprehensive Income stood at ₹ 10,169.21 Lakhs leading to an increase by 46% as compared to the Financial Year 2017-2018. The Basic and Diluted Earnings per share grew by 45%.

b. Dividend

Based on the Company's performance, the Board of Directors are pleased to recommend a final Dividend @ ₹ 35/- (350%) per equity share of face value of ₹ 10/- each for the Financial Year 2018-19 which was considered by it in its meeting held on 14 May 2019. This includes special dividend of ₹ 10/- per share on account of gain on sale of land & building.

The proposed Dividend, subject to approval of Shareholders in the ensuing Annual General Meeting ("AGM") would result in appropriation of ₹ 3,944.22 Lakhs (including Corporate Dividend Tax of ₹ 672.50 Lakhs) as against ₹ 2,591.92 Lakhs in previous Financial Year 2017-18. The Register of Members and Share Transfer Books shall remain closed from Saturday, 17 August 2019 till Friday, 23 August 2019.

Boards Report (Contd.)

The said Dividend, if approved at the ensuing AGM shall be paid to the eligible Shareholders within the stipulated time period. The Dividend pay-out ratio comes to 36.72%.

c. AMOUNT TRANSFER TO RESERVES

A sum of ₹ 1,075 Lakhs has been proposed to be transferred to the General Reserve of the Company which is an appropriation out of profits of the Company.

d. PERFORMANCE OF ASSOCIATE COMPANY & CONSOLIDATED FINANCIAL STATEMENTS

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

During Financial Year 2018-19, the Associates profit attributable to the Company is ₹ 918.65 Lakhs.

In accordance with the provisions of Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Accounting Standards, the Audited Consolidated Financial Statement of the Company for the Financial Year 2018-19, together with the Auditors' Report form part of this Annual Report.

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

In accordance with Section 136 of the Companies Act, 2013 the Financial Statement of the Associate Company is available for inspection by the Members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the AGM. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company Secretary at the Registered Office of the Company. The Financial Statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at www.lumaxworld.in/lumaxindustries.

2. STATE OF COMPANY'S AFFAIRS

The Financial Year 2018-19 turned out to be a roller-coaster period, due to multiple constraints such as high interest rates, increasing insurance premiums, tight liquidity conditions by NBFC's, volatile exchange rate and political uncertainty due to ongoing elections,

however the Company continued to remain the market leader and a preferred supplier for Original Equipment Manufacturers (OEM's) in India.

The Company believes in continuous value addition for its customers and therefore, puts efforts in innovating and enhancing its product portfolio. The Company continued to reinforce its market position and supplied innovative lighting solutions adhering to high standards of quality and safety. Your Company's products have been preferred for most of the new models introduced in different segments like Passenger Vehicle category viz. Toyota Yaris, Maruti Ertiga, Maruti Wagon R, Force Motors Gurkha, in Two-Wheeler Segment viz. HMSI Aviator, Hero MotoCorp Destini 125, Maestro Refresh & Xpulse, Mahindra Jawa, and in Commercial Vehicle Segment viz. Piaggio Vehicles Ape, Mahindra & Mahindra Marazzo which lead to optimum growth both qualitatively and quantitatively.

In order to meet the changing norms, the Company continues to maintain its focus on aggressive transition from conventional automotive lighting and towards this end the thoughtful initiatives were also undertaken on its R&D efforts, up-gradation of Plant & Machinery as well as skill set of people.

As the Company navigates through ever-changing business landscape, the emphasis on LED, the future of automotive lighting continued to be at the forefront. In view of this, the Company has initiated building/upgrading its electronic capabilities to deliver high-quality lighting solutions and is in discussions with its suppliers to support its initiatives with its customers for further business acquisition.

To succeed in the digital era, where technologies are changing the ground rules in every industry, the Company undertook several new initiatives for enhancement of its existing Information Technology (IT) systems to meet the regulatory and other organizational requirements. Your Company made noteworthy developments in the field of IT by implementing Business Analytics module for data visualization in graphs, charts & tables. The said module shall also generate fortnightly reports on Inventory, Debtors etc. in graphical formats for better comprehension and understanding. In addition, the implementation of Financial Closing Cockpit (FCC) for timely closing of all financial activities was also undertaken wherein activities are divided in monthly, quarterly & yearly tasks with pre-defined timeline and in case of any delays, an automated mail is triggered to the concerned teams based on the escalation matrix for timely action. Owing to the IT advancement and this development, the Company will be able to minimise errors and it shall aid in tracking the status of all activities attached against each task for verification by the concerned officials of the Company.

Boards Report (Contd.)

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

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

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

All in all, the Company made good progress in all areas in Financial Year 2018-19, and we are confident, going forward we will continue to deliver value to all our customers and stakeholders. Our long-term outlook remains positive and we are confident to outperform the industry.

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

a. CAPACITY EXPANSION & MODERNISATION OF FACILITIES

Your Company is constantly expanding the boundaries of its existing facilities and during the Year under review, the Company has invested ₹ 5,662 Lakhs towards capacity expansion of its manufacturing facilities situated at Bawal, Bengaluru and Sanand.

Further, an expenditure on Research and Development facilities of Chakan and Gurugram manufacturing units was done to the tune of ₹ 228 Lakhs and investment in modernization of facilities across various manufacturing facilities amounted to ₹ 3,538 Lakhs.

b. TECHNOLOGY, INNOVATION AND QUALITY

We are living in a world of rapid socio-economic changes, driven by technology, innovation and quality. We firmly believe that the focus on quality along with development in technology is the future of the automotive lighting. Your Company has been fortunate in developing and adopting various innovations in the field of technology, driven by team of talented engineer. This has allowed us to stayed ahead in this era of extensive competition. The "Zero Defect" initiative continues to remain at the heart of organization and the new technology and innovative products are well researched and designed with no defects, thereby leaving no adverse effect on society and environment.

During the year, the Company has endeavored to strengthen its technological capabilities and providing indigenous solutions to its customers. Few of such steps taken towards technology advancement was introduction of Robotic technology which has been deployed on futuristic approach and would perform component extraction, material transfer and post operation in line with reduction in quantum of human intervention on component leading to better quality and minimal human efforts. The other technological upgradation was installation of Automatic Material Transfer Vehicle (Automated Guided Vehicle-AGV) which moves through the predefined path and transfers the component trolleys from source to destination.

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

As an annual practise, this year as well, the Company celebrated 15th September as Innovation Day towards tribute to Late Shri M. Visvesvaraya, the greatest Engineer and Bharat Ratna recipient.

Boards Report (Contd.)

c. MANAGEMENT DISCUSSION & ANALYSIS REPORT

As stipulated under the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion & Analysis Report forms an integral part of this Report as an **Annexure - A** and provides details on overall Industry Structure and Developments, financial and operational performance and other material developments during Financial Year under review.

d. THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the Financial Year ended 31 March 2019, there was no change in the nature of business of the Company.

3. GOVERNANCE AND ETHICS

a. CORPORATE GOVERNANCE

The Report on Corporate Governance together with the Auditor's Certificate regarding the Compliance of conditions of Corporate Governance as stipulated in Regulation 34 of 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 Board in its meeting held on 31 March 2018 had appointed Mr. Vineet Sahni, CEO (DIN: 03616096) as an Additional Director to be designated as CEO & Senior Executive Director of the Company with effect from 1 April 2018 for a period of 5 years, liable to retire by rotation. The said appointment was approved by Shareholders in the AGM dated 18 July 2018.

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 organizational turnarounds, establishing strong relationships with OEM's across segments - domestic & global, having a 360-degree holistic approach to continually enhance stakeholder value.

➤ In accordance with Articles of Association, the Board on recommendation of Nomination and Remuneration Committee

had appointed Mrs. Ritika Modi (DIN: 00463560) as an Additional Director to be designated as an Independent Director in its Meeting held on 28 July 2018 for a period of 5 years subject to approval of Shareholders of the Company.

Mrs. Ritika Modi is a Diploma holder in Travel and Tourism from Bel Air University, London and a veteran in travel industry with over 26 years of experience. In her current role she is acting as Regional President for UNIGLOBE Travel South Asia. Taking it as her responsibility to work for those who need help, she supports a number of social causes and leads a variety of projects involving child education and environment protection. She also started a non-profit organization which focused on counselling women and supporting them to pursue a career in travel.

Mrs. Ritika Modi holds office up to the date of forthcoming AGM and is eligible for appointment. Based on recommendation of Nomination and Remuneration Committee, the Board of Directors recommends for the approval of Shareholders through an Ordinary Resolution in the 38th AGM of the Company, the appointment of Mrs. Ritika Modi as an Independent Director for a term of 5 consecutive years from 28 July 2018 up to 27 July 2023.

RE-APPOINTMENTS

➤ The Shareholders may note that Mr. Koji Sawada (DIN: 07582189) was appointed as an Executive Director, liable to retire by rotation for a period of 3 years with effect from 9 August 2016 in the AGM dated 22 July 2017. The present tenure of Mr. Koji Sawada shall be expiring on 8 August 2019.

Accordingly, the Board on recommendation of Nomination and Remuneration Committee has in its Meeting held on 4 February 2019, has approved re-appointment of Mr. Koji Sawada as Executive Director for a further period of 3 years with effect from 8 August 2019 and recommends the same for approval by Shareholders in forthcoming AGM.

Mr. Koji Sawada is a Nominee Director of M/s Stanley Electric Co., Ltd., Japan and is associated with Lumax since 2008. He is a graduate from Osaka Institute of Technology and possesses over 31 years of rich experience in Quality Control and Lamp Assembly.

Boards Report (Contd.)

- The terms of following Independent Directors shall be expiring on 21 August 2019:

1. Mr. Avinash Parkash Gandhi
2. Mr. Munish Chandra Gupta
3. Mr. Dhiraj Dhar Gupta
4. Mr. Rattan Kapur

The above said Directors were appointed by the Board in its Meeting held on 30 May 2014 for a term of 5 years with effect from 22 August 2014.

Accordingly, the Board on recommendation of Nomination and Remuneration Committee has approved the re-appointment of the above-mentioned Independent Directors in its Board Meeting dated 4 February 2019 and recommends the same for approval of Shareholders by Special Resolution in the forthcoming AGM for a second term of 5 consecutive years from 22 August 2019 up to 21 August 2024.

Further as stipulated under the Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 an evaluation exercise of Independent Directors was conducted by the Board and the same has been satisfactorily evaluated and all the Independent Directors fulfil the criteria regarding their independence from the Management of the Company.

In view of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 no listed entity can continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five (75) years unless a special resolution is passed to that effect. Accordingly, the continuation of Directorship Mr. Avinash Parkash Gandhi and Mr. Munish Chandra Gupta, both aged above eighty (80) years, for second term of 5 years is also recommended at the forthcoming AGM as Special Business by way of Special Resolution in compliance of Section 102 of the Companies Act, 2013.

RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

- In accordance with the Articles of Association of the Company and Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any

statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Deepak Jain, Chairman and Managing Director (DIN: 00004972) is due to retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

A brief profile of the Directors seeking appointment/ re-appointment is provided in the Notice of AGM.

CESSATIONS

- During the year under review, Mrs. Pallavi Dinodia Gupta (DIN: 03570733), Independent Director on the Board of the Company, ceased to be Director of the Company with effect from 28 May 2018. She has contributed immensely to the functioning of the Board and the management has also benefitted from her advice and directions. The Board places on record gratitude for her advice and guidance.

c. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the Financial Year 2018-19, the Board of Directors met six (6) times on 28 May 2018, 28 July 2018, 22 October 2018, 4 February 2019, 15 February 2019 and 20 March 2019.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was also held on 18 March 2019, without the presence of Non-Independent Directors and Members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive, Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

d. DIRECTORS RESPONSIBILITY STATEMENT

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind-As) which are prescribed under Section 133 of Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

Boards Report (Contd.)

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31 March 2019 the applicable Accounting Standards have been followed and there are no material departures;
- (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

As stipulated under the provisions of Section 149 (6) of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the requisite declarations have been received from the Independent Directors regarding meeting the criteria of Independence as laid down under those provisions. In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

f. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Pursuant to the provisions of section 178(1) of the Companies Act, 2013 and Regulation 19(4) read with Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of the Company have approved revised Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMP) and Other Employees including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided u/s 178(3), to bring it in line with recent amendments enforced by statute.

The main features of the Policy are as follows –

- a. Introduction and Regulatory Framework
- b. Objective
- c. Constitution of Nomination and Remuneration Committee
- d. Role of Nomination & Remuneration Committee
- e. Appointment/ Nomination of Directors
- f. Remuneration of Directors
- g. Appointment of Key Managerial Personnel and Senior Management Personnel
- h. Remuneration of Key Managerial Personnel and Senior Management Personnel
- i. Appointment and Remuneration of Other Employees
- j. Term/Tenure
- k. Evaluation of Performance of Board of Directors
- l. Frequency of Board Evaluation
- m. Disclosure
- n. Administration, Review and Amendment of Policy
- o. Clarification

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

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

Boards Report (Contd.)

g. PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

One of the key responsibilities and role endowed on the Board is to monitor and review Board evaluation and framework.

Accordingly, in line with applicable provisions of the Companies Act, 2013 and Listing Regulations, 2015 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 Nomination and Remuneration Committee. The evaluation tested key areas of the Board's work including strategy, business performance, risk and governance processes. The evaluation considers the balance of skills, experience, independence and knowledge of the management and the Board, its overall diversity, and analysis of the Board and its Directors' functioning.

EVALUATION TECHNIQUE

- The evaluation methodology involves discussion of questionnaires consisting of certain parameters such as Evaluation factor, Ratings and Comments, if any.
- The performance of entire Board is evaluated by all the Directors based on Board composition and quality, Board Meetings and procedures, Board development, Board strategy and risk management, etc.
- The performance of the Managing Director and Executive Directors is evaluated by all the Board Members based on factors such as leadership, strategy formulation, strategy execution, external relations, etc.
- The performance of Non-Executive Director and Independent Directors is evaluated by other Board Members based on criteria like managing relationship, Knowledge and skill, personal attributes, etc.
- It also involves self-assessment by all the Directors and evaluation of Committees of Board based on Knowledge, diligence and participation, leadership team and management relations, committee meetings and procedures respectively.
- Further, the assessment of Chairman & Managing Director's performance is done by each Board Member on similar qualitative parameters.

EVALUATION OUTCOME

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

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

The performance of the Chairman was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities for the day to day management of the business, with reference to the strategy and long-term objectives. The Executive Directors and Non-Executive Directors provided entrepreneurial leadership to the Company within a framework of prudent and effective controls, with a balanced focus on policy formulation and development of operational procedures. It was acknowledged that the management accorded sufficient insight to the Board in keeping it up-to-date with key business developments which was essential for each of the individual Directors to maintain and enhance their effectiveness.

h. AUDIT COMMITTEE & COMPOSITION

As at March 31 2019 the Audit Committee of Board comprised of seven (7) Members viz. Mr. Avinash Parkash Gandhi, Mr. Munish Chandra Gupta, Mr. Dhiraj Dhar Gupta, Mr. Rattan Kapur, Mr. Rajeev Kapoor, Mr. Deepak Jain and Mr. Tadayoshi Aoki. The details regarding category of Members and terms of reference of Audit Committee had been stated in Corporate Governance Report which forms part as an **Annexure - B** to this Report.

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

Boards Report (Contd.)

i. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

For the Financial Year 2018-19, 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 and Disclosure Requirements) Regulations, 2015.

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

However, details of Related Party Transactions undertaken by the Company which fall under the purview of "Materiality" as per SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 are attached in Form AOC-2 as an **Annexure - D** to this Report.

Further, the Shareholder approval on such Material Related Party Transactions has been taken by way of Postal Ballot dated 15 February 2019. The Company has formulated a policy on Related Party Transactions, which is available on the Company's website at <http://www.lumaxworld.in/lumaxindustries/pdf/related-party-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, in accordance with the provisions of Section 177 (10) of Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year the said Policy was amended in line with SEBI (Prohibition of Insider Trading) (Amended) Regulations, 2018. This mechanism provides for

adequate safeguards against unfair treatment of whistle blower who wishes to raise a concern and also provides for direct access to the Chairman of the Audit committee in appropriate/ exceptional cases.

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

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

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 (except Saturday) up to the date of ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent.

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.

Boards Report (Contd.)

4. INTERNAL FINANCIAL CONTROLS & ADEQUACY

a. Adequacy of Internal Financial Control with reference to Internal Financial Statement

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

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

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

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

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the Company in its 36th Annual General Meeting held on 22 July 2017 approved the appointment of M/s. BSR & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) as Statutory Auditors of the Company for an initial term of five (5) years from the conclusion of 36th AGM till the conclusion of 41st AGM to be held in the year 2022.

M/s. BSR & Associates LLP, Chartered Accountants have confirmed that they are not disqualified from continuing as Auditors of the Company. The Auditors have issued an unmodified opinion on the Financial Statements for the Financial Year ended 31 March 2019.

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

STATUTORY AUDITORS REPORT

The Report given by M/s. BSR & Associates LLP, Chartered Accountants on the Financial Statements of the Company for the year 2018-19 is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

COST AUDITORS

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

The Board on recommendation of Audit Committee has re-appointed M/s Jitender, Navneet & Co. (Firm Registration No. 000119) as the Cost Auditors of the Company in accordance with Section 148 and other applicable provisions of the Companies Act, 2013, for the audit of the cost accounts of the Company for the Financial Year 2018-19.

Boards Report (Contd.)

The remuneration proposed to be paid to the Cost Auditor, subject to ratification by the Members of the Company at the ensuing 38th AGM, shall be ₹ 1.75 Lakhs (Rupees one Lakh and seventy- five thousand only) excluding taxes and out of pocket expenses, if any.

COST AUDIT REPORT

The Cost Audit Report for the Financial Year 2017-18 has been filed with the Central Government within the stipulated time on 25 August 2018.

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

The Company is maintaining cost records as stipulated under law.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of The Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the 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 2018-19.

The Company has received consent from Mr. Maneesh Gupta to act as the auditor for conducting audit of the secretarial records for the Financial Year ending 31 March 2019.

ANNUAL SECRETARIAL AUDIT REPORT & ANNUAL SECRETARIAL COMPLIANCE REPORT

The Secretarial Audit Report for the Financial Year ended 31 March 2019 under Companies Act, 2013, read with Rules made thereunder and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the **Annexure - F** to this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

As per recent Circular having No. CIR/CFD/CMD1/27/2019 issued by Securities and Exchange Board of India dated 8 February 2019 read with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all listed entities on annual basis are required to get a check done by Practising Company Secretary (PCS) on compliance of all applicable SEBI Regulations

and circulars/ guidelines issued thereunder and get an Annual Secretarial Compliance Report issued by a PCS in this regard which is further required to be submitted to Stock Exchanges within 60 days of the end of the Financial Year.

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

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

INTERNAL AUDITORS

In compliance with the provisions of Section 138 of Companies Act, 2013, read with Companies (Accounts) Rules, 2014, your Company has appointed M/s Grant Thornton, India LLP as an Internal Auditors for the Financial Year 2018-19.

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

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

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND INITIATIVES

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

The Company's CSR initiatives are implemented through its CSR arm/ trust, Lumax Charitable Foundation ("Foundation"), with focus on education, empowerment of girl child through education and the healthcare, for disadvantaged section of society. During the year, your Company's spend on CSR activities is 2.02% of the average net profits during the three immediately preceding Financial Years.

The Company has constituted a CSR Committee of the Board and also developed & implemented a CSR Policy in accordance with the provisions of the Companies Act, 2013. The Committee monitors and oversees various CSR initiatives and activities of the Company. The details of CSR Policy is available on the Company's website <http://www.lumaxworld.in/lumaxindustries/pdf/corporate-social-responsibility-policy.pdf>. The annual report on Corporate Social Responsibility activities is annexed as an **Annexure - G** to this Report.

Boards Report (Contd.)

Key Activities

Education:

Working towards our endeavor to provide holistic education, the Foundation works towards enrollment of girl child in schools, provides learning aids, starter kits excursion trips, and festival celebration and 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 counseling that includes, aptitude tests, orientation sessions, one-on-one counseling 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, organizing specialized 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.

Constitution of CSR Committee

During the Financial Year 2018-19, the CSR Committee of the Company comprised of four (4) Members namely, Mr. Munish Chandra Gupta, Mr. Avinash Parkash Gandhi, Mr. Deepak Jain and Mr. Anmol Jain. Further, the Board of Directors have also adopted the amended CSR Policy of the Company as approved by the Board of Directors in its Meeting held on 20 March 2019 which is also available on the website of the Company at www.lumaxworld.in/lumaxindustries. The contents of the said policy are as below:

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

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

6. OTHER DISCLOSURES

MATERIAL CHANGES AND COMMITMENTS

During the year under review the Board of Directors of the Company in its Meeting held on 20 March 2019 had approved the commencement of In- house manufacturing of the PCB business for its captive consumption with effect from 1 April 2019. Accordingly, in the Meeting of Board dated 5 April 2019, the Company approved acquiring of assets (including Plant & Machineries, Allied Infrastructures and Capital work in progress) for manufacturing of PCB's for ₹ 2,245 Lakhs and an unsold Inventory at ₹ 2,394 Lakhs from Lumax Auto Technologies Limited.

No other material changes and commitments affecting the Financial position of the Company have occurred between 1 April 2019 and the date on which this Report has been signed.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans and investments as on March 31 2019 are covered under the provisions of Section 186 of The Companies Act, 2013 is given in the Notes 6 and 7 respectively to Financial Statements of the Company. The Company has not given any guarantees during the Year under review.

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

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

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

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

Boards Report (Contd.)

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

EXTRACT OF ANNUAL RETURN

In accordance with the requirement of Section 92 and 134 (3) (a) of The Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT 9 is annexed to this Report as an **Annexure - I**.

DETAILS OF FIXED DEPOSITS

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

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

During the Financial Year 2018-19, there were no Companies which became Subsidiary or Joint Venture of the Company, neither the Associate Company ceased to be an Associate of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

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

In accordance with the above mentioned provisions of POSH, Lumax is in compliance with and has adopted the "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 constitution of ICC is as per the provisions of POSH and includes external Members from NGO or those individuals having relevant experience.

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

During the year under Review i.e. 2018-19 forty (40) meetings and thirteen (13) awareness sessions were held across all manufacturing locations to discuss on strengthening the safety of employees at workplace. In addition, the awareness about the Policy and the provisions of Prevention of Sexual Harassment Act was also carried out in the said meetings. Further, as per the applicable provisions of POSH your Company continues to submit Annual Report to the District Officer consisting of details as stipulated under the said Act.

ENVIRONMENT, HEALTH, SAFETY

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

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

Apart from the above, the Company also performed below activities in Financial Year 2018-19 sincerely:

1. ST/Duct cleaning for locations where paint material & chemicals are being used.
2. Safety Gemba Audit as per IS 14489-98
3. Regional Safety Meeting at all regions
4. KYT - Kiken Yochi Training (Identifying hazard and taking corrective measures with the help of actual users)
5. Hazards specific Safety training (Fire Fighting, First Aid, Electrical Safety, Chemical & Machine Safety)
6. Prepared Safety manual for Standard Operating Procedures
7. Identified probable emergency and prepared Emergency Response Manual
8. Performed Comprehensive Inspection of all chemical storage areas according to the check point and necessary display system
9. Comprehensive review / surveillance audit done as per ISO 14001 (Environment Management System)

During the Year, the Company also commenced the Fire Risk Assessment Audit for Tier-2 Suppliers to reduce the fire related incident and achieved significant OK result, it also delivered the awareness program to the suppliers related to Fire Safety.

Boards Report (Contd.)

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

In the Financial Year 2018-19, the manufacturing units of the Company situated in Chinchwad & Chakan achieved OHSAS - 18001 Certification.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Unpaid Dividend and Shares underlying 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') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), all unpaid or unclaimed Dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven (7) years from the date of transfer to Unclaimed Dividend Account of the Company. 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. The said provisions does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. Accordingly, the details relating to amount of Dividend transferred to the IEPF and corresponding shares on which Dividends were unclaimed for seven (7) consecutive years, are provided in the Report on Corporate Governance which is annexed to this Report as an **Annexure - B**.

It may be noted that Unclaimed Dividend/Underlying shares for the Financial Year 2011-12 declared on 7 August 2012, can be claimed by the Members by 11 September 2019. 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.

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

During the Year, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 the Company has amended and formulated a comprehensive Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons. The said Code lays down guidelines, which advise Designated Persons and Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. This Code includes a Policy and Procedure for Inquiry in case of leakage of Unpublished Price Sensitive Information or suspected leakage of Unpublished Price Sensitive Information and is available for reference on the website of the Company i.e. www.lumaxworld.in/lumaxindustries.

CONTRIBUTION TO EXCHEQUER

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

ACKNOWLEDGMENT

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

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

Place: Gurugram
Date: 14 May 2019

**Sd/-
Deepak Jain**
Chairman & Managing Director

Annexure - A

Management Discussion and Analysis

[Pursuant to Regulation 34(3) Read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

GLOBAL ECONOMY

The global economy experienced a strong growth between late 2016 and early 2018, led by uptick in momentum across all major nations. The year 2018 recorded a growth of 3.6%, (<https://www.imf.org/en/Publications/WEO>) with US outpacing the growth among all major economies. The growth is gradually moderating on account of escalating US-China trade tensions, macro-economic stress in China, Argentina and Turkey, volatility in oil prices and uncertainty over Brexit. The year 2019 is expected to record a GDP of 3.3%, (<https://www.imf.org/en/Publications/WEO>). The second half of 2019 is expected to witness accommodative monetary policy by major central banks, recovery in Turkey and Argentina and signs of positive momentum in China's economic growth.

The growth in the advanced economy is expected to have remained above trend at 2.4% in 2018, similar to 2017, before easing to 2.2% in 2019 (<https://www.imf.org/en/Publications/WEO/Issues/2018/07/02/world-economic-outlook-update-july-2018>). The strong growth in US led by pro fiscal stimulus was offset by disruption in auto sector in Germany, natural disasters in Japan.

Growth in emerging markets and developing economies continued to outpace developed nations during 2018-19. The growth rate for these economies was projected around 4.9% during 2018 owing to slowing external demand, rising borrowing cost and persistent policy uncertainties. However, the growth is expected to notch up the pace at 5.1% during 2019 led by a stronger growth in India and recovery in China. (<https://www.imf.org/en/Publications/WEO/Issues/2018/07/02/world-economic-outlook-update-july-2018>)

INDIAN ECONOMY

India continue to be recognised amongst world's fastest growing major economies. Despite softer growth during the year, the Indian economy is expected to continue to build its growth momentum through positive reforms. After overtaking the French economy in 2018, India will overtake the UK to become the world's fifth largest economy in 2019. The economy, possibly, has remained the least affected by the global turmoil and during the year 2018-19, India recorded a GDP growth of 6.8%. Going ahead India currently, a \$2.8 trillion economy; is expected to reach the \$5 trillion mark by 2024 (<https://economictimes.indiatimes.com/news/economy/indicators/can-india-become-a-5-trillion-economy/articleshow/69869145.cms?from=mdr>).

Moving on, with support from the continued recovery of investment and robust consumption, amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy, the growth is projected to continue rising stronger to 7.5% in 2019-20 (<https://economictimes.indiatimes.com/news/economy/indicators/world-bank-retains-indias-growth-rate-for-fy19-20-at-7-5-percent/articleshow/69659063.cms?from=mdr>). The growth momentum is also expected to accelerate due to the two consecutive rate cuts by Reserve Bank of India of 25 basis points each.

India's Index of industrial production (IIP) rose by 7.5% in January 2019, up from the 7.1% (<https://economictimes.indiatimes.com/news/economy/indicators/industrial-production-expands-at-7-5-for-jan-cpi-softens-to-4-4-for-february/articleshow/63270101.cms>) growth seen in December 2018. The continued strengthening of investments, rebound of credit growth and healthy consumption are believed to bolster confidence among the manufacturers. With the come-back of IIP, retail inflation cooled to 4.28% in March as compared to 4.44% in February (<https://economictimes.indiatimes.com/news/economy/indicators/february-iip-growth-slips-to-7-1-retail-inflation-cools-to-five-month-low-in-march/videoshow/63733950.cms>).

OUTLOOK

Despite the softer growth during the year, the country is expected to witness strong economic growth in 2019. India showed a robust performance in 2018, despite growing global vulnerabilities. Various factors like higher farm sector productions and higher contribution to GDP by manufacturing sector play a role here. Further, the concepts of Startup India and Stand up India along with introduction of water transport also contributed its share in a positive way. Lastly, creation of better road and rail network and higher FDIs are expected to make Indian economy grow faster in the near future. The improvement will result in employment generation as well and is expected to create lakhs of jobs to skilled and unskilled work force in different Indian sectors.

Better demand conditions settled GST implementation, capacity expansion from growing investments in infrastructure, continuing positive effects of reform policies and improved credit offtake, especially in the services sector, will sustain the robust GDP growth in the range of 7.5% in 2019 (<https://economictimes.indiatimes.com/news/economy/indicators/settled-gst-credit-flows-among-7-reforms-to-aid-india-grow-7-5-in-2019-cii/articleshow/67314737.cms?from=mdr>).

Annexure - A (Contd.)

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian Automobile Industry

India is world’s fourth largest automobile industry and seventh largest manufacturer of commercial vehicles (<https://www.ibef.org/industry/automobiles-presentation>). The Country is expected to emerge as the world’s third largest passenger-vehicle market by 2021. Currently, the automotive sector contributes more than 7% to India’s GDP. The industry currently manufactures 25 mn vehicles, of which 3.5 mn are exported (<https://www.investindia.gov.in/sector/automobile>). India holds a strong position in the international heavy vehicles arena as it is the largest tractor manufacturer, second largest bus manufacturer and third largest heavy trucks manufacturer in the world (<https://www.investindia.gov.in/sector/automobile>).

The year 2018 for automobile industry started on high note on the back of excitement around Auto Expo 2018 and new launches. However, the growth in 2018 gradually moderated away in the latter part of the year due to uneven monsoon, Kerala floods, poor festive demand, and high fuel and insurance costs.

Indian automotive industry (including component manufacturing) is expected to reach ₹ 16.16-18.18 trillion by 2026 (ibef.org). Two-wheelers dominated the industry with 81% share in the domestic automobile sales in FY18. Increase in rural income supported the motorcycle demand. On the other hand, scooters' demand is expected to be led by rapid urbanization, increased affordability and greater penetration through targeted product launches. Further, the growth is expected to be driven by pre-buying in the second half of FY2020 due to implementation of BS VI from 1 April 2020.

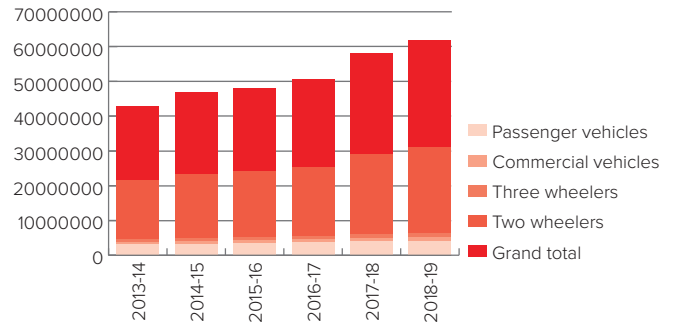
Segment-wise domestic automobile sales trends in 2018-19

Category	2017-18	2018-19	% change
Passenger vehicles	32,88,581	33,77,436	2.70%
Two wheelers	2,02,00,117	2,11,81,390	4.86%
All categories (2w, 3w, PV, CV)	2,49,81,312	2,62,67,783	5.15%

(Source: SIAM)

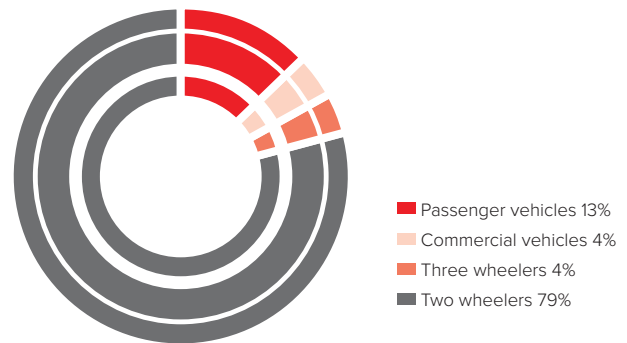
Sales across categories rose by 5.15% from 2,49,81,312 units in 2017-18 to 2,62,67,783 units in 2018-19. For 2018-19, passenger vehicle sales rose by 2.7% from 32,88,581 units in 2017-18 to 33,77,436 units in 2018-19. Total 2-wheeler sales rose by 4.86% from 2,02,00,117 units in 2017-18 to 2,11,81,390 units in 2018-19.

Segment-wise automobile production trends in 2018-19



(Source: SIAM)

Percent share of each segment in total production volume in 2018-19



(Source: SIAM)

INDUSTRY TRENDS

- Low-cost electrical vehicle**
Government's vision of 100% electrical mobility by 2030
- Voluntary Vehicle Fleet Modernization Programme (V-VMP)**
Offers tax benefits and discounts on replacing old vehicles with new ones
- Bharat Stage VI norms by 2020**
India aims to reduce its carbon footprint by 33-35% by 2030
- Positive GST impact**
Reduction in the overall cost structure of the Indian Automobile industry

Annexure - A (Contd.)

Segment-wise automobile production trends in 2018-19

Category	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Passenger vehicles	30,87,973	32,21,419	34,65,045	38,01,670	40,20,267	4,026,047
Commercial vehicles	6,99,035	6,98,298	7,86,692	8,10,253	8,95,448	1,112,176
Three wheelers	8,30,108	9,49,019	9,34,104	7,83,721	10,22,181	1,268,723
Two wheelers	1,68,83,049	1,84,89,311	1,88,30,227	1,99,33,739	2,31,54,838	24,503,086
Quadricycle	-	-	531	1584	1713	5388
Grand total	2,15,00,165	2,33,58,047	24,016,599	25,330,967	29,094,447	30,915,420

(Source: SIAM)

INDIAN AUTO COMPONENT INDUSTRY

India's automotive components industry forms the backbone of the burgeoning automobile sector. It contributes 75% of the total sales generated in the Country. The growing presence of global automobile Original Equipment Manufacturers (OEMs) in the Indian manufacturing landscape has significantly increased the localization of their components in the country. India has become the preferred designing and manufacturing base for most global auto OEMs for local sourcing and exports. The automotive components industry accounts for ~2.3% of India's GDP and employs 1.5 million people, directly and indirectly.

INDIAN AUTOMOTIVE LIGHTING INDUSTRY

The Indian automotive lighting market is expected to garner \$3.1 billion by 2022 (<https://www.alliedmarketresearch.com/press-release/india-automotive-lighting-market.html>) It witnessed significant growth on account of increased automotive sales and economic growth. In addition, it is driven by increasing population and concerns about vehicle safety triggered by government regulations about vehicle safety standards, advanced features in vehicle lighting systems. Moreover, increasing automobile production, as well as vehicle fleet is further contributing to the Indian automotive lighting market's growth.

(Source: alliedmarketresearch.com)

KEY DRIVERS

Growing emphasis towards road safety: Rising number of road accidents owing to bad weather conditions and light during night is the prime concern amongst vehicle drivers today. This has paved way for a rise in the demand for reliable and brighter automotive lights. Therefore, the growing emphasis over enhanced road safety through high-performance automotive lights has created the need to develop advanced lights providing enhanced visibility in the dark.

Emerging government regulations: Environmental necessities and safety requirements are critical issues that have impelled the government to adopt stringent emission and safety norms. Lighting makes a part of the safety critical components that are covered under AIS-037. The regulations

regarding energy-efficient vehicles support the LED light installation, thus, fuelling the growth of the automotive lighting market.

Growing automobile sales: Automobile sales has witnessed notable growth rate in India. The revival of economy has particularly supported the growth in the recent past. This growing trend is expected to continue during the forecast period with sizeable demand of passenger vehicle and 2-wheelers. Automotive lighting industry, which depends on the state of automotive industry for its growth, is expected to certainly benefit from this ongoing rising vehicle sale.

OPPORTUNITIES

Rural prosperity: The Government of India announced an investment outlay of ₹ 6.9 lac crore towards construction of 83,677 kilometers of road network. The ambitious programme, boosting the country's road infrastructure, is expected to generate ₹ 14.2 crore man-day jobs for the country. (<http://www.in.kpmg.com/taxflashnews/KPMG-Flash-News-Indian-Economic-Survey-2017-18-Key-Highlights-2.pdf>)

Buoyant automobile industry: The automobile industry is a prominent driver of the Indian auto components industry. It accounts for the country's 7% GDP, comprising 23.9 million vehicles which include passenger vehicles, 2-wheelers, commercial vehicles and 3-wheelers. The industry is responsible for providing direct and indirect employment to >29 million Indian people. The automobile industry (including components) is expected to reach US\$ 251.4- 282.8 billion by 2026. (ibef.org)

Burgeoning transportation infrastructure: India's transport infrastructure sector is expected to showcase a CAGR of 5.9% till 2021 (<https://economictimes.indiatimes.com/news/economy/infrastructure/indias-transport-infra-growth-to-gain-pace-over-5-years-report/articleshow/57652534.cms?from=mdr>). It is emerging as the country's fastest-expanding component of the infrastructure sector. Around eight metro rail networks, already covering a length of 370 kilometers, are operational in the country. Moving on, over two dozen more projects are lined up. Amongst these, around 62.5% have already lined up plans including Pune, Nagpur, Ahmedabad, Chennai, Vijayawada, Kozhikode, Indore, Bhopal, Patna, Guwahati, Kanpur and Varanasi.

Annexure - A (Contd.)

THREATS

Pricing pressure risk: Pricing pressure from Original Equipment Manufacturers ("OEMs") is common in our industry. Almost all automakers pursue aggressive but systematic price reduction initiatives, each year, with their suppliers. These reductions are expected to continue in the near future. Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins. This may have a material adverse effect on our business, results of operations and financial condition.

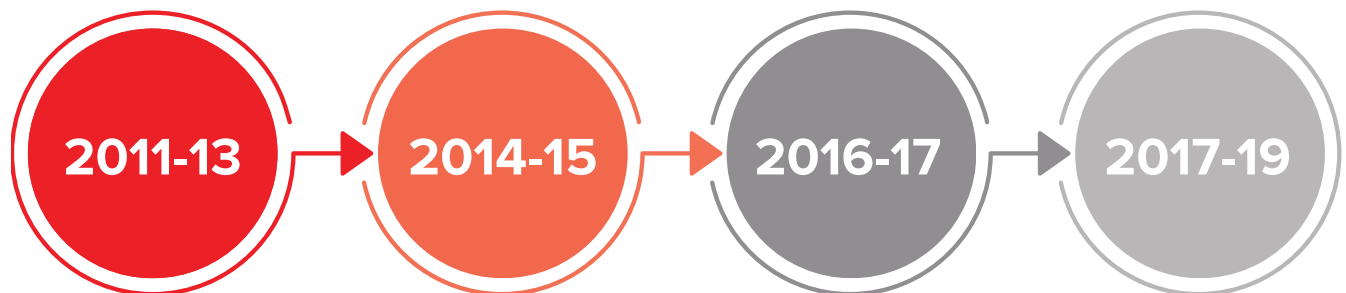
Industry dependency: Our business is heavily dependent on the performance of the Indian automobile market. This exposes us to market performance fluctuations. In case of decreased market demand or any other development making component's sale less economically beneficial, we are likely to experience pronounced effects on our business.

Industry growth outlook

The increasing penetration of organized finance into tier 2-3 cities as well as rural centers will support nation-wide domestic vehicle demand. With this, the automobile industry will also get a boost from the positive structural factors like favorable demographic profile, growing middle class, participation of women in workforce and rapid urbanization.

Moving towards the development front, the Indian Government's aim to develop the country as a global manufacturing as well as R&D hub is likely to support industry's growth further in the areas as listed below:

Headlamp evolution



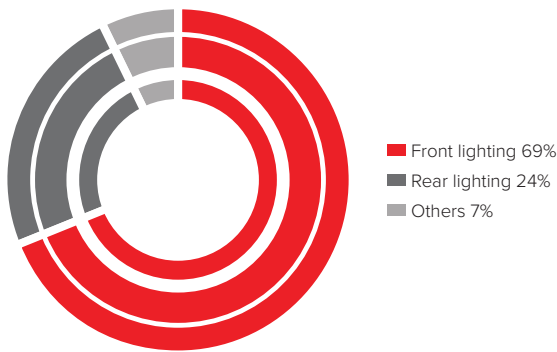
- Introduced Halogen Head Lamp Bulbs with clear PC lens and multi-focal reflector (MFR) for light distribution in the passenger vehicle segment
- Indian OEM's introduced optional Projector Lamps with LED like the DRL (Daytime Running Lights) in top variant vehicles and not as a standard feature
- Launched and introduced Projector Lamps with Halogen for new vehicles in India by a greater number of OEM's as standard feature
- Between the latter half of 2014 and beginning of 2015, more OEM's shifted focus to introduction of LEDs for feature of DRL's and/or signature lighting
- 2015 saw a greater number of Head Lamps being introduced with LEDs for DRL feature with usage of HID (High Intensity Discharge) Bulbs for Projector
- Introduced almost all the models with either LED DRL feature or Projector Head Lamp (either with Halogen Bulb or HID Bulb) or with both LED DRL and Projector Head Lamp
- Introduced Headlamps with Signature DRL's or Lighting as a styling feature in the vehicles launched in 2016
- Later half of 2016 witnessed the introduction of LED Projector Head Lamps, translating into deeper penetration of Electronics and LED into Head Lamps
- Year 2017 witnessed the transition to manufacturing of localized LED Head Lamp with Signature DRL and Position
- Future models replacing the existing ones were either with Projector Head Lamp (Bulb) whose predecessor were with Halogen Bulbs or with Projector Head Lamp (with LED) whose predecessors were with Projector with Halogen Bulbs LED, to drive future growth

Annexure - A (Contd.)

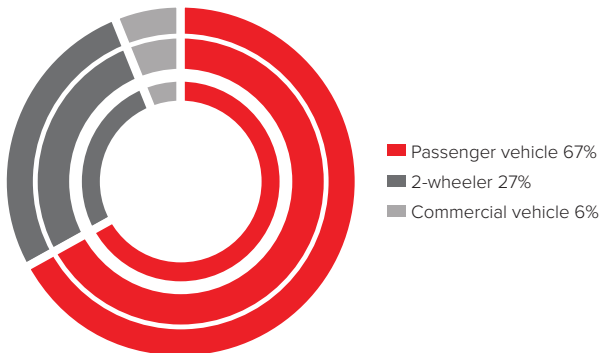
BUSINESS OVERVIEW

Lumax Industries Limited is one of the top Indian automotive solutions providers and a leading automotive lighting manufacturer. Using its strong R&D base and technology to its advantage, the Company has taken automotive lighting to a different level altogether. The Company enjoys a strong leadership position in the Indian automotive lighting business. It is catalyzed by its strong technical and financial collaboration with Stanley Electric Company Ltd., Japan, for over two decades now. Stanley is a world leader in Vehicle Lighting and illumination products for automobiles.

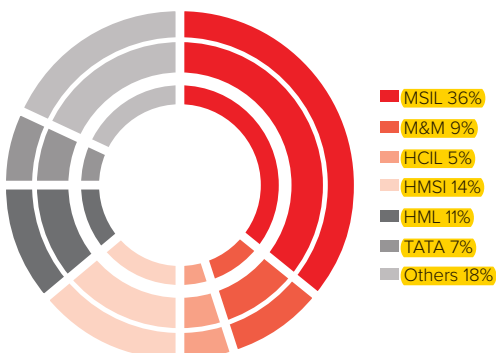
Product-wise sales - 2018-19



Segment-wise sales 2018-19

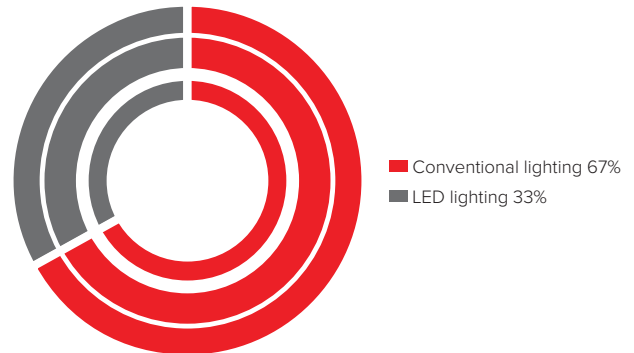


Customer-wise sales - 2018-19*



*Excluding Mould sales of ₹ 49 Cr

Conventional Vs LED Sales Breakup – 2018-19



FINANCIAL PERFORMANCE VIS-A VIS OPERATIONAL PERFORMANCE

The Company posted a strong revenue growth over past year with an increase of 12% from ₹ 1,64,900 Lakhs (Excluding Excise Duty) in 2017-18 to ₹ 1,85,150 Lakhs in 2018-19.

The consolidated Profit after Tax stood at of ₹ 10,379 Lakhs in 2018-19, as against ₹ 7,136 Lakhs in 2017-18, therefore, registering a growth of 45%.

DETAILS OF KEY FINANCIAL RATIOS AND SIGNIFICANT CHANGES

As stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to provide details of significant changes in key financial ratios along with detailed explanations thereof. Accordingly, the key financial ratios and the significant changes i.e. change of 25% or more as compared to the immediately previous financial year wherever applicable are being reported as under:

1. Debtors Turnover

Particulars	2017-18	2018-19	%change
Based on year closing data	6.05	9.89	63%

Reason: Higher debtors as on 31 March 2018 due to higher Mould sale in March 2018.

2. Debt Equity Ratio (long term debt) Ratio

Particulars	2017-18	2018-19	%change
Based on year closing data	0.02	0.01	[-50%]

Reason: No new loans and repayment of Car loans.

Annexure - A (Contd.)

3. Creditor T/O ratio (avg)

Particulars	2017-18	2018-19	%change
Based on year closing data	2.17	3.45	59%

Reason: Due to early payment to creditors.

4. Interest Coverage Ratio

Particulars	2017-18	2018-19	%change
Based on year closing data	13.23	7.63	-42%

Reason: Higher Utilisation of Working capital Limits.

DETAILS OF CHANGES IN RETURN ON NET WORTH

Return on Net Worth

Particulars	2017-18	2018-19	%change
Based on year closing data	21.6%	28.9%	34%

Reason : Exceptional Gain on sale of Land & building

Risks and Concerns and Measures for Mitigation

Dependency on customer: Our business is dependent on certain major customers. Under such circumstances, a host of situations can affect our business adversely. For instance, losing a major customer, significant reduction in a customers' purchase or even a tepid response to a vehicle model that we are a significant supplier of. All of these instances can adversely affect our business, results of operations and financial condition.

Mitigation: We have a clear understanding with all major customers. Based on their product plans, the manufacturing capacities are carefully planned. The Company gives adequate focus on QCDD along with strong relationships with the customer. Together, these not only sustain the business but also help it grow.

Competition risk: The automotive components industry is highly competitive. It is crucial pacing up with all the industry advancements supported by right research and development (R&D) capabilities. Similarly, retaining qualified engineers and staff is equally important else it could result in loss of customers. This in turn can have an adverse effect on our business, results of operations, financial condition and future prospects.

Mitigation: The Company has been investing adequately in its R&D. The conducive HR policies ensure that right talent is hired and retained. In the business space, the Company is the preferred employer with acceptable attrition levels.

Quality risk: Our products adhere to strict quality requirements. Any product defect issues or failure on ours and our component suppliers' part to comply with quality standards, may lead to the cancellation of existing and future orders, recalls or warranty and liability claims.

Mitigation: The Company has strict quality control processes. We are committed to upgrade quality and enhance productivity with right initiatives to maintain competitiveness. The top management's focus on quality ensures customer satisfaction. Further, the Company has also invested significantly in the training of it's workers. This helps prepare the right skilled workers.

Raw material risk: We depend on third parties for the supply of raw materials and delivery of products. Such dependence on third parties could result in failure to meet obligations. Discontinuation of production by our suppliers, a failure on suppliers' part to adhere to any delivery schedule or a failure to provide materials of the requisite quality could hamper our production schedule. Therefore, affecting our business, results of operations and financial condition.

Mitigation: To mitigate this risk, we have tie-ups with a number of vendors who can meet our requirements. Thereby reducing our dependency on any one particular third party to avoid short comings. The Company maintains dual sourcing policy to mitigate risks. SQA function ensures regular audits for business health check of suppliers. This ensures smooth and trouble-free supply chain.

Internal control systems and adequacy

The internal control structure is designed to operate as a well-synchronized system. It comprises regular risk assessment, mitigation and monitoring. The Company has an elaborate system of identification and mitigation of key business risks. Our internal team and an independent internal audit firm keep a close eye on business operations. Deviations, if any, are immediately brought to the Management and Audit Committee's notice for timely correction. Our well-documented policies and procedures enable the Company to strictly adhere to all applicable procedures, laws, rules and statutes. The Company's robust IT systems safeguard sensitive data and ease out audit process. Accounting Standards are strictly followed while recording transactions. A host of strategies are devised in addition to robust MIS systems, for real-time reporting and to control expenses. Any variance from budgetary allocations are promptly reported and corrected to ensure strict compliance.

Annexure - A (Contd.)

Material development in Human Resources/ industrial relations front

The focus of the Human resources function is twofold - create safe and engaging work environment and enhancing productivity. As part of this plan, safety is of top most priority not only inside the organization but immense effort has been made to improve safety culture at Tier 2 suppliers as well. Out of 72 suppliers, 26 suppliers fall in 'OK' category as per MSIL Safety Check sheet. The Company organizes relevant training programs focused on effective personal productivity for the senior management. These have been well received and are proposed to be rolled out further in the coming year. The shop floor employees undergo six days training at Gurukul before being deployed on the shop floor (Currently Gurukul set up is at 8 Manufacturing Units). This is to ensure suitably trained shop floor employees. The number of permanent employees of the Company as on 31 March 2019 were 2,305. IT is playing an increasingly important role for the HR function by continuous 2-way communication. Employee App which was launched 1.5 years back, through this, any employee who has a grievance or observation for improvement can post his/her concern and this is then resolved in a time bound manner. This also works as an excellent feedback mechanism. During the year under review, out of 314 circles in the quality control sector, Lumax Industries received 76 awards out of which 4 were International Awards (Gold-2, Star Award-1 and Best QC Project-1) won at ICQCC, Singapore. Quality circle is a highly regarded tool used in Japan to monitor and ensure issue redressal. Lumax Industries' employee involvement is 94% and the Company aims to achieve 100% involvement in the coming year – a reflection of its strong emphasis on quality. A big focus is also given to Kaizens and to recognise the employees "Kaizen Mela" was organised.

At Lumax, all the plants work on collaborative approach for maintaining harmonious Industrial Relations. The Wage increase at Unionized plants is done on the basis of Long-Term Settlements with the representative Union. Commitment from Workmen for Productivity and Overall plant improvements are the key parameters for wage increase. The relationship with the union has always been fair and as an organization we have not lost any man days on account of Industrial Relations. Apart from long term settlement the organization has a robust employee relations agenda at plants with focus on growth, inclusive participation and skill upgradation of these employees through In-house Skill centers at large. The workmen through these programs have taken up supervisory roles and have grown in their career.

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

Annexure - B

Corporate Governance Report

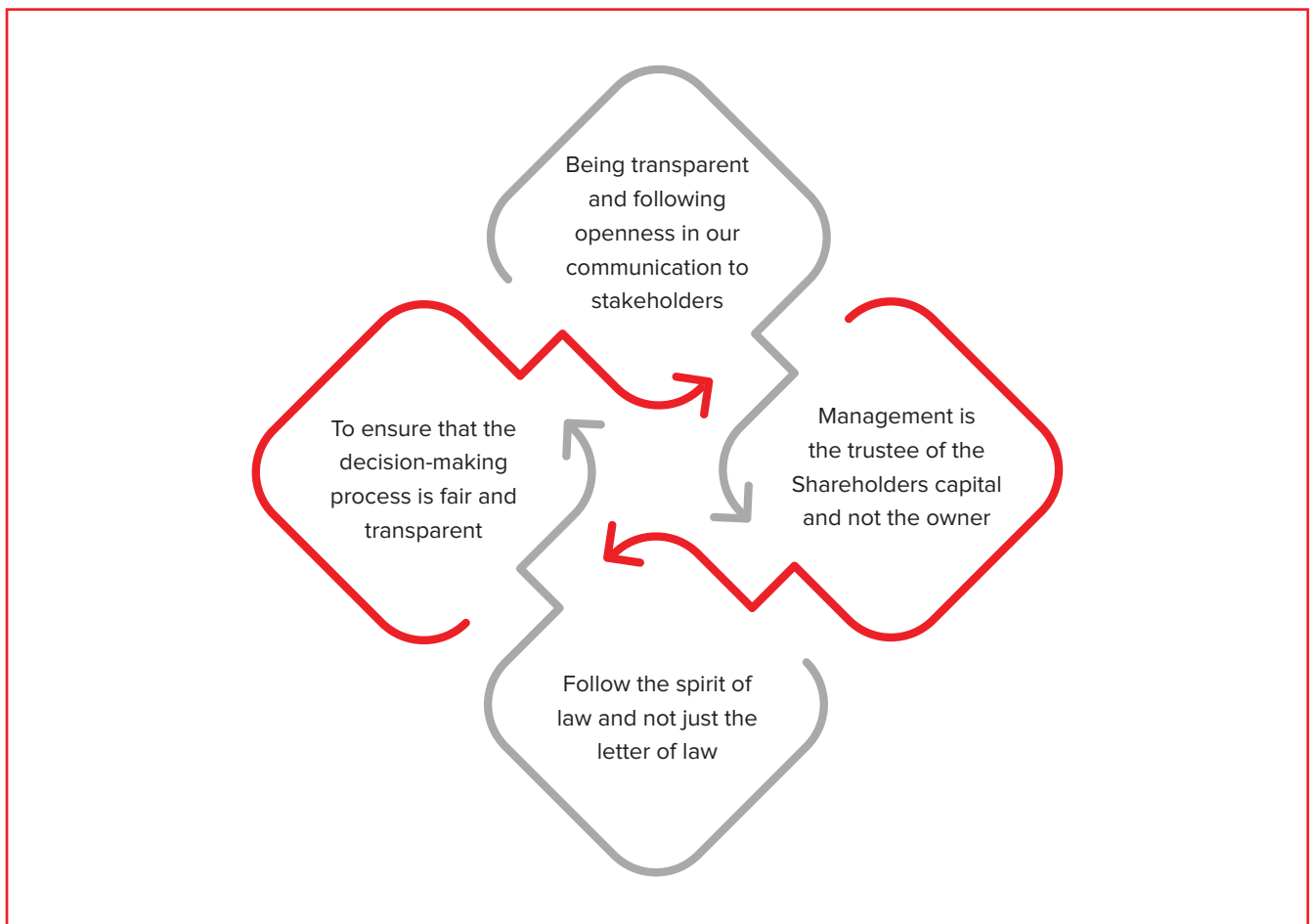
[Pursuant to Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

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

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

With regards to the Corporate Governance, the Company is in compliance with the requirements under Regulation 17 to 27 read with Schedule V and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

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



Annexure - B (Contd.)

Structure of Corporate Governance

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



2. BOARD OF DIRECTORS (“BOARD”)

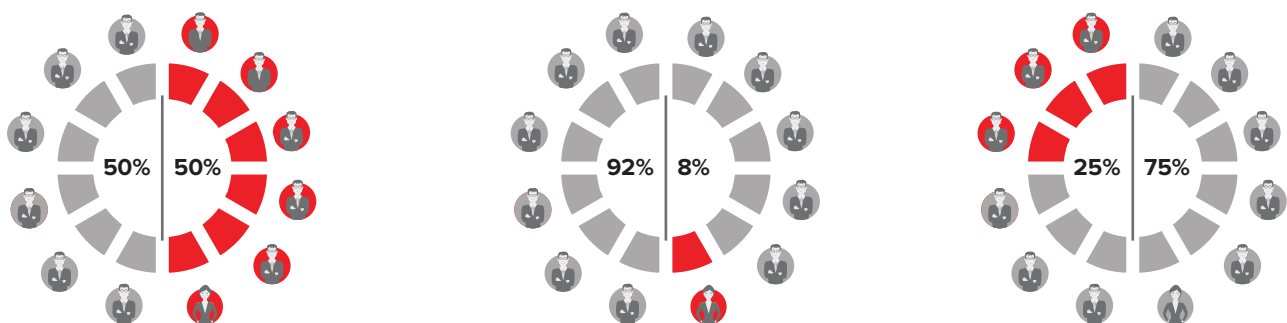
The Board is at the core of the Company’s Corporate Governance practices and oversees how the management serves and protects the long-term interests of all the stakeholders. The Board critically evaluates Company’s strategic direction, management policies and their effectiveness.

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

Composition and Category of Board

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

As on 31 March 2019 the Board comprised of twelve (12) Directors, out of which, five (5) Directors are Executive Director(s) including the Chairman & Managing Director, one (1) is Non-Executive Director and six (6) are Non-Executive Independent Director(s) constituting 50% of Board strength, including one (1) Woman Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder and is illustrated as below:



Executive/ Non- Executive Directors
 Independent Directors

Men Directors
 Woman Director

Indian Directors
 Foreign Directors

Annexure - B (Contd.)

Category of Board of Directors

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

* Appointed as an Additional Director by the Board in its meeting held on 28 July 2018 in the category of Independent Director.

Role of Chairman and Managing Director ("CMD")

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

Role of Joint Managing Director ("JMD")

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

Role of CEO & Senior Executive Director ("CEO & SED")

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

Independent Directors

The Independent Directors of the Company have been appointed for a term of 5 years up to 21 August 2019, except Mr. Rajeev Kapoor and Mrs. Ritika Modi who have been appointed at the Board Meetings held on 13 May 2017 and 28 July 2018 respectively. The Company has on its Board, eminent Independent Directors who have brought in independent judgement to Boards deliberation including issues of strategy, risk management and overall governance. They play a pivotal role in safeguarding the interests of all stakeholders.

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

Details of other Directorships and Chairmanship/Membership of Committees of each Director in various Companies for the Financial Year ending on 31 March 2019 including the Names of the Listed Entities and the Category of Directorships therein

S. No.	Name of Directors	Directorships held in other Public Companies*		Committee positions held in other Public Companies [@]		Name of Listed Entity and Category of Directorships
		Chairman	Member	Chairman	Member	
1.	Mr. Deepak Jain		7	1	-	➤ Lumax Auto Technologies Limited (Non-Executive Director) ➤ RSWM Limited (Non-Executive Independent Director)
2.	Mr. Anmol Jain		9	-	2	➤ Lumax Auto Technologies Limited (Managing Director)

Annexure - B (Contd.)

S. No.	Name of Directors	Directorships held in other Public Companies*		Committee positions held in other Public Companies®		Name of Listed Entity and Category of Directorships
		Chairman	Member	Chairman	Member	
3.	Mr. Vineet Sahni	-	1	-	-	Nil
4.	Mr. Tadayoshi Aoki	-	-	-	-	
5.	Mr. Koji Sawada	-	-	-	-	
6.	Mr. Toru Tanabe	-	-	-	-	
7.	Mr. Avinash Parkash Gandhi	-	8	3	9	↻ Lumax Auto Technologies Limited (Additional Director in the category of Independent Director) ↻ Schaeffler India Limited ↻ Minda Corporation Limited (Non- Executive Independent Director)
8.	Mr. Munish Chandra Gupta	-	2	4	3	↻ Vardhman Acrylics Limited ↻ Bhansali Engg Polymers Ltd (Non-Executive Independent Director)
9.	Mr. Rattan Kapur	-	3	-	1	Nil
10.	Mr. Dhiraj Dhar Gupta	-	4	-	2	
11.	Mr. Rajeev Kapoor	-	1	-	2	Rico Auto Industries Limited (Non-Executive Independent Director)
12.	Mrs. Ritika Modi	-	-	-	-	Nil

*Excludes Directorship in Foreign Companies and Companies Registered under Section 8 of the Companies Act, 2013 and includes Unlisted Public Companies.

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

Disclosure of relationships between Directors inter-se

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

Key Skills/Expertise/Competencies of Board of Directors

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

Knowledge of Automobile/Auto Component Sector	Understanding of industry and organisations involved in design, development, manufacturing, marketing and selling of automobiles and auto components
Understanding of Government legislation/ legislative process	Awareness of general framework of principles within which the Government is expected to act and within which regulations are issued
Finance & Accounting	Understanding of financial statements, transactions, financial reporting process and financial controls and management of assets and liabilities

Annexure - B (Contd.)

Corporate Laws and Governance	Understanding of corporate rules, processes or laws by which businesses are operated, regulated or controlled
Sales & Marketing	Development of strategies to grow market share and experience of operations and activities in global front across various geographical markets and industry verticals
Human Resource Management	Understanding of managing people and work culture of the organisation
Information Technology	Ability to understand and appreciate the importance and robust use of information technology in various aspects of business
Risk Management	Ability to identify, evaluate and prioritize risks followed by coordinated and economical application of resources to minimize, monitor and control the probability or impact of unfortunate events or to maximize the realization of opportunities
Strategy Development and Implementation	Appreciation of long-term trends, strategic choices and actions to reach long term goals, identification of approaches to put plans to action and monitoring of same
Stakeholder Relationships	Experience in building and nurturing relationships with key stakeholders viz. shareholders, customers, employees, bankers, government/ semi-government authorities and fulfilment of commitment towards them
Proximity to Social Issues	Ability to analyse and understand impact of social issues and suggest measures to address them

Confirmation that in opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent from the management

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

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

During the year under review no Independent Director resigned before expiry of tenure except Mrs. Pallavi Dinodia Gupta who ceased to be Independent Director with effect from 28 May 2018 due to her other pressing engagements and assignments and it is being confirmed that no other material reasons exist for cessation of her Directorship from the Board of the Company.

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

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

3. BOARD MEETINGS – PROCEDURES AND FLOW OF INFORMATION

The meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Corporate Office in Gurugram and all the necessary information and documents as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations pertaining to the meetings are made available to Board of Directors. Senior Executives / Management, and Statutory Auditors of the Company are invited to attend meetings of the Board and Committees, to make presentations covering Finance, Sales, major business segments and operations of the Company, all business areas of the Company including business opportunities, business strategy and the risk management practices and Internal Audit issues and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and approve the Financial results.

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

Annexure - B (Contd.)

The Agenda for the meetings of the Board and its Committees are circulated in advance to the Directors to ensure sufficient time is provided to prepare for the meetings. In the path of digitization and with a view to ensure its commitment to Go-Green initiative of the Government, the Company circulates to its Directors, notes to Agenda for Board/ Committee meetings through an electronic platform thereby ensuring high standards of security and confidentiality of Board papers.

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

During the Financial Year under review, the Board met six (6) times and the Attendance Record of Directors in Board Meeting and AGM for the Financial Year are tabulated below:

S. No.	Name of the Directors	Board Meetings					AGM	
		28.05.18	28.07.18	22.10.18	04.02.19	15.02.19	20.03.19	18.07.18
1.	Mr. Deepak Jain	✓	✓	✓	✓	✓	x	✓
2.	Mr. Anmol Jain	✓	✓	✓	✓	✓	x	✓
3.	Mr. Vineet Sahni	✓	✓	✓	✓	✓	x	✓
4.	Mr. Tadayoshi Aoki	✓	✓	📺	✓	✓	x	✓
5.	Mr. Koji Sawada	✓	✓	✓	✓	✓	✓	✓
6.	Mr. Toru Tanabe	x	x	📺	x	x	x	x
7.	Mr. Avinash Parkash Gandhi	✓	✓	x	✓	✓	✓	✓
8.	Mr. Munish Chandra Gupta	✓	✓	✓	✓	✓	✓	✓
9.	Mr. Dhiraj Dhar Gupta	✓	✓	✓	✓	✓	✓	✓
10.	Mr. Rattan Kapur	✓	✓	✓	✓	✓	✓	✓
11.	Mr. Rajeev Kapoor	✓	✓	✓	✓	✓	✓	✓
12.	Mrs. Pallavi Dinodia Gupta*	◆	◆	◆	◆	◆	◆	◆
13.	Mrs. Ritika Modi [#]	◆	◆	✓	x	✓	✓	◆

✓ Present x Absent 📺 Attended through Video Conferencing ◆ Not Applicable

*Ceased to be an Independent Director w.e.f. 28 May 2018

[#]Appointed as an Additional Director by the Board in its meeting held on 28 July 2018 in the category of Independent Director.

Number of Board Meetings held and the dates on which held

The Board of Directors met six (6) times during the Financial Year 2018-19. The intervening period between two Board Meetings was well within the maximum time gap of 120 days, as prescribed under Listing Regulations. The dates on which Board Meetings were held during the Year are as under:

S. No.	Date of Board Meeting	Board's Strength	No. of Directors Present
1.	28 May 2018	12*	10
2.	28 July 2018	11 [#]	10
3.	22 October 2018	12	11
4.	4 February 2019	12	10
5.	15 February 2019	12	11
6.	20 March 2019	12	7

*Includes Mrs. Pallavi Dinodia Gupta who ceased to be Independent Director with effect from 28 May 2018.

[#]Mrs. Ritika Modi was appointed as an Additional Director in the category of Independent Director with effect from 28 July 2018 (took effect post Board Meeting hours).

Meeting of Independent Director

In accordance with Section 149 (7) of Companies Act, 2013 read with Schedule IV and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 18 March 2019, to consider and discuss the following matters:

1. To review the Board Composition and Quality.
2. To review the performance of Chairman and Promoter Directors.
3. To review the Composition and performance of Committees.
4. To review the performance of Independent Directors (Among themselves).
5. 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.

Annexure - B (Contd.)

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

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

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

The details of such Familiarization Program for Independent Directors are posted on the website of the Company and the web link of the same is provided here under: <http://www.lumaxworld.in/lumaxindustries/pdf/familiarisation-program.pdf>.

4. COMMITTEES OF THE BOARD

As on 31 March 2019, the Company consists of four (4) statutory committees which have been mandated under the provisions of Companies Act, 2013 and Listing Regulations. Every Committee has an important role to play within terms of its reference. The process and procedure related to the Board Meetings are also applicable and followed in the Committee Meetings. The agenda items placed before consideration by Committees are recommended for approval in the Board Meetings.

Audit Committee

Brief Description of terms of reference

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

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

- (i) to oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible;
- (ii) to recommend the appointment, remuneration and terms of appointment of Statutory Auditors;
- (iii) approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- (iv) reviewing, with the management, the annual Financial Statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - matters required to be included in the Director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- (v) reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
- (vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (viii) approval or any subsequent modification of transactions of the listed entity with related parties;

Annexure - B (Contd.)

- (ix) scrutiny of inter-corporate loans and investments;
- (x) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (xi) evaluation of internal financial controls and risk management systems;
- (xii) reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- (xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) discussion with Internal Auditors of any significant findings and follow up there on;
- (xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared Dividends) and creditors;
- (xviii) to review the functioning of the whistle blower mechanism;
- (xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (xxi) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (iii) management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- (iv) internal audit reports relating to internal control weaknesses; and
- (v) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (vi) statement of deviations:
- (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- (vii) Any other matter with the specific permission of the Committee or referred by the Board.

Composition, Name of Members and Chairperson

During the year under review the Audit Committee comprised of five (5) Non-Executive Independent Directors, Managing Director and Executive Director. The Composition of the Audit Committee during the Financial Year 1 April 2018 to 31 March 2019 was as follows:

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

In addition, the Audit Committee shall mandatorily review the following information:

Annexure - B (Contd.)

Meetings and Attendance

The Audit Committee met seven (7) times during the Financial Year ended 31 March 2019. The details of meetings held and attendances of Directors in those meetings are tabulated as under:

S. No.	Name of the Directors	Details Audit Committee Meetings							No. of Meetings Attended
		28.05.18	28.07.18	22.10.18	04.02.19	15.02.19	18.03.19	20.03.19	
1.	Mr. Avinash Parkash Gandhi	✓	✓	×	✓	✓	✓	✓	6
2.	Mr. Munish Chandra Gupta	✓	✓	✓	✓	✓	✓	✓	7
3.	Mr. Dhiraj Dhar Gupta	✓	✓	✓	✓	✓	✓	✓	7
4.	Mr. Rattan Kapur	✓	✓	✓	✓	✓	✓	✓	7
5.	Mr. Rajeev Kapoor	✓	✓	✓	✓	✓	×	✓	6
6.	Mr. Deepak Jain	✓	✓	✓	✓	✓	×	×	5
7.	Mr. Tadayoshi Aoki	✓	✓	📺	✓	✓	×	×	5

✓ Present × Absent 📺 Attended through Video Conferencing

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

Nomination And Remuneration Committee

Brief Description of terms of reference

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior

Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- Undertake any other matters as may be prescribed by Board from time to time

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

Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee comprises of Three (3) Directors as its Members. All the Members of the Committee are Non-Executive Independent Directors and have sound knowledge of management practices. The Chairman of the Committee is a Non-Executive Independent Director nominated by the Board. The constitution of the Nomination and Remuneration Committee as on 31 March 2019 is as under:

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

Annexure - B (Contd.)

Meetings and Attendance

The Nomination & Remuneration Committee had met twice during the Financial Year 1 April 2018 to 31 March 2019 to consider and recommend to the Board the following:

1. Appointment of Mrs. Ritika Modi as an Independent Director of the Company for a period of five (5) Years.
2. Re-Appointment of Mr. Koji Sawada as an Executive Director of the Company for a period of further period of three (3) Years.
3. Re-Appointment of Mr. Avinash Parkash Gandhi as an Independent Director of the Company for a further period of five (5) Years.
4. Re-Appointment of Mr. Munish Chandra Gupta as an Independent Director of the Company for a further period of five (5) Years.
5. Re-Appointment of Mr. Dhiraj Dhar Gupta as an Independent Director of the Company for a further period of five (5) Years.
6. Re-Appointment of Mr. Rattan Kapur as an Independent Director of the Company for a further period of five (5) Years.

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
		28.07.18	04.02.19	
1.	Mr. Rattan Kapur	✓	✓	2
2.	Mr. Avinash Parkash Gandhi	✓	✓	2
3.	Mr. Dhiraj Dhar Gupta	✓	✓	2

✓ Present

Performance evaluation of Board, Committees etc.

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

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

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

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

Share Transfer/Stakeholder Relationship Committee

In adherence with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of Listing Regulations the Company has constituted a Share Transfer/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. The terms of reference of the Committee, inter-alia, include the following:

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

Annexure - B (Contd.)

Name of Non- Executive Director heading the Committee

Mr. Dhiraj Dhar Gupta, Non- Executive Independent Director is the Chairman of Share Transfer/Stakeholder Relationship Committee. The Committee comprises of Three (3) Members and the details of constitution of the Committee as on 31 March 2019 are given as below:

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

Name and Designation of Compliance Officer

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

Status of Shareholders Complaints/Grievances Received, pending and resolved

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

S. No.	Particulars Nature of Complaints/ Grievances	No. of Complaints		
		Received	Resolved	Pending
1.	Non receipt of Share Certificate	30	30	0
2.	Non receipt of Dividend	93	93	0
3.	Non receipt of Annual Report	19	19	0
4.	Scores	2	2	0
5.	Stock Exchange	4	4	0

Meetings and Attendance

During the Financial Year under review fifteen (15) meetings of Committee were held. The following is the attendance record at the Committee meeting:

S. No.	Details of Meetings Held	Name of Directors		
		Mr. Dhiraj Dhar Gupta	Mr. Deepak Jain	Mr. Tadayoshi Aoki
1.	30.04.2018	✓	✓	✓
2.	21.05.2018	✓	✓	✓
3.	28.05.2018	✓	✓	✓
4.	27.06.2018	✓	✓	✓
5.	28.07.2018	✓	✓	✓
6.	22.08.2018	✓	✓	✓
7.	24.09.2018	✓	✓	✓
8.	06.10.2018	✓	✓	✓
9.	22.10.2018	✓	✓	✓
10.	14.11.2018	✓	✓	✓
11.	18.12.2018	✓	✓	✓
12.	16.01.2019	✓	✓	✓
13.	30.01.2019	✓	✓	✓
14.	04.02.2019	✓	✓	✓
15.	25.03.2019	✓	✓	✓
No. of Meetings attended		15	15	15

✓ Present

Annexure - B (Contd.)

Corporate Social Responsibility (CSR) Committee

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

- (i) 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
- (ii) to recommend the amount of expenditure to be incurred on such activities
- (iii) to monitor the Corporate Social Responsibility Policy of the Company from time to time.

Composition, Chairperson and Name of Members

The Composition of Corporate Social Responsibility Committee as on 31 March 2019 is as under:

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

Meetings and Attendance

During the Financial Year under review the CSR Committee Meeting was held once and the attendance record of Directors is as follows:

S. No.	Name of Directors	Date of Meeting held
		28.05.18
1.	Mr. Munish Chandra Gupta	✓
2.	Mr. Avinash Parkash Gandhi	✓
3.	Mr. Deepak Jain	✓
4.	Mr. Anmol Jain	✓

✓ Present

5. REMUNERATION OF DIRECTORS

All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors and Independent Directors during the Financial Year 2018-19 except for the Sitting Fees payable to them as recommended and approved by the Nomination and Remuneration Committee and Board respectively from time to time.

Criteria of making payments to Non-Executive Directors

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

The Non-Executive Directors are entitled to sitting fees for attending meetings of the Board or Committees thereof as may be decided by the Board from time to time. Provided that the amount of such fees does not exceed ₹ 1 Lakh per meeting of the Board or Committee.

Disclosures with respect to Remuneration

Remuneration paid to Executive Directors

The details of remuneration paid to Executive Directors during the Financial Year ended 31 March 2019 are as follows:

S. No.	Name of the Directors	Salary	Perquisites and other benefits	Commission	(₹ In Lakhs)
					Total
1.	Mr. Deepak Jain	72.00	47.84	392.98	512.82
2.	Mr. Anmol Jain	31.20	15.60	136.41	183.21
3.	Mr. Vineet Sahni	96.27	145.75	114.19	356.22
4.	Mr. Tadayoshi Aoki	2.88	13.27	-	16.15
5.	Mr. Koji Sawada	2.88	12.88	-	15.76

Annexure - B (Contd.)

Payments paid to Non-Executive Independent Directors

Details of payments in form of Sitting Fees for attending Board Meetings and Committee Meetings paid to the Independent Directors during the Financial Year ended 31 March 2019 are as under:

							(₹ In Lakhs)
S. No.	Name of the Directors	Board Meetings	Audit Committee Meetings	Nomination & Remuneration Committee Meetings	CSR Committee Meetings	Independent Directors Meeting	Total
1.	Mr. Avinash Parkash Gandhi	2.00	1.20	0.40	0.20	0.40	4.20
2.	Mr. Munish Chandra Gupta	2.40	1.40	◆	0.20	0.40	4.40
3.	Mr. Dhiraj Dhar Gupta	2.40	1.40	0.40	◆	0.40	4.60
4.	Mr. Rattan Kapur	2.40	1.40	0.40	◆	0.40	4.60
5.	Mr. Rajeev Kapoor*	2.40	1.20	◆	◆	◆	3.60
6.	Mrs. Ritika Modi	1.20	◆	◆	◆	0.40	1.60

* Mr. Rajeev Kapoor did not attend the Meeting of Independent Directors held on 18 March 2019

◆ Not Applicable

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.

Stock Options Details, if any

No stock options have been granted to any Directors during the Financial Year 2018-19.

6. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location
2015-16	08-08-2016		Air Force Auditorium,
2016-17	22-07-2017	10:30 A.M.	Subroto Park, New Delhi-110010
2017-18	18-07-2018		

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

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

AGM held on 8 August 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.

AGM held on 22 July 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.

AGM held on 18 July 2018

- Appointment of Mr. Tadayoshi Aoki as Senior Executive Director for a period of 3 years.
- Appointment of Mr. Vineet Sahni as Senior Executive Director for a period of 5 years.

Details of Special Resolution passed last year through Postal Ballot

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

Amendment of Articles of Association of the Company for Insertion of Clause "Chairman Emeritus"

Date of Notice of Postal Ballot: 31 March 2018

Voting Period: 12 May 2018 to 10 June 2018

Date of Declaration of Result: 14 June 2018

Date of Approval: 10 June 2018

A summary of the voting pattern is as follows

No. of Votes Polled	No. of Votes in favour	No. of Votes against	% of Votes in favour on Votes Polled	% of Votes against on Votes Polled
70,13,010	70,11,764	881	99.98	0.02

Annexure - B (Contd.)

Person who conducted the Postal Ballot exercise

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

Special Resolution proposed through Postal Ballot

None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of Special Resolution through Postal Ballot.

Procedure of Postal Ballot

In Compliance with the provisions of Section 110 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 made thereunder, the Company completed the dispatch of Postal Ballot notice on 11 May 2018 along with the Postal Ballot Forms and self-addressed postage pre-paid Business Reply Envelopes to the Shareholders whose names appeared in the register of shareholders/ list of beneficiaries as on cut-off date i.e. 4 May 2018. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable rules.

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

Shareholders were advised to carefully read the instructions printed on the Postal Ballot Form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinizer on or before 05:00 P.M. (IST) on Sunday, 10 June 2018 in case of Members desiring to exercise their votes by physical postal ballot forms. Members voting through electronic mode were requested to follow the instructions for e-voting and could vote from Saturday, 12 May 2018 at 09:00 A.M. (IST) and ends on Sunday, 10 June 2018 at 05:00 P.M. (IST).

The Scrutinizer submitted his report to the Chairman of the Company after completion of the scrutiny on 12 June 2018 and the results of the voting by means of Postal Ballot (including voting through electronic means) were announced on 14 June 2018 at 05:00 P.M. at the

Registered Office of the Company. The said results was published in the newspapers within 48 hours of the declaration of the results and was also placed on the website of the Company at www.lumaxworld.in/lumaxindustries, besides being communicated to Stock Exchanges

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

7. MEANS OF COMMUNICATION

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

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

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

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

Presentations made to Institutional Investors or to the Analysts

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

Official News Releases/ Conference Calls with Investors

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

Annual Report

The Annual Report containing, inter-alia, the Audited Financial Statements (Standalone & Consolidated), Board's Report, Auditors' Report, Management

Annexure - B (Contd.)

Discussion and Analysis (MDA) report and other important information is circulated to Shareholders and other stakeholders and is also available on the Company's website at www.lumaxworld.in/lumaxindustries.

Stock Exchange

The Company makes timely disclosure of prescribed information to BSE and NSE in terms of the Listing Regulations, 2015 and other rules and regulations issued by the SEBI.

BSE Corporate Compliance & Listing Centre (the Listing Centre)

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

NSE Electronic Application Processing System (NEAPS)

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

Reminders/Correspondences with Investors

The periodical reminders to Shareholders regarding unclaimed shares/Dividend, e-mail registrations, Notice of General Meetings or any other information required to be disseminated under applicable statutes is sent to them in electronic form.

8. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

The 38th Annual General Meeting of the Company is scheduled as under

Date : 23 August 2019

Day : Friday

Time : 10:30 A.M.

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

Financial Year : 1 April to 31 March

For the Financial Year 2018-19 Results were announced on

Adoption of Quarterly Results Ended	Dates
30 June 2018	28 July 2018
30 September 2018	22 October 2018
31 December 2018	4 February 2019
31 March 2019 (Audited Annual Accounts)	14 May 2019

Financial Calendar for Financial Year 2019-20 (Provisional)

Adoption of Quarterly Results Ended	Tentative Calendar*
30 June 2019	1st week of August 2019
30 September 2019	2nd week of November 2019
31 December 2019	1st week February 2020
31 March 2020 (Audited Annual Accounts)	4th week of May 2020

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

Dividend & Dividend Payment Date

A Dividend of ₹ 35/- per share (350%) has been recommended by the Board in their meeting held on 14 May 2019 for the Financial Year 2018-19 which is subject to the approval of the Shareholders at the ensuing AGM. For Demat Shareholders and Physical Shareholders who have opted for NECS/ ECS, Dividend amount of ₹ 35/- per share will be credited directly to their respective bank accounts, wherever such facilities are available, soon after the declaration of Dividend in the AGM. For others, Dividend Warrants/Demand Drafts will be posted on or before 22 September 2019 (tentative).

Date of Book Closure : Saturday, 17 August 2019 to Friday, 23 August 2019 (both days inclusive)

Name and address of Stock Exchanges where Securities are listed

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

Stock Codes

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

BSE	517206
NSE	LUMAXIND

The ISIN of the Company is INE162B01018

Annual Listing Fees

The Listing Fees for the Financial Year 2018-19 has been paid to the BSE Limited and National Stock Exchange of India Limited within stipulated time.

Annexure - B (Contd.)

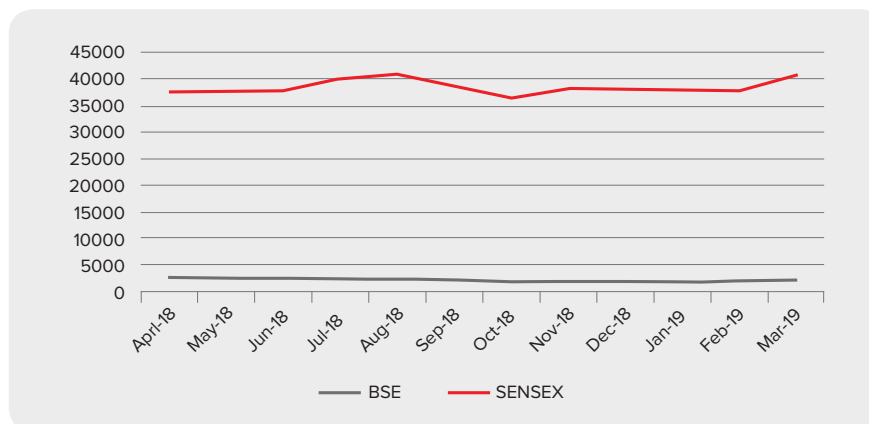
Market price data – High and Low during each month in last Financial Year

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) during the Financial Year 2018-19 are as follows:

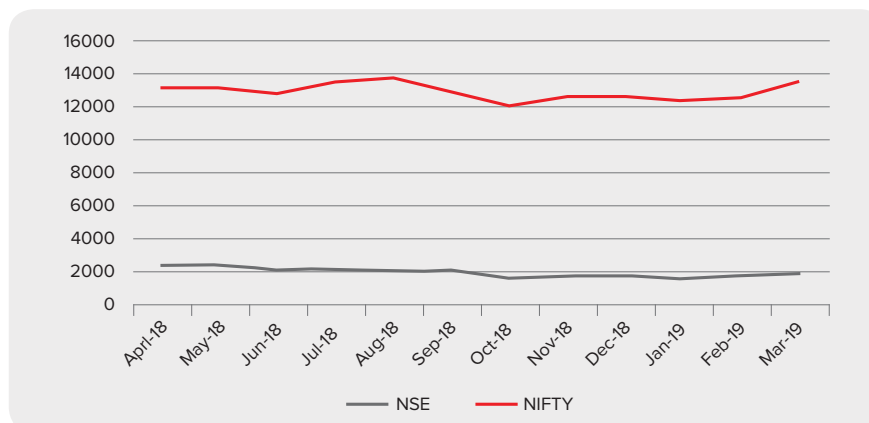
MONTH	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2018	2,351.95	2,155.00	31,707	2,368.00	2,180.60	70,732
May 2018	2,585.00	2,191.00	14,818	2,580.00	2,200.05	1,71,823
June 2018	2,355.00	1,951.00	13,712	2,374.95	1,952.00	1,05,821
July 2018	2,190.00	1,785.70	11,590	2,174.00	1,800.00	85,978
August 2018	2,266.00	1,950.00	5,898	2,277.85	1,950.00	72,468
September 2018	2,150.00	1,906.00	64,340	2,180.45	1,950.00	1,34,584
October 2018	1,963.20	1,559.00	13,719	1,950.00	1,545.00	93,636
November 2018	1,815.00	1,560.05	11,242	1,749.90	1,560.05	60,220
December 2018	1,790.00	1,651.00	4,809	1,790.00	1,648.00	42,515
January 2019	1,739.85	1,386.00	6,765	1,720.00	1,405.05	34,891
February 2019	1,698.00	1,430.00	6,177	1,681.60	1,445.00	53,455
March 2019	1,965.40	1,662.10	20,463	1,968.50	1,664.95	1,10,851

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

Lumax Share Price and BSE Sensex Movement



Lumax Share Price and NSE Nifty Movement



Annexure - B (Contd.)

Stock Performance in comparison to broad-based Indices from April 2018 to March 2019 is given below

The table below represents the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the Financial Year ended 31 March 2019:

MONTH	BSE (₹)	SENSEX	NSE (₹)	NIFTY
April 2018	2,256.65	35,160.36	2,292.80	10,739.35
May 2018	2,313.20	35,322.38	2,336.90	10,736.15
June 2018	2,025.25	35,423.48	2,012.35	10,714.30
July 2018	2,034.30	37,606.58	2,060.85	11,356.50
August 2018	1,952.40	38,645.07	1,956.80	11,680.50
September 2018	1,945.15	36,227.14	1,953.30	10,930.45
October 2018	1,575.80	34,442.05	1,566.25	10,386.60
November 2018	1,669.00	36,194.30	1,671.90	10,876.75
December 2018	1,693.00	36,068.33	1,685.20	10,862.55
January 2019	1,508.20	36,256.69	1,520.40	10,830.95
February 2019	1,671.45	35,867.44	1,658.35	10,792.50
March 2019	1,818.70	38,672.91	1,814.50	11,623.90

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

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

The Securities of the Company have not been suspended for trading at any point of time during the Financial Year ended 31 March 2019.

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

M/s Karvy Fintech Private Limited
 Karvy Selenium Tower-B, Plot No.31-32,
 Gachibowli, Financial District, Nanakramguda,
 Hyderabad-500032
 Tel : 040 -67162222
 Fax: 040 -23001153
 Toll Free No: 1800-3454-001
 E-mail : einward.ris@karvy.com

Share Transfer System

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

Pursuant to amendment in Regulation 40 of Listing Regulations vide Gazette notification dated 8 June 2018, transfer of securities were to be carried out in dematerialized form only with effect from 5 December 2018 initially. This timeline was further extended to 1 April 2019 vide notification dated 3 December 2018. Accordingly trading/transfers in equity shares of the Company through recognized Stock Exchanges can be done in dematerialized form only.

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

The total number of shares transferred/transmitted during the Financial Year 2018-19 was 7,525, which were registered and returned to the respective transferee within a period ranging from one to two weeks, provided the documents lodged with the RTA/Company are clear in all respects.

Annexure - B (Contd.)

Reconciliation of Share Capital Audit

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

Distribution of Shareholding as on 31 March 2019

Below table lists the distribution of shareholding by number of shares held and shareholding pattern in percentage pursuant to Regulation 31 of Listing Regulations as on 31 March 2019

Range of Shares		No. of Share-holders	% of Share-holders	Amount (₹)	% of Equity Capital
1	5,000	18,738	97.71	90,24,090	9.65
5,001	10,000	201	1.05	14,91,240	1.60
10,001	20,000	93	0.49	12,99,060	1.39
20,001	30,000	29	0.15	7,26,280	0.78
30,001	40,000	12	0.06	4,31,790	0.46
40,001	50,000	16	0.08	7,31,810	0.78
50,001	1,00,000	21	0.11	15,71,000	1.68
1,00,001	& above	28	0.15	7,82,02,050	83.66
Total		19,138*	100.00	9,34,77,320	100.00

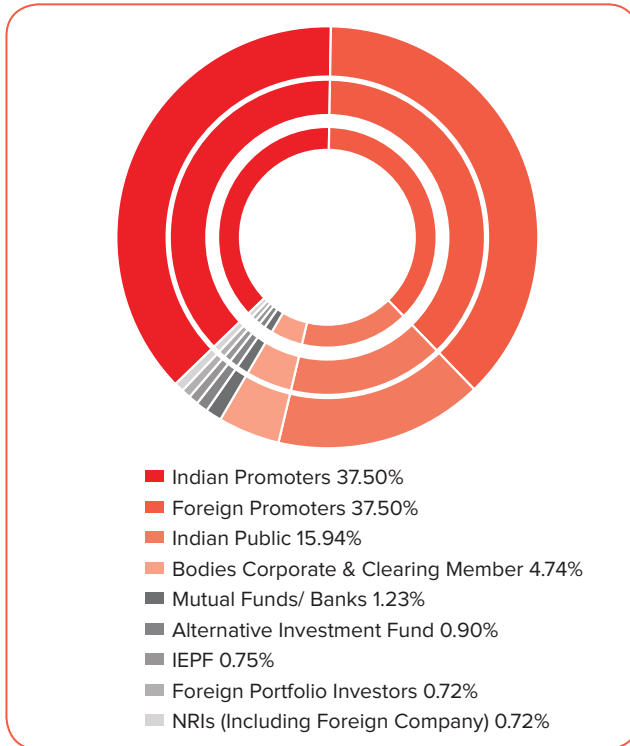
*Includes total number of Shareholders (with PAN details and without PAN details).

Shareholding Pattern as on 31 March 2019

S. No.	Category of Shareholders	No. of Shares held	% age of Shareholding
A.	Promoters' Holding		
1.	Promoters		
	Indian Promoters	35,05,399	37.50
	Foreign Promoters	35,05,399	37.50
	Persons acting in concert	-	-
2.	Sub – Total (A)	70,10,798	75.00
B.	Non-Promoters Holding		
3.	Institutional Investors		
	a. Mutual Funds/ Banks	1,14,908	1.23
	b. Foreign Portfolio Investors	67,569	0.72
	c. Alternative Investment Fund	83,696	0.90
	Sub – Total (B3)	2,66,173	2.85
4	Others:-		
	Bodies Corporate & Clearing Member	4,43,119	4.74
	Indian Public	14,90,543	15.95
	NRIs (Including Foreign Company)	66,977	0.72
	IEPF	70,122	0.75
	Sub – Total (B4)	20,70,761	22.15
	Sub – Total (B) (B3+B4)	23,36,934	25.00
	Total (A+B)	93,47,732	100.00

Annexure - B (Contd.)

Graphical Presentation of Shareholding Pattern (Category Wise) as on 31 March 2019



Dematerialization & Liquidity of Shares as on 31 March 2019

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

Plant Locations of the Company as on 31 March 2019

There are total 9 locations where the manufacturing plants of the Company are located:

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, Bengaluru, Karnataka

Status of Dematerialization

Particulars	No. of Shares	% of the Total Share Capital
NSDL	86,31,336	92.34
CDSL	5,48,676	5.87
Physical Form	1,67,720	1.79
Total	93,47,732	100.00

Particulars	No. of Shareholders	% of the Total Shareholders
NSDL	9,022	47.14
CDSL	6,456	33.73
Physical Form	3,660	19.12
Total	19,138	100.00

Status of Liquidity

The number of shares of the Company traded in the Stock Exchange for the Financial Year 2018-2019 is given below:

Particulars	BSE	NSE	Total
No of shares Traded	2,05,240	10,36,974	12,42,214
% of Total Equity	2.19%	11.09%	13.28%

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

There are no GDRs/ ADRs/ Warrants outstanding as on 31 March 2019.

Commodity price risk or foreign exchange risk and hedging activities

In order to manage the Company's Foreign Exchange Exposure, the Company has in place an appropriate mechanism for management of Corporate Foreign Exchange Risk by defining its exposures, measuring them and defining appropriate actions to control this risk. The intent of this mechanism is to minimise the Financial Statement impact of fluctuating Foreign Currency Exchange Rates.

Annexure - B (Contd.)

CONTACT DETAILS FOR CORRESPONDENCES

Information for Corporate & Institutional Investors and Analyst Information

Mr. Shruti Kant Rustagi - Chief Financial Officer

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

Ph. No. +91124 4760000

Email: shrutikant.rustagi@lumaxmail.com

Information for Retail Investors

Ms. Ankita Gupta - Company Secretary & Compliance Officer

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

Ph. No. +91124 4760000

Email(s): ankita.gupta@lumaxmail.com lumaxshare@lumaxmail.com

Registrar and Share Transfer Agent

M/s Karvy Fintech Private Limited

Unit: Lumax Industries Limited

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

Tel: 040 -67162222 Fax: 040 -23001153

Toll Free No: 1800-3454-001

Email: einward.ris@karvy.com

Contact Person: Mr. Rajeev Kumar

Email: rajeev.kr@karvy.com

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

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

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

The Company has issued Commercial papers during the year for which ICRA has assigned A1+ rating. The Company does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the Financial Year ended 31 March 2019. There were no revision/changes in the abovesaid ratings issued by ICRA.

9. OTHER DISCLOSURES

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

There were no transactions of significant material nature that have a potential conflict with the interest of Company at large. During the Financial Year 2018-19 all the transactions entered into were in the normal course of business and at arms-length basis. The said transactions are reported as the Related Party Transactions in the Annual Financial Statements.

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

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

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

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

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

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

Annexure - B (Contd.)

During the Year under review, the said Policy was suitably amended to include reporting of instances relating to leak of Unpublished Price Sensitive Information (UPS).

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

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

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

Adoption of Non- Mandatory Requirements

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

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

Web link where policy for determining 'material' subsidiaries is disclosed

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

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

During the Year under review, the Board suitably amended the Policy on dealing with and materiality of Related Party Transactions to bring it in line with recent amendments of Listing Regulations and Companies Act, 2013

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

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

In order to manage the Company's Foreign Exchange Exposure, the Company has in place an appropriate mechanism for management of Corporate Foreign Exchange Risk by defining its exposures, measuring them and defining appropriate actions to control this risk. The intent of this mechanism is to minimize the Financial Statement impact of fluctuating Foreign Currency Exchange Rates.

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

The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement during the Financial Year ended 31 March 2019.

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

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Maneesh Gupta (C.P. No. 4982) Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 14 May 2019. The same is reproduced as below:

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

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

To

Lumax Industries Limited

2nd Floor, Harbans Bhawan-II, Commercial Complex,

Nangal Raya, New Delhi-110046

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31 March 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

Place: New Delhi
Date: 14 May 2019

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

Annexure - B (Contd.)

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

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

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

During the Year under review, a total fee of ₹ 43,90,752 (Rupees Forty-three Lakhs Ninety Thousand and Seven Hundred Fifty-Two) was paid by the Company for all the services provided by Statutory Auditor. The break up of same is tabulated as under:

		(₹ In Lakhs)
S. No.	Particulars	Fees Paid
1.	Statutory Audit	24.50
2.	Limited Review	10.50
3.	Tax Audit	3.00
4.	Out of Pocket Expenses	4.90
5.	Other Certification	1.00
TOTAL		43.90

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the Financial Year 2018-19 are as under:

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

* The Complaint was disposed within a period of 90 days i.e. in stipulated time period as prescribed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

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

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

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

- (i) **The Board:** The Chairperson of the Company is of Executive category, hence the requirement of maintaining a Chairperson's office at the Company's expense and reimbursement of expenses incurred in performance of his duties does not apply.
- (ii) **Shareholder Rights:** Quarterly Financial Statements are published in newspapers and uploaded on Company's website to be accessible by Shareholders.
- (iii) **Modified opinion(s) in audit report:** During the year under review, there is no Audit qualifications on the Company's Financial Results. The Company continues to adopt best practices to ensure regime of Unmodified Opinion.
- (iv) **Reporting of Internal Auditor:** M/s Grant Thornton India LLP are the Internal Auditors of the Company. The Internal Auditors have direct access to the Audit Committee and separate meeting of Audit Committee are held wherein Internal Auditors presents their Audit Observations to the Audit Committee of Board.

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

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

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

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

The Company has adopted a Code of Conduct for its Board and Senior Employees as per Listing Regulations and the same is available at the Company's website. All Members of the Board and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the Financial Year 2018- 19. A declaration to that effect, signed by the CEO & Senior Executive Director forms part of this Report. The Code of Conduct is also available on the website of Company under the web link <https://www.lumaxworld.in/lumaxindustries/corporate-governance.html>.

Annexure - B (Contd.)

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

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

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

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

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of Shareholders and outstanding shares at the beginning of the year i.e. as on 1 April 2018	168	5,123
Number of Shareholders who approached for issue/transfer of Shares during the year 2018-19	26	770
Number of Shareholders to whom shares were issued/ transferred	26	770
Transfer to IEPF	160	10,178
Aggregate number of Shareholders and the Outstanding shares lying at the end of the year i.e. 31 March 2019	142	4,353

All the corporate benefit against these shares like bonus shares, split, Dividend etc if any declared, would also be transferred to unclaimed suspense account of the Company. The voting rights on the 4,353 shares shall remain frozen till the rightful owner of such shares claims the shares.

16. UNCLAIMED/UNPAID DIVIDENDS AND SHARES

Pursuant to the provisions of Section 124 & 125 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Dividend which remains unclaimed/unpaid for a period of 7 years from the date of transfer shall be transferred to Investor Education and Protection Fund (IEPF) Authority. Further, all corresponding shares in respect of above said Dividend shall also be transferred to the Demat Account of IEPF Authority.

The Company had sent notices to all Shareholders whose shares were due to be transferred to IEPF and the newspaper advertisement with respect to same

was also published. During the Financial Year 2018-19 ₹ 7.49 Lakhs of unpaid/unclaimed Dividends and 10,158 shares were transferred to the IEPF Authority.

Further, the Unclaimed Dividend for the Financial Year 2011-12 shall become transferable to the Investor Education & Protection Fund by second week of October 2019. The Company has been writing periodical reminders to all the Shareholders whose Dividends are lying unpaid in the Unpaid Dividend Account. Members who have not encashed their Dividend for the Financial Year 2011-12 and onwards are therefore, requested to make their claims to the Company immediately.

The Company has appointed Ms. Ankita Gupta as Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company

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

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

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

1. Policy for determination of 'legitimate purposes' as a part of 'Code of Fair Disclosure and Conduct'
2. Policy for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI)
3. Whistle Blower Policy to enable reporting in case of leak of UPSI

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

18. CEO/CFO CERTIFICATE

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

19. OTHER IMPORTANT INFORMATION FOR SHAREHOLDERS

Nomination of Shares

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, read with the

Annexure - B (Contd.)

Companies (Share Capital and Debentures) Rules, 2015 are requested to submit to the Company nomination in the prescribed Form SH-13 for this purpose.

Updation of Shareholders Details

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

Mandatory Requirement of PAN and Bank Details

Pursuant to SEBI Circular dated 20 April 2018, the Company has sent a letters/e-mails through its RTA along with KYC form followed by 2 (Two) reminders to the Shareholders requesting them to submit their PAN and Bank Account details for updation of their data in Company records. Accordingly, Shareholders holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Shareholders holding shares in physical form should submit their PAN to the Company.

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

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

Mandatory transfer/transmission/transposition of shares in dematerialized mode

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

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

Updation of e-mails/correspondence address

Pursuant to MCA Circulars issued in 2011, the electronic copy of the Notice convening the 38th AGM of the Company, Annual Report along with the Attendance Slip and Proxy Form are being sent to the Members through e-mail(s) who have registered their email ids with the Company/Depository Participant(s). For Members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode. Members, who have not registered their email ids so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc. from the Company electronically.

All Shareholders holding shares in physical form are requested to notify to the Company, change in their address email Id instantly by written request under the signatures of sole/ first joint holder.

SCORES- SEBI Complaints Redress System

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

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

20. COMPLIANCE OFFICER OF THE COMPANY

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.

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 2018-19.

Place: Gurugram
Date: 14 May 2019

Sd/-
Vineet Sahni
CEO & Senior Executive Director

CEO AND CFO CERTIFICATE

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

- a. We certify to the Board that we have reviewed Financial Statements and Cash Flow Statement for the year ended 31 March 2019 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.
- a. 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.
- b. 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.
- c. 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: Gurugram
Date: 14 May 2019

Sd/-
Shruti Kant Rustagi
Chief Financial Officer

Sd/-
Vineet Sahni
CEO & Senior Executive Director

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members of **Lumax Industries Limited**

1. This certificate is issued in accordance with our engagement letter dated 2 April 2019.
2. This certificate contains details of compliance of conditions of corporate governance by Lumax Industries Limited ('the Company') for the year ended 31 March 2019 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange.

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

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

4. 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2019.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

For **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

Manish Gupta

Partner

Membership No. 095037

ICAI UDIN: 19095037AAAAAY9699

Place: Gurugram

Date: 14 May 2019

Annexure - C

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

1. INTRODUCTION AND REGULATORY FRAMEWORK

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

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

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

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

2. OBJECTIVE

The objective of this Policy are as follows:

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

3. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

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

The Committee shall at all times (unless stipulated otherwise by law) have at least 3 Non-Executive Directors, out of which one-half shall be Independent Directors. If the Chairperson of the Company is appointed as a Member of the Committee, he shall not chair such Committee. The Board has authority to reconstitute this Committee from time to time.

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

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

4. ROLE OF NOMINATION AND REMUNERATION COMMITTEE

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

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, key managerial personnel and other employees
- formulation of criteria for evaluation of performance of Independent Directors and the Board as a whole
- devising a Policy on Diversity of Board
- identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors

Annexure - C (Contd.)

- recommend to the Board, all remuneration, in whatever form, payable to Senior Management
- specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance

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

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and performance incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals

5. APPOINTMENT/ NOMINATION OF DIRECTORS

General Criteria

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

- c) The proposed candidate shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research and development, technical operations, corporate governance or such other areas related to the Company's business as determined by the Nomination and Remuneration Committee.

The proposed candidate shall not be discriminated against on the basis of race, religion, nationality, sex, disability, or any other basis prohibited by law.

- d) The proposed candidate shall understand and endeavor to balance the interests of Shareholders and/ or other stakeholders and put the interests of the Company or Organization above self-interest. He/she has demonstrated a commitment to transparency and disclosure.

Managing Directors or Whole-time Directors

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

Independent Directors

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

- a) An Individual should fall within the purview of definition and criteria of "independence" as set out in Section 149 of the Act, the Listing Regulations and other applicable laws;
- b) Is a person of integrity and possesses relevant expertise and experience
- c) Who is or was not a Promoter of the Company or its holding, subsidiary or associate company;
- d) Who is not related to Promoters or Directors in the Company, its holding, subsidiary or associate company
- e) Has attained minimum age of 25 years;
- f) Does not hold Directorship in more than seven listed entities
- g) Does not hold Directorship in more than three listed entities if serving as a Whole- Time Director in any listed entity

Annexure - C (Contd.)

6. REMUNERATION OF DIRECTORS

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

Managing Directors or Whole-time Directors

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

Non-Executive Directors/Independent Directors:

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

- Sitting fees for participation in the Board and other Meetings
- Commission as approved by the Shareholders of the Company
- Reimbursement of expenses in connection with participation in the Board and other meetings of Committee

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

7. APPOINTMENT OF KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL (NOT BEING DIRECTOR)

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

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

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

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

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

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

Annexure - C (Contd.)

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

8. REMUNERATION OF KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL (NOT BEING DIRECTOR)

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

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

1. Fixed Pay
2. Such other allowances, benefits and perquisites as may be decided

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

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

9. APPOINTMENT AND REMUNERATION OF OTHER EMPLOYEES

The appointment of other employees shall be made on the basis of the experience, qualification, expertise of the individual as well as the roles and responsibilities required for the position and shall be approved by the Human Resource Department.

The remuneration for other employees would be as per the appraisal and compensation policy of the Company, as revised through the annual review process from time to time and approved by the Chief Executive Officer & Senior Executive Director in consultation with the Head of Human Resources Department.

10. OTHERS

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 re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

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

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

Annexure - C (Contd.)

11. EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

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

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

External Evaluation: External evaluation may be externally facilitated. Externally facilitated evaluations are undertaken with the assistance of an external expert. However, the Company is not adopting this method as of now.

12. FREQUENCY OF BOARD EVALUATION

Section 134(3)(p) of the Act provides that there has to be a formal annual evaluation of Board of its own performance and that of its Committees and individual

Directors. The Company may undertake annual evaluation either in accordance with Calendar Year or Financial Year, as there is no clarity on this. Ideally, the same should be as per Financial Year.

13. DISCLOSURE

The Policy shall be disclosed in the Board Report which forms part of the Annual Report, website and such other places as may be required by the Act and rules framed thereunder, Listing Regulations entered into with the Stock Exchanges (including any statutory modification(s) or re-enactment thereof) and such other laws for the time being in force.

14. ADMINISTRATION, REVIEW AND AMENDMENT OF THE POLICY

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

15. CLARIFICATION

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

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 Arm's Length Transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis	
(a) Name(s) of the Related Party and nature of relationship	
(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	Not Applicable (All the transactions were at arm's length basis)
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in General Meeting as required under first proviso to section 188	
2. Details of material contracts or arrangement or transactions at arm's length basis	
(a) Name(s) of Related Party and nature of relationship	Lumax Auto Technologies Limited
(b) Nature of contracts/arrangements/transactions	Purchase/sale of raw materials, finished goods, components, assets, capital goods; rendering/availing of services among others.
(c) Duration of the contracts/arrangements/transactions	1 April 2018 to 31 March 2019
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 31,845.67 Lakhs
(e) Date(s) of approval by the Board	15 February 2019
(f) Amount paid as advances, if any	Nil

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

Place : Gurugram
Dated : 14 May 2019

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

Annexure - E

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

A. Ratio of the Remuneration of each Executive Director to the Median Remuneration of the Employees of the Company for the Financial Year 2018-19 and the Percentage increase in Remuneration of Managing Directors, other Executive Directors, Chief Financial Officer and Company Secretary during the Financial Year 2018-19.

S. No	Name of Executive Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all Employees	% increase in Remuneration during the Financial Year 2018-19
1.	Mr. Deepak Jain	Chairman & Managing Director	11.40	12.49
2.	Mr. Anmol Jain	Joint Managing Director	4.07	(24.19)
3.	Mr. Vineet Sahni*	CEO & Senior Executive Director	7.92	NA
4.	Mr. Tadayoshi Aoki [#]	Senior Executive Director	0.36	NA
5.	Mr. Koji Sawada	Executive Director	0.35	2.26
6.	Mr. Shruti Kant Rustagi	Chief Financial Officer	NA	15.63
7.	Ms. Ankita Gupta [@]	Company Secretary	NA	NA

B. There is decrease in the Median Remuneration of Employees for the Financial Year 2018-19 by 1.91%.

C. The number of Permanent Employees on the rolls of the Company as on 31 March 2019 was 2,305.

D. The Average Percentage increase in the salaries of the employees other than the Managerial Personnel for the Financial Year was 6.91% whereas the increase in the Managerial remuneration was 48.21%. The remuneration components in case of Chairman and Managing Director, Joint Managing Director and CEO & Senior Executive Director includes Commission paid which is linked with the profitability of the Company.

E. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The remuneration is as per the Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.

F. The details of Top Ten Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as an Exhibit to this annexure.

G. The Statement containing particulars Employees who if employed throughout the year or part thereof was in receipt of remuneration in that year which in the aggregate is in excess of that drawn by the Chairman & Managing Director, Joint Managing Director and CEO & Senior Executive Director.- Not Applicable

H. There were no employees who being employed throughout Financial Year were in receipt of remuneration not less than one crore and two lakh rupees except Mr. Deepak Jain, Mr. Anmol Jain and Mr. Vineet Sahni and the details are provided in the Exhibit to this Annexure.

I. There were no employees who being employed for a part of Financial Year were in receipt of remuneration not less than eight lakh and fifty thousand rupees per month.

Notes:

[§] The Ratio of remuneration of each Director to the Median Remuneration of the Employees is provided only for those Directors who have drawn remuneration from the Company for the complete Financial Year 2018-19.

[^] The % increase of remuneration is provided for only those Directors, Chief Financial Officer and Company Secretary who have drawn remuneration from the Company for the complete Financial Year 2018-19 and Financial Year 2017-18.

^{*} Mr. Vineet Sahni was appointed as Senior Executive Director w.e.f. 1 April 2018. Hence, no comparable figure is available for Financial Year 2017-18.

[#] Mr. Tadayoshi Aoki was appointed as Senior Executive Director w.e.f. 3 February 2018. Hence, no comparable figure is available for Financial Year 2017-18.

[@] Ms. Ankita Gupta was appointed as Company Secretary w.e.f. 3 February 2018. Hence, no comparable figure is available for Financial Year 2017-18.

Exhibit to Annexure - E

Details of Top 10 Employees in terms of remuneration drawn during the Financial Year 2018-19

Name of the Employee	Designation	Remuneration received (₹ in Lakhs)	Nature of Employment whether Contractual or otherwise	Qualifications and experience of the Employee	Date of Commencement of Employment	Age	Last employment held by such Employee
Deepak Jain	Chairman & Managing Director	512.82	Contractual	B.B.A	1 December 1996	44	-
Anmol Jain	Joint Managing Director	183.21	Contractual	B.B.A. (Hons.)	1 November 2003	40	-
Vineet Sahni	CEO & Senior Executive Director	356.22	Contractual	B.E. (Mechanical), PG Diploma in Business Management	23 May 2013	54	Varroc Engineering Limited
Mohit Sehgal	Senior Vice President	78.39	Permanent	MBA	8 January 2007	44	Nestle India Limited
Kunsam Y*	General Manager	78.05	Permanent	B.E. (Mechanical)	1 September 2014	59	NA
Shruti Kant Rustagi	Chief Financial Officer	75.69	Permanent	Chartered Accountant	27 November 2006	49	Polar Industries Limited
Dinesh Kalra	Senior Vice President	74.86	Permanent	B.E. (Mechanical)	9 March 2015	51	Minda Industries Limited
PSVS Raju	Senior Vice President	73.51	Permanent	Master Diploma in Business Administration (Financial Management)	14 February 2008	50	Caparo Engineering (I) Pvt. Ltd.
Atul Jain	Senior Vice President	73.46	Permanent	Post Graduation Diploma in Business Management	24 January 2015	50	Minda Industries Limited
Subhash Chandra Saraswat	Senior Vice President	66.76	Permanent	Diploma in ME and PE with specialization in Production Engineering	24 January 2015	49	Minda Industries Limited

Note:

* Mr. Kunsam Y has resigned w.e.f. 16 January 2019.

Annexure - F

Secretarial Audit Report

For the Financial Year ended 31 March 2019

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

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

We were appointed by the Board of Directors of Lumax Industries Limited (hereinafter called the Company) to conduct Secretarial Audit for the Financial Year of the Company ended 31 March 2019.

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

MANAGEMENT'S RESPONSIBILITY FOR SECRETARIAL COMPLIANCES

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

AUDITORS RESPONSIBILITY

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

The secretarial audit report is neither an assurance to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

OPINION

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31 March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable to the Company during the year under review;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable to the Company during the year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable to the Company during the year under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable to the Company;

Annexure - F (Contd.)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the Company during the year under review; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable to the Company during the year under review;
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Financial Year ended 31 March 2019, 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,

Sd/-

Maneesh Gupta

Place : New Delhi

Date : 09 May 2019

FCS No. 4982

C P No. 2945

Annexure - F (Contd.)

ANNEXURE TO SECRETARIAL AUDIT REPORT

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has during the Financial Year under review, complied with the provisions of the Acts, Rules made thereunder and the Memorandum and Articles of Association of the Company with regard to:

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts and Registered Office and publication of name of the Company;
3. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, 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 18 July 2018 and holding of the meeting on that date;
18. Minutes of General meeting;
19. Approval of Members, Board of Directors, Committee of Directors and government authorities, wherever required;
20. Form of Balance Sheet as at 31 March 2018 as prescribed under the Companies Act, 2013;
21. Report of the Board of Directors for the Financial Year ended 31 March 2018;
22. Borrowings and registration of charges;

Place : New Delhi
Date : 09 May 2019

Sd/-
Maneesh Gupta
FCS No. 4982
C P No. 2945

Annexure - G

Annual Report on CSR

For the Financial Year ended 31 March 2019

[Pursuant to Rule 8 & 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company through its CSR initiatives is committed to enhance the social and economic development of communities and geographical areas, particularly in the vicinity of the manufacturing locations. This will include education, skill building for livelihood of people, health and social welfare etc., particularly targeting at disadvantaged sections of society. CSR activities at Lumax are carried out through Lumax Charitable Foundation.

The Company has framed a CSR Policy in compliance with the provisions of The Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <https://www.lumaxworld.in/lumaxindustries/pdf/corporate-social-responsibility-policy.pdf>.

2. The Composition of the CSR Committee

S. No.	Name	Category	Designation
1.	Mr. Munish Chandra Gupta	Independent Director	Chairman
2.	Mr. Avinash Parkash Gandhi	Independent Director	Member
3.	Mr. Deepak Jain	Chairman & Managing Director	Member
4.	Mr. Anmol Jain	Joint Managing Director	Member

3. Net Profit for last three Financial Years:

Year	2016-17	2017-18	2018-19
Net Profits (₹ in Lakhs)	4,146.21	5,388.16	8,790.74

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 122.17 Lakhs

5. Details of CSR spent during the Financial Year:

- (a) Total amount spent for the Financial Year: ₹ 123.26 Lakhs
 (b) Amount unspent, if any: Nil
 (c) Manner in which the amount spent during the Financial Year is detailed below.

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local area or Other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
					Sub heads: 1. Direct expenditure on projects or programs 2. Overheads		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Education and healthcare for under-privileged	a) Education b) Health	Manufacturing sites of the Company 1. Gurugram, Haryana 2. Dharuhera, Haryana 3. Pantnagar, Uttarakhand 4. Bengaluru, Karnataka 5. Pune, Maharashtra	a) 85.52 b) 36.65	a) 97.67 b) 25.59	275.60	Spent through the CSR arm of the Company namely Lumax Charitable Foundation
TOTAL				122.17	123.26	275.60	

The Company has also spent ₹ 2.30 Lakhs on education of employees' children / onetime expenses, which as per the Company is CSR. However, these expenses are not classifiable as CSR expenditure in terms of The Companies Act, 2013 and Rules made thereunder and therefore the same are not included in the above details of CSR expenditure.

6. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in Compliance with the CSR objectives and Policy of the Company.

Sd/-

Deepak Jain
Chairman & Managing Director

Sd/-

Munish Chandra Gupta
Chairman - CSR Committee

Annexure - H

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 for the year ended 31 March 2019]

(A) CONSERVATION OF ENERGY

Energy conservation plays a significant role of lessening climate change. It helps the replacement of non-renewable resources with renewable energy. Energy conservation is often the most inexpensive solution to energy shortages, and it is more environmentally kind alternative to increased energy production. Energy conservation can result in increased financial capital, environmental quality, national security, personal security and human comfort. The Company being direct consumer of energy, through its persistent efforts has always endeavored to conserve energy by reducing energy costs thereby promoting economic security.

(i) Some of the key Steps taken and their impact on conservation of energy are as below:

a. Energy conservation by improving over all efficiency by replacing inefficient Machine with efficient Machine available for air compressor, pump, and other Utility Machine

During the year under review, the Company has further evolved to conserve energy by replacement of inefficient air compressor in its Dharuhera, Bengaluru and Chakan Plants which reduced energy consumption of compressed air by 9% as well as reduced compressor maintenance cost by 1.5%.

b. Reduction of Energy consumption by making design changes in Utility Equipment

The Company initiated designing of Utility Equipment and saved energy for Bengaluru & Dharuhera Plant through changed design of air supply duct, process pump pipe, compressed air room & pipe modification, location of air receiver and pump & compressor room and reduced energy consumption up to 35 % in that area.

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 0.1% for Bawal Plant, 0.12% for Dharuhera Plant and 0.18% for Chakan 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 has directed its efforts on technology upgradation for power controlling & adopted new technology for Process Machine for Surface Treatment and Moulding Machine. It upgraded Moulding Machine barrel with upgraded technology leading to saving of 20 to 25 % of power consumption in Dharuhera, Bawal, Pantnagar Plants.

e. Implementation of Energy Monitoring System

The Company had implemented Online Cloud & local monitoring server based Energy Monitoring System for Bengaluru Plant for continual monitoring of Specific Energy Consumption of Process & Machine

f. Implementation of Solar street light and introduction of renewable energy for lighting

The Company has implemented Solar street light in Pantnagar Plant and is going ahead for green energy, thereby saving natural resources.

g. By undertaking several initiatives the Company, has been saved ₹ 137 Lakhs for the Financial Year which contributes to 2% to 3% of annual energy cost.

(ii) Plans Formulated for Conservation of Energy

a. Steps taken by the Company for utilizing alternate sources of energy

The Company commenced activity to implement Solar & Wind power system with tentative capacity of 2 MW solar and 2 MW wind respectively for different Plants located in Haryana, Maharashtra & Karnataka, which will help to conserve natural resources and reduces overall cost of energy of these Plants.

Annexure - H (Contd.)

b. Capital investment on energy conservation equipments

The Company encourages capital investment in energy saving equipments in its Plant & Machinery and during the Year under review the Company had spent approximately ₹ 35 Lakhs towards replacement of Air compressor, Pump and Motor. The Company has also appreciated its team for continuous improvement and has allocated corpus of ₹ 190 Lakhs for Year 2019-20 for various improvement projects. The Company has also budgeted to install 1 MW Solar Plant at a capex of ₹ 400 Lakhs for Financial Year 2019-20.

(iii) Energy Management System (EnMS) ISO-50001

The Company has undertaken initiatives for Implementation plan for Energy Management System (EnMS) ISO-50001 for its Plants located at Bawal and Dharuhera.

(iv) Energy Monitoring System

The Company has kept its continual focus on Monitoring of Specific Energy Consumption of all its Plant and has decided to install Cloud based Energy Monitoring system for its Plants situated in Bengaluru, Dharuhera and Pantnagar.

(B) TECHNOLOGY ABSORPTION

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its products.

(i) The efforts made towards technology absorption are as below:

- Continuous in house design and development of LED Head Lamp (Low, High & Position function in one reflector)
- Continuous in house design and development of LED Tail Lamp for 2W in a remarkable time period.
- In house design and development for 2W Tail Lamp with Light guide for Tail Function and 6 Nos. LEDs for stop function.
- In house design LED Head Lamp for 2W with very small size.
- In house design of Tail Lamp of very small size with bulb, which appearance wise looks like LED.
- 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 :

- 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.
- The future of lighting is LED and the Company 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.
- The Engineers of the Company are continuously being trained in Stanley, Japan which shall prove to be beneficial for customer as well as for our Country with respect to localization of design as well as technology transfer in long run.
- Stanley, Japan continues to provide extensive support in in-house design and development activities and under its leadership two senior designers are stationed at Company. This has enabled to provide prompt technical solution to customers for their immediate needs.

(iii) In case of Imported Technology (imported during last three years reckoned from the beginning of the Financial Year) :

a.	Technology Imported	Day time running Lamp (DRL) Assembly	Light Curtain
b.	Year of Import	2016-2017	2018-19
c.	Whether the technology been fully absorbed	Absorbed in 4 wheeler Head Lamps	Absorbed in 2 wheeler Position Lamps
d.	If not fully absorbed, areas where absorption has not taken place, and the reason thereof	This technology has the potential for being used in future models of 4 wheeler Head Lamps	This technology, in future can be used in 2 wheeler/ 4 wheeler Lamps

(iv) Research and Development (R&D) Expenditure

Automobile industry is growing at a tremendous pace with increasing demand from within the Country as well as from other Countries. The Company is making significant investment in Research and Development (R&D), Technology Development and innovation

Annexure - H (Contd.)

for achieving growth, business profitability and sustainability. Owing to its commitment to provide better and advanced experience to its customers, Lumax has a Design Center in Taiwan. During the year under review new and innovative designs were added to enhance design capability and capacity of the Company. In its continuous efforts to further strengthen its R&D capabilities, the Company is planning to have another Design office which is proposed to be situated in Michigan, U.S.A.

a. Specific areas in which R & D carried out by the Company

- Designing of BI- LED Projector Head Lamp for 4 wheeler.
- Designing of LED front position Lamp for 4 wheeler.
- Designing and Proto development for a new generation sleek 4 Wheeler Head Lamp.
- Designing of Light guide for Position Lamp.
- Designing of LED Head Lamp with Single Reflector (Low & High Beam).
- Designing of Light Curtain with Single LED for 2 Wheeler.
- Designing and development for new generation Head Lamp 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 Head Lamp, which reduce Company's dependency on Stanley.
- Strengthening in-house designing capabilities, in line with Company's strategy to become self-reliant.

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 (R&D):

Particulars	(₹ in Lakhs)	
	2018-19	2017-18
(i) Capital	227.96	483.50
(ii) Recurring	4,068.32	3,423.60
Total	4,296.28	3,907.10
(iii) Total R&D Expenditure as a percentage of Total Turnover (%)	2.32%	2.37%

(C) The Foreign Exchange earned in terms of actual inflows during the year ₹ 3,453.78 Lakhs and the Foreign Exchange outgo during the year in terms of actual outflows is ₹ 42,988.95 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.
- Discussion with Truck Lite, North America for development of Navistar – Halogen Head Lamp.
- Discussions with Audi to increase the share of business in small Lamps with LED applications.
- Sustaining the current business in small Lamps with Nissan Europe.
- Sustaining the current business in Head Lamps and Tail Lamps with John Deere USA.
- Development of LED Work Lamp for CNH, India for export market in USA. Started with initial lot supplies in the Month of May 2019.
- Discussion with John Deere, USA for introduction of LED Tail Lamps as the replacement of their existing running products.
- Continuous conversation with major OEMs in Central Europe and USA to introduce Lumax brand with the target of increasing our OEM Export in 2019.

Annexure - I

Form No. MGT -9

EXTRACT OF ANNUAL RETURN

For the Financial Year ended 31 March 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74899DL1981PLC012804
ii)	Registration Date	10 December 1981
iii)	Name of the Company	Lumax Industries Limited
iv)	Category/Sub-Category of the Company	Company limited by shares/ Non- Govt. Company
v)	Address of the Registered Office and contact details	2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046 Tel. +91-11 49857832 Email Id: lumaxshare@lumaxmail.com
vi)	Whether listed Company (Yes/No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Karvy Fintech Private Limited Karvy Selenium, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, India. Email id : einward.ris@karvy.com Tel:- +91- 040 67161524

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of Main Product/Service	NIC Code of the Product/Service	% Total Turnover of the Company
1	Automotive Lamp	2740	96.71%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	SL Lumax Limited G-15, Sipcot Industrial Park, Irungattukottai, Sriperumbudur-602 105 Tamil Nadu, India	U34300TN1997PLC048136	Associate	21.28%	2(6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the Year (As on 1 April 2018)				No. of shares held at the end of the Year (As on 31 March 2019)				% Change during the Year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	24,87,032	-	24,87,032	26.61	24,87,032	-	24,87,032	26.61	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate*	9,85,902	-	9,85,902	10.55	10,18,367	-	10,18,367	10.89	0.35
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	34,72,934	-	34,72,934	37.15	35,05,399	-	35,05,399	37.50	0.35

Annexure - I (Contd.)

Category of Shareholders	No. of shares held at the beginning of the Year (As on 1 April 2018)				No. of shares held at the end of the Year (As on 31 March 2019)				% Change during the Year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
2. Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	35,05,399	-	35,05,399	37.50	35,05,399	-	35,05,399	37.50	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	35,05,399	-	35,05,399	37.50	35,05,399	-	35,05,399	37.50	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	69,78,333	-	69,78,333	74.65	70,10,798	-	70,10,798	75.00	0.35
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	41,719	1,040	42,759	0.46	1,91,950	1,040	1,92,990	2.06	1.61
b) Banks / FI	8,324	270	8,594	0.09	3,344	2,270	5,614	0.06	(0.03)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors /Foreign Portfolio Investors	68,719	-	68,719	0.74	67,569	-	67,569	0.72	(0.01)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	1,18,762	1,310	1,20,072	1.28	2,62,863	3,310	2,66,173	2.85	1.56
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	4,08,580	1,225	4,09,805	4.38	4,40,449	841	4,41,290	4.72	0.34
ii) Overseas	-	80	80	0.00	-	80	80	0.00	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	10,27,580	2,00,983	12,28,563	13.14	11,12,654	1,63,339	12,75,993	13.65	0.51
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	5,05,569	-	5,05,569	5.41	2,14,476	-	2,14,476	2.29	(3.11)
c) Others (specify)									
i) NRI Repatriation	-	150	150	0.00	-	150	150	0.00	0.00
ii) Non resident Indians	38,164	40	38,204	0.41	66,747	-	66,747	0.71	0.31
iii) Clearing Members	6,992	-	6,992	0.07	1,829	-	1,829	0.02	(0.06)
iv) IEPF	59,964	0	59,964	0.64	70,122	-	70,122	0.75	0.11
v) Trusts	0	0	0	0.00	74	-	74	0.00	0.00
Sub-total (B)(2)	20,46,894	2,02,478	22,49,372	24.06	19,06,351	1,64,410	20,70,761	22.15	(1.91)
Total Public Shareholding (B)=(B)(1)+(B)(2)	21,65,611	2,03,788	23,69,399	25.35	21,69,214	1,67,720	23,36,934	25.00	(0.35)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	91,43,944	2,03,788	93,47,732	100.00	91,80,012	1,67,720	93,47,732	100.00	0.00

* The total number of shares has increased due to purchase of shares by Lumax Finance Private Limited through Open Market.

Annexure - I (Contd.)

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the Year (As on 1 April 2018)			Shareholding at the end of the Year (As on 31 March 2019)			% change during the Year
		No. of shares	% of Total shares of the Company	% of shares Pledged / encumbered to Total shares	No. of shares	% of Total shares of the Company	% of shares Pledged / encumbered to Total shares	
1.	Stanley Electric Co., Ltd	33,43,381	35.77	-	33,43,381	35.77	-	-
2.	Mr. Dhanesh Kumar Jain*	19,59,026	20.96	-	21,09,709	22.57	-	1.61
3.	Lumax Auto Technologies Limited	5,25,000	5.62	-	5,25,000	5.62	-	-
4.	Lumax Finance Private Limited [#]	4,60,902	4.93	-	4,93,367	5.28	-	0.34
5.	Mr. Deepak Jain	1,64,428	1.76	-	1,64,428	1.76	-	-
6.	Thai Stanley Electric Public Company Limited	1,62,018	1.73	-	1,62,018	1.73	-	-
7.	Mrs. Usha Jain	1,50,683	1.61	-	0	0.00	-	(1.61)
8.	Mr. Dhanesh Kumar Jain (HUF)	1,42,970	1.53	-	1,42,970	1.53	-	-
9.	Mr. Anmol Jain	69,925	0.75	-	69,925	0.75	-	-
	Total	69,78,333	74.66	-	70,10,798	75.00	-	0.34

* Post demise of Mrs. Usha Jain, her Shareholding has been transmitted to Mr. Dhanesh Kumar Jain (Spouse).

[#]The total number of shares has increased due to purchase of shares by Lumax Finance Private Limited through Open Market.

Annexure - I (Contd.)

(iii) Change in Promoter's Shareholding

S. No.	Particulars	Date	Shareholding at the beginning of the Year (As on 1 April 2018)		Cumulative Shareholding during the Financial Year 2018-19		
			No. of shares	% of Total shares	No. of shares	% of Total shares	
1.	Mr. Dhanesh Kumar Jain*						
	At the beginning of the Year		19,59,026	20.96			
	Increase/Decrease in the shareholding during the Year						
		18 December 2018	1,50,683	1.61			
	At the end of the Year				21,09,709	22.57	
2.	Lumax Finance Private Limited[#]						
	At the beginning of the Year		4,60,902	4.93			
	Increase/Decrease in the shareholding during the Year						
			12 April 2018	109	0.00		
			13 April 2018	627	0.01		
			16 April 2018	1,250	0.01		
			20 April 2018	3	0.00		
			23 April 2018	600	0.01		
			17 May 2018	3,557	0.04		
			18 May 2018	2,000	0.02		
			31 May 2018	5,363	0.06		
			5 June 2018	2,030	0.02		
			19 June 2018	225	0.00		
			20 June 2018	2,000	0.02		
			21 June 2018	1,200	0.01		
			22 June 2018	1,134	0.01		
			25 June 2018	2,005	0.02		
		26 June 2018	4,060	0.04			
		27 June 2018	2,000	0.02			
		28 June 2018	4,302	0.05			
	At the end of the Year				4,93,367	5.28	

* Post demise of Mrs. Usha Jain, her Shareholding has been transmitted to Mr. Dhanesh Kumar Jain (Spouse).

[#]The total number of shares has increased due to purchase of shares by Lumax Finance Private Limited through Open Market.

Annexure - I (Contd.)

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

S. No.	Shareholder's Name	Shareholding at the beginning of the Year (As on 1 April 2018)		Cumulative Shareholding during the Financial Year 2018-19	
		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	2,00,000	2.14		
	Increase/Decrease in Shareholding during the Year				
	25 May 2018	10,000	0.11	2,10,000	2.25
	25 May 2018	(10,000)	0.11	2,00,000	2.14
	1 June 2018	30,000	0.32	2,30,000	2.46
	1 June 2018	(30,000)	0.32	2,00,000	2.14
	At the end of the Year			2,00,000	2.14
2.	Vanaja Sundar Iyer				
	At the beginning of the Year	1,29,476	1.39		
	Increase/Decrease in Shareholding during the Year				
	13 July 2018	(1,927)	0.02	1,27,549	1.36
	7 September 2018	(27,549)	0.29	1,00,000	1.07
	28 September 2018	(15,723)	0.17	84,277	0.90
	At the end of the Year			84,277	0.90
3.	Ashish Kacholia[#]				
	At the beginning of the Year	75,000	0.80		
	Increase/Decrease in shareholding during the Year				
	11 May 2018	(4,107)	0.04	70,893	0.76
	18 May 2018	(50,000)	0.53	20,893	0.22
	1 June 2018	(4,582)	0.05	16,311	0.17
	8 June 2018	(4,246)	0.05	12,065	0.13
	15 June 2018	(2,694)	0.03	9,371	0.10
	22 June 2018	(5,652)	0.06	3,719	0.04
	29 June 2018	(3,719)	0.04	0	0
	At the end of the Year			0	0
4.	Suresh Kumar Agarwal[#]				
	At the beginning of the Year	74,557	0.80		
	Increase/Decrease in the shareholding during the Year				
	29 June 2018	(2,776)	0.03	71,781	0.77
	30 June 2018	(773)	0.01	71,008	0.76
	6 July 2018	(2,593)	0.03	68,415	0.73
	13 July 2018	(3,163)	0.03	65,252	0.70
	20 July 2018	(2,226)	0.02	63,026	0.67
	27 July 2018	(4,148)	0.04	58,878	0.63
	3 August 2018	(3,722)	0.04	55,156	0.59
	31 August 2018	(4,837)	0.05	50,139	0.54
	7 September 2018	(48,600)	0.52	1,719	0.02
	14 September 2018	(1,719)	0.02	0	0.00
	At the end of the Year			0	0.00
5.	Kamlesh N Shah[#]				
	At the beginning of the Year	61,400	0.66		
	Increase/Decrease in the shareholding during the year				
	29 March 2019	(61,400)	0.66	0	0.00
	At the end of the year			0	0.00

Annexure - I (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the Year (As on 1 April 2018)		Cumulative Shareholding during the Financial Year 2018-19	
		No. of shares	% of Total share capital of the Company	No. of shares	% of Total share capital of the Company
6.	BOI AXA Trustee Services Pvt. Ltd. A/C BOI AXA TAX A				
	At the beginning of the Year	41,089	0.44		
	Increase/Decrease in the shareholding during the Year				
	13 April 2018	13,000	0.14	54,089	0.58
	13 April 2018	(12,000)	0.13	42,089	0.45
	8 June 2018	2,531	0.03	44,620	0.48
	6 July 2018	1,011	0.01	45,631	0.49
	13 July 2018	2,360	0.03	47,991	0.51
	27 July 2018	2,500	0.03	50,491	0.54
	3 August 2018	1,475	0.02	51,966	0.56
	10 August 2018	200	0.00	52,166	0.56
	5 October 2018	777	0.01	52,943	0.57
	21 December 2018	(6,500)	0.07	46,443	0.50
	8 February 2019	(3,428)	0.04	43,015	0.46
	8 March 2019	(3,108)	0.03	39,907	0.43
	15 March 2019	(3,700)	0.04	36,207	0.39
	At the end of the Year			36,207	0.39
7.	D Srimathi*				
	At the beginning of the Year	39200	0.42		
	Increase/Decrease in the shareholding during the Year				
	6 April 2018	235	0.00	39,435	0.42
	27 April 2018	132	0.00	39,567	0.42
	19 October 2018	1,000	0.01	40,567	0.43
	26 October 2018	2,400	0.03	42,967	0.46
	At the end of the Year			42,967	0.46
8.	Neepe K Shah *				
	At the beginning of the Year	38,240	0.41		
	Increase/Decrease in the shareholding during the Year				
	12 October 2018	6,000	0.06	44,240	0.47
	12 October 2018	6,000	0.06	38,240	0.41
	29 March 2019	20,560	0.22	17,680	0.19
	At the end of the Year			17,680	0.19
9.	Premier Investment Fund Limited *				
	At the beginning of the Year	36,000	0.39		
	Increase/Decrease in the shareholding during the Year				
	6 July 2018	(2,700)	0.03	33,300	0.36
	13 July 2018	(1,350)	0.01	31,950	0.34
	20 July 2018	(900)	0.01	31,050	0.33
	At the end of the Year			31,050	0.33
10.	Prabhas Dhanuka*				
	At the beginning of the Year	20,000	0.21		
	Increase/Decrease in the shareholding during the Year		Nil		
	At the end of the Year			20,000	0.21

* Not in the list of top 10 shareholders as on 1 April 2018. The same has been reflected above since the Shareholder was one of the Top Shareholders as on 31 March 2019.

* Ceased to be in the list of top 10 Shareholders as on 31 March 2019. The same is reflected above since the Shareholder was one of the top 10 Shareholder as on 1 April 2018.

Annexure - I (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholder's Name	Shareholding at the beginning of the Year (1 April 2018)		Cumulative Shareholding during the Financial Year 2018-19	
		No. of shares	% of Total share capital of the Company	No. of shares	% of Total share capital of the Company
A.	Directors				
1.	Mr. Dhanesh Kumar Jain				
	At the beginning of the Year	19,59,026	20.96		
	Increase/Decrease in the shareholding during the Year				
	18 December 2018	1,50,683	1.61		
	At the end of the Year			21,09,709	22.57
2.	Mr. Deepak Jain				
	At the beginning of the Year	1,64,428	1.76		
	Increase/Decrease in the shareholding during the Year		Nil		
	At the end of the Year			1,64,428	1.76
3.	Mr. Anmol Jain				
	At the beginning of the Year	69,925	0.75		
	Increase/Decrease in the shareholding during the Year		Nil		
	At the end of the Year			69,925	0.75
	Key Managerial Personnel				
4.	Mr. Shruti Kant Rustagi				
	At the beginning of the Year	189	0.00		
	Increase/Decrease in the shareholding during the Year				
	03 September 2018	25	0.00	25	0.00
	At the end of the Year			214	0.00

Note: Mr. Tadayoshi Aoki (Senior Executive Director), Mr. Koji Sawada (Executive Director), Mr. Toru Tanabe (Non- Executive Director) and Independent Directors viz. Mr. Avinash Parkash Gandhi, Mr. Rattan Kapur, Mr. Munish Chandra Gupta, Mr. Dhiraj Dhar Gupta, Mrs. Ritika Modi and Ms. Ankita Gupta, Company Secretary did not hold any shares in the Company during the Financial Year 2018-19.

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	6,044.29	4,360.42	-	10,404.71
ii) Interest due but not paid	12.56	-	-	12.56
iii) Interest accrued but not due	-	4.62	-	4.62
Total (i+ii+iii)	6,056.85	4,365.04	-	10,421.89
Change in Indebtedness during the Financial Year:				
Addition	-	5,983.52	-	5,983.52
Reduction	(2,420.54)	-	-	(2,420.54)
Net Change	(2,420.54)	5,983.52	-	3,562.98
Indebtedness at the end of the Financial Year:				
i) Principal Amount	3,623.75	10,343.94	-	13,967.69
ii) Interest due but not paid	3.00	10.25	-	13.25
iii) Interest accrued but not due	-	36.25	-	36.25
Total (i+ii+iii)	3,626.75	10,390.44	-	14,017.19

Annexure - I (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Mr. Deepak Jain	Mr. Anmol Jain	Mr. Vineet Sahni	Mr. Tadayoshi Aoki	Mr. Koji Sawada	
		(Chairman & Managing Director)	(Joint Managing Director)	(CEO & Senior Executive Director)	(Senior Executive Director)	(Executive Director)	
1.	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	445.49	241.68	339.33	103.41	107.84	1,237.75
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	18.23	2.02	9.06	0.40	0.40	30.11
	(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	392.98	136.41	114.20	-	-	643.59
	- others, specify						
5.	Others, please specify	-	-	-	-	-	-
	Total (A)	856.70	380.11	462.59	103.81	108.24	1,911.45
	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:

S. No.	Particulars of Remuneration	Name of Directors						Total Amount	
		Mr. Toru Tanabe	Mr. Avinash Parkash Gandhi	Mr. Munish Chandra Gupta	Mr. Rattan Kapur	Mr. Dhiraj Dhar Gupta	Mr. Rajeev Kapoor		Mrs. Ritika Modi [#]
		1.	Independent Directors						
	• Fee for attending board / committee meetings	-	4.20	4.40	4.60	4.60	3.60	1.60	23.00
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	-	4.20	4.40	4.60	4.60	3.60	1.60	23.00
2.	Other Non-Executive Directors								
	• Fee for attending board / committee meetings	-	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	-	4.20	4.40	4.60	4.60	3.60	1.60	23.00
	Total Managerial Remuneration* (A+B)								1,934.45
	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)							

[#]Appointed as an Additional director by the Board in its meeting held on 28 July 2018 in the category of Independent Director

*Total remuneration to Managing Directors, Whole Time Directors and Other Directors (being the Total of A and B)

Annexure - I (Contd.)

(iii) Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		(Ms. Ankita Gupta Company Secretary)	(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	5.83	69.04	74.87
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	0.15	1.71	1.86
	(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	5.98	70.75	76.73

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 Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Lumax Industries Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements" or "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Contd.)

Key Audit matter	How the matter was addressed in our audit
<p>Revenue recognition</p> <p>As disclosed in Note 23, the Company's revenue from operations for the year ended 31 March 2019 was INR 184,859.04 Lakhs.</p> <p>Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is only recognised to the extent that is highly probable a significant reversal will not occur. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>The Company considers certain variable considerations such as price adjustment and discounts to be passed to customers on the basis of agreed terms, negotiations with customers/ commercial considerations, which involves significant judgement and estimates to arrive at the amount of price adjustments to be accrued for adjustment to revenue</p> <p>We have considered revenue recognition as a key audit matter on account of the qualitative and quantitative factors as mentioned above.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Assessing the appropriateness of the revenue recognition accounting policies, including those relating to price increase/decrease and discounts by comparing with applicable accounting standards. - Evaluating relevant General Information Technology Control environment and testing the design and operating effectiveness of key IT application controls supporting revenue recognition. - Testing of certain manual key controls (both design and operating effectiveness) in respect of revenue recognition. - Inspecting on a sample basis, key customer contracts/ purchase order to identify terms and conditions relating to goods acceptance, price adjustments and discount and assessing the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards. - Inspecting samples identified by applying statistical sampling from the underlying documents that revenue has been booked correctly and in the correct period with reference to supporting invoices, terms and conditions with customers and receipts from customers. - Testing on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end to determine whether revenue was recognised in the correct period. - Performing analytical procedures on current year revenue based on trends and where appropriate, conducting further enquiries and testing. - Evaluated management's methodology and assumptions used in the calculations of price adjustments. Tested, on sample basis, credit notes issued/ payment made as per approved customer contracts/ agreed price adjustments passed on to the customers and tested completeness, arithmetical accuracy and validity of the data used in the of price adjustments. - Assessing manual journals posted to revenue to identify unusual items.

Independent Auditor's Report (Contd.)

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing,

as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Contd.)

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government

in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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

B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial

Independent Auditor's Report (Contd.)

- statements - Refer Note 40 to the standalone financial statements;
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

- C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Manish Gupta
Partner
Membership No.: 095037

Place: Gurugram
Date: 14 May 2019

Annexure A to the Independent Auditor's report to the members of the Company on the Standalone financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets in which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the management in the current year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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, Goods and Service tax, Cess and other statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities though there has been slight delays in few cases related to payment of Goods and Service tax, professional tax and labour welfare fund.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Goods and Service tax, Cess and other statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became due for payment.
- (b) According to the information and explanations given to us, except as stated below, there are no dues of Income tax, Sales tax, Service tax, Goods and Service tax, Duty of customs, Duty of excise and Value added tax that have not been deposited with the appropriate authorities on account of any dispute:

Annexure A (Contd.)

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Amount paid (Rs. 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
Finance Act, 1994	Demand for disallowance of Cenvat credit in respect of outward transportation	12.84	4.9	2013-14	Commissioner of Excise (Appeals)
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
Central Excise Act, 1956	Demand for short payment of excise duty for non-inclusion of designs/ drawings provided by the Customer.	518.66	-	2013-14 to 2017-18	Director General of GST Intellegence
Income tax Act, 1961	Demand for disallowance of loyalty incentives	8.47	-	Assessment year 2011-12	Commissioner of Income-tax (Appeals)
Central Sales Tax Act, 1961	Demand against non-submission of various Forms	4.97	0.5	2007-08	Commissioner of Sales tax (Appeals)
Haryana Vat Act, 2003	Demand against non-submission of various Forms	0.5	-	2014-15	Assessing officer
Central Sales Tax Act, 1961	Demand against non-submission of various Forms	60.81	-	2014-15 and 2015-16	Assessing officer
Central Sales Tax Act, 1961	Demand against non-submission of various Forms	20.23	-	2001-02	Joint Commissioner of Sales tax (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, the Company has 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). Further, in our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.

Annexure A (Contd.)

- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
- (xiii) According to information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Manish Gupta
Partner
Membership No.: 095037

Place: Gurugram
Date: 14 May 2019

Annexure B to the Independent Auditors' report on the standalone financial statements of Lumax Industries Limited for the period ended 31 March 2019

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2019, we report that:

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Lumax Industries Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 controls 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records

Annexure B (Contd.)

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 controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W /W-100024

Manish Gupta

Partner

Membership No.: 095037

Place: Gurugram

Date: 14 May 2019

Standalone Balance Sheet as at 31 March 2019

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

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
I ASSETS			
Non-current assets			
Property, plant and equipment	4A	54,412.30	51,401.69
Capital work-in-progress	4B	4,899.83	3,383.17
Investment property	5	72.13	-
Intangible assets	4C	460.75	435.23
Intangible assets under development	4D	78.82	-
Financial assets			
Investments	6	514.74	450.74
Loans	7	538.44	392.42
Others	8	227.37	231.49
Non-current tax assets (net)	11	517.13	80.57
Deferred tax assets (net)	22	-	27.17
Other non-current assets	12	3,198.76	807.60
Total non-current assets		64,920.27	57,210.08
Current assets			
Inventories	13	20,414.73	16,878.74
Financial assets			
Investments	6	13.93	15.18
Trade receivables	9	22,101.18	31,822.68
Cash and cash equivalents	10	201.33	124.10
Bank balances other than above	10	23.13	46.94
Loans	7	99.39	94.67
Others	8	1,062.30	3,255.19
Other current assets	12	2,574.58	3,992.03
		46,490.57	56,229.53
Assets held for sale	14	-	1.80
Total current assets		46,490.57	56,231.33
TOTAL ASSETS		1,11,410.84	1,13,441.41
II EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	934.77	934.77
Other equity	16	36,289.62	28,351.59
Total equity		37,224.39	29,286.36
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	93.63	228.30
Provisions	20	2,524.96	2,003.04
Deferred tax liabilities (net)	22	434.36	-
Total non-current liabilities		3,052.95	2,231.34
Current liabilities			
Financial liabilities			
Borrowings	17	13,696.40	9,921.03
Trade payables			
- total outstanding dues of micro and small enterprises; and	18	52.41	32.95
- total outstanding dues of creditors other than micro and small enterprises	18	37,956.78	53,603.27
Other financial liabilities	19	10,163.08	11,795.40
Provisions	20	1,233.99	1,127.47
Other current liabilities	21	8,030.84	5,443.59
Total current liabilities		71,133.50	81,923.71
Total liabilities		74,186.45	84,155.05
TOTAL EQUITY AND LIABILITIES		1,11,410.84	1,13,441.41
Summary of significant accounting policies	3		

The notes refer to above form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024

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

Manish Gupta

Partner

Membership No. 095037

Place: Gurugram

Date: 14 May 2019

Deepak Jain

Chairman &
Managing Director
DIN: 00004972

Place: Gurugram

Date: 14 May 2019

Vineet Sahni

CEO & Senior
Executive Director
DIN: 03616096

Place: Gurugram

Date: 14 May 2019

Shruti Kant Rustagi

Chief Financial
Officer

Place: Gurugram

Date: 14 May 2019

Ankita Gupta

Company Secretary

Membership No.-A50166

Place: Gurugram

Date: 14 May 2019

Statement of Standalone Profit & Loss for the year ended 31 March 2019

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

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
I REVENUE			
Revenue from operations	23	1,85,145.00	1,69,119.07
Other income	24.1	2,551.88	925.43
TOTAL REVENUE		1,87,696.88	1,70,044.50
II EXPENSES			
Cost of materials consumed			
Cost of raw material and components consumed	25.1	1,17,262.34	96,050.59
Cost of moulds, tools & dies	25.2	3,058.69	11,906.22
Purchase of stock in trade	26	1,562.66	2,442.86
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(565.79)	(1,385.60)
Excise duty	28	-	4,184.44
Employee benefits expenses	29	21,799.52	18,892.83
Finance costs	30	1,552.33	718.62
Depreciation and amortization	31	6,028.87	4,786.98
Other expenses	32	26,710.31	23,655.28
TOTAL EXPENSES		1,77,408.93	1,61,252.22
III Profit before exceptional items and income tax (I-II)		10,287.95	8,792.28
IV Exceptional items	24.2	3,620.27	-
V Profit before tax [III+IV]		13,908.22	8,792.28
VI Tax Expense:			
Current tax	22	2,969.24	1,828.42
Less : MAT credit entitlement (including MAT for earlier years)	22	(189.23)	(1,139.38)
Deferred tax	22	375.83	1,783.88
Current tax for earlier years	22	12.38	(4.33)
Income tax expenses		3,168.22	2,468.59
VII Profit for the year (V-VI)		10,740.00	6,323.69
VIII Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability		210.05	268.54
Income tax relating to above		-	(115.57)
Net other comprehensive income not to be reclassified subsequently to profit or loss		210.05	152.97
Total comprehensive income for the year (VII-VIII)		10,529.95	6,170.72
IX Earnings per equity share - Basic and diluted (Nominal value of share ₹ 10 (Previous year : ₹ 10) each)	33	114.89	67.65
Summary of significant accounting policies	3		

The notes refer to above form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024

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

Manish Gupta

Partner

Membership No. 095037

Place: Gurugram
Date: 14 May 2019

Deepak Jain

Chairman &
Managing Director
DIN: 00004972

Place: Gurugram
Date: 14 May 2019

Vineet Sahni

CEO & Senior
Executive Director
DIN: 03616096

Place: Gurugram
Date: 14 May 2019

Shruti Kant Rustagi

Chief Financial
Officer

Place: Gurugram
Date: 14 May 2019

Ankita Gupta

Company Secretary

Membership No.-A50166

Place: Gurugram
Date: 14 May 2019

Standalone Statement of Changes in Equity for the year ended 31 March 2019

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

a. Equity share capital

Particulars	Note	Amount
Balance as at 31 March 2017		934.77
Changes in equity share capital during 2017-18	15A	-
Balance as at 31 March 2018		934.77
Changes in equity share capital during 2018-19	15A	-
Balance as at 31 March 2019		934.77

b. Other Equity

Particulars	Notes	Reserves and Surplus				Items of OCI	Total
		Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurements of defined benefit plans	
Balance as at 31 March 2017		0.65	6,796.66	7,683.47	9,331.44	-	23,812.22
Transferred from retained earnings	16A	-	-	880.00	-	-	880.00
Profit for the year	16A	-	-	-	6,323.69	-	6,323.69
Dividends	16B	-	-	-	(1,355.42)	-	(1,355.42)
Dividend distribution tax	16B	-	-	-	(275.93)	-	(275.93)
Transfer to general reserve	16A	-	-	-	(880.00)	-	(880.00)
Other comprehensive income	16A	-	-	-	-	(152.97)	(152.97)
Transferred to retained earnings	16A	-	-	-	(152.97)	152.97	-
Balance as at 31 March 2018		0.65	6,796.66	8,563.47	12,990.81	-	28,351.59
Transferred from retained earnings	16A	-	-	1,075.00	-	-	1,075.00
Profit for the year	16A	-	-	-	10,740.00	-	10,740.00
Dividends	16B	-	-	-	(2,149.98)	-	(2,149.98)
Dividend distribution tax	16B	-	-	-	(441.94)	-	(441.94)
Transfer to general reserve	16A	-	-	-	(1,075.00)	-	(1,075.00)
Other comprehensive income	16A	-	-	-	-	(210.05)	(210.05)
Transferred to retained earnings	16A	-	-	-	(210.05)	210.05	-
Balance as at 31 March 2019		0.65	6,796.66	9,638.47	19,853.84	-	36,289.62

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024

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

Manish Gupta

Partner

Membership No. 095037

Place: Gurugram
Date: 14 May 2019

Deepak Jain

Chairman &
Managing Director
DIN: 00004972

Place: Gurugram
Date: 14 May 2019

Vineet Sahni

CEO & Senior
Executive Director
DIN: 03616096

Place: Gurugram
Date: 14 May 2019

Shruti Kant Rustagi

Chief Financial
Officer

Place: Gurugram
Date: 14 May 2019

Ankita Gupta

Company Secretary

Membership No.-A50166

Place: Gurugram
Date: 14 May 2019

Standalone Cash Flow Statement for the year ended 31 March 2019

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

S. No	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A	Cash flow from operating activities		
	Profit before tax	13,908.22	8,792.28
	Adjustment to reconcile profit before tax to net cash flows		
	Depreciation/ amortisation	6,028.87	4,786.98
	Provision for doubtful debts/ advances	151.69	81.33
	Diminution in value of assets held for sale	-	63.85
	Net gain on disposal of property, plant and equipment (includes exceptional item)	(3,627.23)	(9.63)
	Change in fair value of investment	1.25	8.09
	Unrealised foreign exchange (gain)/ loss	(100.15)	138.31
	Provisions/creditors no longer required written back	(423.40)	(167.96)
	Finance cost	1,552.33	718.62
	Interest income	(2.94)	(10.22)
	Dividend income	(1,401.10)	(382.39)
	Operating profit before working capital changes	16,087.54	14,019.26
	Movements in working capital:		
	Decrease/ (increase) in inventories	(3,535.99)	(5,274.20)
	Decrease/ (increase) in trade receivables	9,596.29	(12,899.47)
	Decrease/ (increase) in loans	(150.74)	(248.92)
	Decrease/ (increase) in other financial assets	2,144.68	(3,237.64)
	Decrease/ (increase) in other assets	1,412.85	(102.14)
	(Decrease)/ increase in trade payables	(15,553.36)	20,903.39
	(Decrease)/ increase in other financial liabilities	112.60	2,398.83
	(Decrease)/ increase in other liabilities	2,587.25	(369.34)
	(Decrease)/ increase in non-current provisions	521.92	226.71
	(Decrease)/ increase in current provisions	470.91	271.82
	Cash generated from operations	13,693.95	15,688.30
	Income taxes paid (net of refunds)	3,294.29	1,678.03
	Net cash flow from/ (used in) operating activities (A)	10,399.66	14,010.27
B.	Cash flow from investing activities		
	Purchase of fixed assets, including CWIP and capital advances	(15,080.53)	(13,265.35)
	Proceeds from sales of property, plant and equipment	3,919.04	54.43
	Investment made in equity shares	(64.00)	-
	Interest received	32.75	0.29
	Dividends received	1,401.10	382.39
	Maturity from/(Investments in) bank deposits (having original maturity of more than three months)	46.33	(8.13)
	Net cash flow from/ (used in) investing activities (B)	(9,745.31)	(12,836.37)

Standalone Cash Flow Statement for the year ended 31 March 2019 (Contd.)

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

S. No	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
C.	Cash flow from financing activities		
	Proceeds from bank loan	1,542.99	225.79
	Repayment of bank loan	(255.38)	(1,023.59)
	Proceeds from/(repayment) of cash credit/WCDL/vendor finance facility	2,275.37	2,018.82
	Interest paid	(1,548.18)	(706.54)
	Dividend paid on equity shares	(2,149.98)	(1,355.42)
	Dividend distribution tax	(441.94)	(275.93)
	Net cash flow from/ (used in) financing activities (C)	(577.12)	(1,116.87)
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	77.23	57.03
	Cash and cash equivalents at the beginning of the year	124.10	67.07
	Cash and cash equivalents at the end of the year	201.33	124.10
i	Components of cash and cash equivalents		
	Cash on hand	13.26	19.56
	Balances with banks:		
	On current accounts	188.07	104.54
	Total cash and cash equivalents	201.33	124.10

Particulars	Non-current borrowings	Current borrowings	Interest payable	Total
ii Movement in financial liabilities				
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)
As on 01 April 2018	483.68	9,921.03	45.36	10,450.07
Cash flows	(212.39)	3,775.37	-	3,562.98
Interest expenses	-	-	1,552.33	1,552.33
Interest paid	-	-	(1,548.18)	(1,548.18)
Other non cash transactions:				
- Foreign exchange movement	-	-	-	-
As on 31 March 2019	271.29	13,696.40	49.51	13,967.69

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

Place: Gurugram
Date: 14 May 2019

Deepak Jain
Chairman &
Managing Director
DIN: 00004972

Place: Gurugram
Date: 14 May 2019

Vineet Sahni
CEO & Senior
Executive Director
DIN: 03616096

Place: Gurugram
Date: 14 May 2019

Shruti Kant Rustagi
Chief Financial
Officer

Place: Gurugram
Date: 14 May 2019

Ankita Gupta
Company Secretary

Membership No.-A50166

Place: Gurugram
Date: 14 May 2019

Notes to the Standalone Financial Statements for the year ended 31 March 2019

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

1. Reporting entity

Lumax Industries Limited ('the Company') is engaged in the business of manufacture, trading and supply of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications. The Company is domiciled in India, with its registered office situated at 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi -110046. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

2. Basis of preparation

A. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These standalone financial statements are approved by the Company's Board of Directors on 14 May 2019.

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

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to nearest lakhs and two decimals thereof, unless otherwise indicated.

C. Basis of measurement

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

- Certain financial assets and liabilities (including derivative instruments) - measured at fair value.
- Net defined benefit (asset)/ liability - measured at fair value of plan assets less present value of defined benefit obligations.
- Other financial assets and liabilities - measured at amortised cost.

D. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on

an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties and judgements

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 March 2019 and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Recognition of deferred tax assets - note 22- The Company has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.
- Write down of inventories - note 13 - Inventories measured at the lower of cost and net realizable value. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions to determine obsolete or excess inventories.
- Impairment of financial assets - note 37 - The impairment provisions for financial assets are based on certain judgements made by the Management in making assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.
- Provision for employee benefits - note 36 - The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.
- Provision for warranty - note 20 - The provision is based on historical warranty data and weighting of all possible outcomes by their associated

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 37 - financial instruments;

Note 14 - assets held for sale; and;

Note 5 - investment property.

F. Changes in significant accounting policies

MCA has issued new standard and various amendments to existing Ind AS that are effective for the current financial year of the Company. Of these, the following developments are relevant to the Company's financial statements:

i) Ind AS 20

Pursuant to revision in Ind AS 20 on Government Grants, the Company has changed its accounting policy wherein Government grants related to assets are reduced from the cost of the asset. There is no material effect

on adoption of revised Ind AS 20 on the Standalone financial statements.

ii) Ind AS 115

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. Under Ind AS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information. There is no material effect on adoption of Ind AS 115 on the standalone financial statements.

3. Significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is :

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

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.

Gains or losses arising from the retirement or disposal of an property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific fixed assets and that are attributable to construction activity in general and can be allocated to specific fixed assets are included in capital work-in-progress.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

ii) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss. Depreciation is charged on a pro-rata basis for assets acquired/sold during the year from/to the date of acquisition/sale. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment in years for the current and comparative periods are as follows:

Assets	Estimated useful lives	Useful lives as per schedule II
Factory building	30 years	30 years
Other building	60 years	60 years
Plant and machinery	3-21 years	15 years
Furniture and fixtures	10 years	10 years
Vehicles	5 years	8 years
Office equipment	5 years	5 years

Based on technical evaluation and internal assessment of useful lives, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

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.

iii) **Reclassification to investment property**

When the use of property changes from owner occupied property to investment property the property is reclassified as investment property at its carrying value on the date of reclassification.

c. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost of such assets includes purchase price, licensee fee, import duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use.

Amortization methods, estimated useful lives and residual value.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period, residual value and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

The estimated useful lives are as follows:

Computer software	Over the estimated lives ranging from 3.5 years to 4 years
Technical know-how	Over the period of technical assistance agreement i.e. 8 years

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

d. Investment property

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon, Initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Gains or losses arising from the retirement or disposal of an investment property are determined as the

difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The fair value of investment property is disclosed in the notes.

e. Assets held for sale

Non-current assets are classified as held for sale, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

These assets are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, which are specifically exempt from this requirement. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit and Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their present condition and location. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed their net realisable value.

The Comparison of cost and net realisable value is made on an item-by-item basis.

Obsolete, defective and unserviceable stocks are duly provided for, wherever required.

g. Cash and Cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

amounts of cash and which are subject to an insignificant risk of changes in value.

In the cash flow statement, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an internal part of the Company's cash management

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 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

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:

- contingent events that would change the amount or timing of cash flows
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Company uses derivative financial instruments to hedge its certain foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

i. Impairment

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

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

delays in realisations over the expected life of the trade receivable and is adjusted for forward looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Statement of Profit and Loss and is recognised in OCI.

Write - off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. 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 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

k. Revenue

Sale of goods (including moulds)

Nature and timing of satisfaction of performance obligations, including significant payment terms

Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. However, few customers accept the goods when goods have been dispatched by the Company.

Invoices are generated at that point in time. Invoices are usually payable within 45 days. No discounts are usually provided for goods, but few customers may avail cash discount on prompt payment of the goods.

Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.

Revenue recognition

Revenue arising from the sale of goods (including moulds) is recognized when the customer obtains control of the promised asset, i.e. either at the delivery or dispatch of goods (based on the agreed terms of sale with the respective customers), which is the point in time when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods.

For contracts that allow the customers to avail the cash discount, the Company estimates the value of discount by applying the 'Most likely amount' method and past experience of the Company.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Sale of services

Nature and timing of satisfaction of performance obligations, including significant payment terms

Customers obtain control of design services when the services are completed to the satisfaction of the Customer. Invoices for services are issued on a monthly basis and are usually payable within 45 days

Revenue recognition

Revenue arising from the sale of services is recognized at the point in time when the Company satisfies the performance obligation and the services are completely rendered to the customer.

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.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

m. Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs).

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

n. Leases

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

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

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 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

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

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 recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as deferred tax asset.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

Deferred tax assets (including MAT credit) are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

q. Grant

Where the grant or subsidy relates to an asset, it is recognized by deducting the grant in arriving at the carrying amount of asset. However, when the grant or subsidy relates to an expenses item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the Company receives grants of non-monetary assets, the asset is recognized by deducting the fair value of grant from gross value of asset.

Export incentives

Export incentives are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

r. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s. Segment reporting

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available. The Company is engaged in the business relating to

manufacture, trading and supply of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications. Accordingly, the Company's activities/business is reviewed regularly by the Company's Managing Director assisted by an executive committee from an overall business perspective, rather than reviewing its products/services as individual standalone components.

Based on the dominant source and nature of risks and returns of the Company, management has identified its business segment as its primary reporting format. Accordingly, **same has been defined as one business segment.**

t. Dividend Distribution

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

u. Foreign currency transactions

Initial recognition and settlement

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss.

Subsequent recognition

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI.

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

4A Property, plant & equipment

Particulars	Land		Buildings	Plant and machinery	Furniture & fixtures	Office equipment	Vehicles	Total
	Leasehold	Freehold						
Gross Block								
At 31 March 2017	243.64	2,590.94	8,358.12	31,704.18	371.17	117.75	1,008.62	44,394.42
Additions	-	816.68	1,286.89	12,786.75	189.19	113.82	305.81	15,499.14
Disposals/adjustments	-	-	-	(40.90)	(0.15)	(0.45)	(8.49)	(49.99)
At 31 March 2018	243.64	3,407.62	9,645.01	44,450.03	560.21	231.12	1,305.94	59,843.57
Additions	146.82	186.00	1,359.45	7,179.00	85.96	129.75	128.89	9,215.87
Disposals/adjustments/ reclassification	(256.71)	(72.13)	(27.12)	(16.53)	(1.47)	(0.02)	(33.26)	(407.24)
At 31 March 2019	133.75	3,521.49	10,977.34	51,612.50	644.70	360.85	1,401.57	68,652.20
Depreciation								
At 31 March 2017	3.88	-	354.36	3,188.00	51.75	30.31	173.56	3,801.86
For the year	3.88	-	385.71	3,922.74	59.09	36.96	236.84	4,645.22
Disposals/adjustments	-	-	-	(3.62)	(0.07)	(0.04)	(1.47)	(5.20)
At 31 March 2018	7.76	-	740.07	7,107.12	110.77	67.23	408.93	8,441.88
For the year	3.35	-	414.35	5,023.62	76.45	56.28	269.07	5,843.12
Disposals/adjustments	(6.14)	-	(7.38)	(3.20)	(0.66)	-	(27.72)	(45.10)
At 31 March 2019	4.97	-	1,147.04	12,127.54	186.56	123.51	650.28	14,239.90
Net Block:								
At 31 March 2018	235.88	3,407.62	8,904.94	37,342.91	449.44	163.89	897.01	51,401.69
At 31 March 2019	128.78	3,521.49	9,830.30	39,484.96	458.14	237.34	751.29	54,412.30

Notes:

- During the current year, the Company has capitalised borrowing cost relating to construction of Plant and Machinery amounting to ₹ Nil (31 March 2018 - ₹ 190.43 lakhs).
- Property, plant and equipment amounting to ₹ 740.87 lakhs (31 March 2018 - ₹ 737.35 lakhs) have been pledged as security by the Company.

4B Capital Work in progress

Particulars	As at 31 March 2019	As at 31 March 2018
Capital Work in progress	4,899.83	3,383.17
Total	4,899.83	3,383.17

4C Intangible assets

Particulars	Computer Software	Total
Gross Block		
At 31 March 2017	440.39	440.39
Additions	243.97	243.97
Disposals/adjustments	-	-
At 31 March 2018	684.36	684.36
Additions	211.26	211.26
Disposals/adjustments	(0.55)	(0.55)
At 31 March 2019	895.07	895.07
Depreciation		
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
For the year	185.75	185.75
Disposals/adjustments	(0.56)	(0.56)
At 31 March 2019	434.32	434.32
Net Block:		
At 31 March 2018	435.23	435.23
At 31 March 2019	460.75	460.75

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

4D Intangible assets under development

Particulars	As at 31 March 2019	As at 31 March 2018
Intangible assets under development	78.82	-
Total	78.82	-

5 Investment Property

Particulars	Freehold land	Total
Gross Block		
At 31 March 2018	-	-
Transferred from property, plant & equipment	72.13	72.13
At 31 March 2019	72.13	72.13
Depreciation		
At 31 March 2018	-	-
For the year	-	-
Disposals/adjustments	-	-
At 31 March 2019	-	-
Net Block:		
At 31 March 2018	-	-
At 31 March 2019	72.13	72.13

Notes:

- The fair value Investment property has been determined considering the current expected sale value in the market and has been categorized as Level 1 fair value (refer note 2E).
- Fair market value as at 31 March 2019 amount to ₹ 1,278.00 lakhs.

6 Investments

Particulars	As at 31 March 2019	As at 31 March 2018
A-Non-current investments		
Unquoted equity shares		
<i>Equity shares at cost</i>		
32,98,986 (31 March 2018: 32,98,986) equity shares of ₹ 10 each fully paid-up in SL Lumax Limited (an associate)	354.74	354.74
<i>Equity shares at FVTPL</i>		
6,55,832 (31 March 2018: 15,832) equity shares of ₹ 10 each fully paid-up in Caparo Power Limited	65.58	1.58
Unquoted Preference shares		
<i>Preference shares at FVTPL</i>		
9,44,168 (31 March 2018: 9,44,168) 2% Redeemable Preference shares of ₹ 10 each fully paid-up in Caparo Power Limited	94.42	94.42
Total-A	514.74	450.74
B-Current investments		
Quoted equity shares at FVTPL	13.93	15.18
43,866 (31 March 2018: 43,866) equity shares of ₹ 10 each fully paid up in PNB Gilts Limited		
Total-B	13.93	15.18
Total- Investments (A+B)	528.67	465.92
Aggregate cost of quoted investments	9.87	9.87
Aggregate market value of quoted investments	13.93	15.18
Aggregate amount of unquoted investments	514.74	450.74
Aggregate provision for diminishing in value of investment	9.34	8.09

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

7 Loans

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
A-Non-Current		
Security deposits	516.19	369.95
Others	22.25	22.47
Total-A	538.44	392.42
B-Current		
Others	99.39	94.67
Total-B	99.39	94.67
Total- Loans (A+B)	637.83	487.09

8 Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
A-Non-current		
Margin money with banks* (deposits with maturity of more than 12 months)	-	22.52
Unpaid dividend accounts#	92.96	74.56
Claims recoverable (refer note 42)	134.41	134.41
Total - A	227.37	231.49
B-Current		
Unbilled revenue	814.70	3,051.46
Interest accrued but not due on fixed deposits	2.30	32.11
Export & other benefits receivable	130.63	-
Others	114.67	171.62
Total - B	1,062.30	3,255.19
Total- Other financial assets (A+B)	1,289.67	3,486.68
Total- Loans (A+B)	637.83	487.09

* Margin money with banks represents fixed deposits pledged with banks for guarantees issued to government authorities.

The Company can utilize the balance only towards settlement of unclaimed dividend.

9 Trade receivables*

Particulars	As at 31 March 2019	As at 31 March 2018
Receivable considered good-Unsecured	22,101.18	31,822.68
Receivable - credit impaired	305.94	154.25
Less: Allowance for doubtful debts	(305.94)	(154.25)
Net-Trade receivables	22,101.18	31,822.68
Non-current	-	-
Current	22,101.18	31,822.68
Total	22,101.18	31,822.68

* Refer note 38 for related party transactions.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 37.

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

Party Name	As at 31 March 2019	As at 31 March 2018
Lumax Auto Technologies Ltd.	2,516.48	3,558.60
Lumax Ancillary Ltd.	141.64	211.61
Lumax DK Auto Industries Ltd.	25.80	59.92
Lumax Cornaglia Auto Technologies Pvt. Ltd.	13.36	8.16
Bharat Enterprises	7.91	-
Lumax Mannoh Allied Technologies Ltd.	-	5.31
Mahavir Udyog	0.07	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

10 Cash and bank balances

Particulars	As at 31 March 2019	As at 31 March 2018
A-Cash and cash equivalents		
Cash on hand	13.26	19.56
Bank balances		
in current accounts	188.07	104.54
Cash and cash equivalents in Balance Sheet	201.33	124.10
Cash and cash equivalents in the statement of cash flows	201.33	124.10
B-Bank balances other than above		
Margin Money with banks* (deposits with maturity of less than 12 months)	23.13	46.94

* Margin money with banks represents fixed deposits pledged with banks for guarantees issued to government authorities.

11 Tax assets

Particulars	As at 31 March 2019	As at 31 March 2018
Advance tax (net of provisions ₹ 2,987.34 lakhs; 31 March 2018: ₹ 1,938.91 lakhs)	517.13	80.57
Total	517.13	80.57

12 Other assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
A-Non-current		
Capital advances	3,181.22	794.66
Prepaid expenses	17.54	12.94
B-Current		
Advance to suppliers	1,069.65	2,164.37
Less: Provision for doubtful advances	(25.17)	(25.17)
	1,044.48	2,139.20
Advance to employees	1.61	5.21
Export benefits receivable	37.91	28.13
Balances with government authorities	1,126.72	1,612.74
Prepaid expenses	233.34	163.59
Others	130.52	43.16
Total- Other assets	5,773.34	4,799.63
Other Non-current assets	3,198.76	807.60
Other Current assets	2,574.58	3,992.03
Total	5,773.34	4,799.63

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

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials and components (including stock in transit ₹ 1,487.30 lakhs (31 March 2018: ₹ 1,725.11 lakhs))	10,235.92	11,038.39
Work-in-progress	1,318.90	1,600.44
Finished goods	2,671.51	2,031.67
Stock in Trade	371.14	163.65
Stores and spares (including packing material) (including stock in transit: ₹ Nil (31 March 2018: ₹ 1.55 lakhs))	1,178.12	1,131.36
Moulds, tools and dies in process (including stock in transit: ₹ Nil (31 March 2018: ₹ 129.69 lakhs))	4,639.14	913.23
Total	20,414.73	16,878.74

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 ₹ 116.04 lakhs (31 March 2018: ₹ Nil). Further, following a change in estimates, write-down amounting ₹ Nil (31 March 2018: ₹ 0.09 lakhs) 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 the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

14 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:

Particulars	As at 31 March 2019	As at 31 March 2018
Asset held for sale		
Property, plant and equipment	-	1.80
Total	-	1.80

In past years, the Management had decided to discontinue the use of machinery based in Sohna plant amounting to ₹ 65.65 lakhs. Same have been disclosed separately under "Assets classified as held for Sale" as at 31 March 2018. These assets have been sold for ₹ 1.80 lakhs during the current financial year.

15 Equity Share Capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
1,20,00,000 (31 March 2018: 1,20,00,000) equity shares of ₹ 10 each	1,200.00	1,200.00
Issued, subscribed and fully paid up		
93,47,732 (31 March 2018: 93,47,732) equity shares of ₹ 10 each	934.77	934.77
Total	934.77	934.77

15A Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	93,47,732	934.77	93,47,732	934.77
Issued during the year	-	-	-	-
At the end of the year	93,47,732	934.77	93,47,732	934.77

15B 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.

15C Details of shareholders holding more than 5% shares in the Holding Company

Particulars	As at 31 March 2019		As at 31 March 2018	
	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%
Dhanesh Kumar Jain	21,09,709	22.57%	19,59,026	20.96%
Lumax Auto Technologies Limited	5,25,000	5.62%	5,25,000	5.62%
Lumax Finance Private Limited	4,93,367	5.28%	4,60,902	4.93%

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 Financial Statements for the year ended 31 March 2019 (Contd.)

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

16 Other equity

A. Summary of other equity

Particulars	As at 31 March 2019	As at 31 March 2018
I. Capital reserve		
At the beginning and at the end of the year	0.65	0.65
II. Securities premium		
At the beginning and at the end of the year	6,796.66	6,796.66
III. General reserve		
Balance at the beginning of the year	8,563.47	7,683.47
Add: Amount transferred from retained earnings	1,075.00	880.00
Balance at the end of the year	9,638.47	8,563.47
IV. Retained earnings		
Balance at the beginning of the year	12,990.81	9,331.44
Add: Profit for the year	10,740.00	6,323.69
Less: Appropriations		
- Dividend paid	(2,149.98)	(1,355.42)
- Dividends distribution tax	(441.94)	(275.93)
- Transferred to general reserve	(1,075.00)	(880.00)
Add: Transferred from other comprehensive income	(210.05)	(152.97)
Balance at the end of the year	19,853.84	12,990.81
V. Items of other comprehensive income		
Balance at the beginning of the year	-	-
Add: Remeasurements of defined benefit plans	(210.05)	(152.97)
Less: Transferred to retained earnings	210.05	152.97
Balance at the end of the year	-	-
Total- Other equity	36,289.62	28,351.59

(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 2019	Year ended 31 March 2018
₹ 23.00 per equity share (31 March 2018: ₹ 14.50)	2,149.98	1,355.42
Dividend distribution tax on dividend to shareholders	441.94	275.93
Total	2,591.92	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.

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
₹ 35.00 equity share (31 March 2018: ₹ 23.00 per share)	3,271.71	2,149.98
Total	3,271.71	2,149.98

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

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 2019	As at 31 March 2018
Total liabilities	74,186.45	84,155.05
Less: cash and cash equivalents	(201.33)	(124.10)
Adjusted net debt	73,985.12	84,030.95
Total equity	37,224.39	29,286.36
Adjusted net debt to equity ratio	1.99	2.87

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

17 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Long term		
Vehicle loan from banks	256.29	483.68
Vehicle loan from others	15.00	-
Total	271.29	483.68
A-Non-current	93.63	228.30
B-Current - reclassified to other financial liabilities (refer note 19)	177.66	255.38
Short term		
Unsecured loan from bank	1,500.00	-
Cash credit/Working Capital facility from banks (secured)	3,352.46	5,560.61
Vendor finance facility from banks (unsecured)	8,843.94	4,360.42
Total	13,696.40	9,921.03

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 37.

Terms and repayment schedule

Particulars	Currency	Year of maturity	Nominal interest rate (range)	As at 31 March 2019	Charges
Secured					
Vehicle Loans from bank	₹	2019 - 2022	7.90% - 8.60%	256.29	Hypothecation of the respective vehicle
Vehicle Loans from others	₹	2019 - 2021	0.05%	15.00	Hypothecation of the respective vehicle
Cash Credit from bank	₹	2019	8.15% - 8.30%	852.27	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Cash Credit from bank	₹	2019	8.30% - 11.00%	0.19	Current assets of the Company on Pari-Passu basis
Working Capital Facility from bank	₹	2019	7.98% - 10.75%	1,000.00	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Working Capital Facility from others	₹	2019	7.75% - 9.50%	1,500.00	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Unsecured					
Term Loan from bank	₹	2019	10.00%	1,500.00	Nil
Vendor finance facility from banks	₹	2019	8.00% - 9.80%	8,843.94	Nil

Particulars	Currency	Year of maturity	Nominal interest rate (range)	As at 31 March 2018	Charges
Secured					
Vehicle Loans from bank	₹	2018 - 2022	7.75% - 10.00%	483.68	Hypothecation of the respective vehicle
Cash Credit from bank	₹	2018	8.15% - 9.25%	560.61	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Working Capital Facility from bank	₹	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	₹	2018	7.70% - 8.70%	2,000.00	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Working Capital Facility from others	₹	2018	7.75% - 8.50%	2,000.00	Immovable fixed assets of Gurugram Unit & current assets of the Company on Pari-Passu basis
Unsecured					
Vendor finance facility from banks	₹	2018	7.75% - 9.00%	4,360.42	Nil

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

18 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables		
- Total outstanding due of micro enterprises and small enterprises {refer note (a) below for details of dues to micro and small enterprises}	52.41	32.95
- Total outstanding due of creditors other than micro enterprises and small enterprises	37,956.78	53,603.27
Total	38,009.19	53,636.22

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 37

(a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
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	35.22	22.43
Interest due on above	0.42	0.48
	35.64	22.91
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	6.25	1.48
The amount of interest accrued and remaining unpaid at the end of each accounting year	17.19	10.52
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	-	-

19 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Current portion of secured bank loans	177.66	255.38
Capital creditors	3,513.94	5,185.29
Interest accrued on borrowings/cash credit	49.51	45.36
Payable to employees	2,063.85	1,816.02
Unpaid dividend	92.96	74.56
Interest free deposits from customers	5.83	13.04
Other liabilities*	4,259.33	4,405.75
Total Other financial liabilities	10,163.08	11,795.40
Current	10,163.08	11,795.40
Non-current	-	-
Total	10,163.08	11,795.40

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

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

20 Provisions

Particulars	Non-current	Current	Non-current	Current
	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018
A-Provision for employee benefits				
Compensated absences	1,814.22	147.22	1,487.49	150.42
Gratuity (refer note 36)	168.73	1,027.10	-	764.99
Total-A	1,982.95	1,174.32	1,487.49	915.41
B-Other provisions				
Provision for warranties {Refer (a) below}	-	59.67	-	61.02
Provision for lease equilisation	542.01	-	515.55	-
Provision for tax (net of advance tax for previous year ₹ 2,779.37 lakhs)	-	-	-	151.04
Total-B	542.01	59.67	515.55	212.06
Total- Provisions (A+B)	2,524.96	1,233.99	2,003.04	1,127.47

(a) Provision for warranties

A provision is recognized for expected warranty claims on products sold in past year, based on past experience of the level of repairs and returns. It is expected that all of these costs will be incurred in the next financial year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and information available about warranty. The table below gives information about movement in warranty provisions.

Particulars	As at 31 March 2019	As at 31 March 2018
At the beginning of the year	61.02	32.74
Arising during the year (net of reversals)	120.94	124.92
Utilized during the year	(122.29)	(96.64)
At the end of the year	59.67	61.02

21 Other liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
A-Non-current		
Total-A	-	-
B-Current		
Advances from customers	6,695.76	3,812.84
Statutory dues	1,335.08	1,630.75
Total-B	8,030.84	5,443.59
Total- Other liabilities (A+B)	8,030.84	5,443.59

22 Income tax

A. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
<i>for Current period</i>		
Current tax	2,969.24	1,828.42
Less: MAT credit entitlement (including MAT for earlier years)	(189.23)	(1,139.38)
Deferred tax	375.83	1,783.88
<i>for prior periods</i>		
Current tax	12.38	(4.33)
	3,168.22	2,468.59

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

22 Income tax (contd.)

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit plan	210.05	-	210.05	268.54	(115.57)	152.97

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Rate (%)	Amount	Rate (%)	Amount
Profit before tax		13,908.22		8,792.28
Enacted tax rates in India	34.94%	4,860.09	34.61%	3,042.83
Effect of:				
Difference in tax rates*	-	-	-13.27%	(1,166.42)
Tax related to prior periods	0.09%	12.38	-0.05%	(4.33)
Tax credit for MAT	-1.36%	(189.23)	-12.96%	(1,139.38)
Movement in recognised temporary differences	-	-	19.22%	1,689.90
Exempt income	-3.52%	(489.60)	-0.93%	(81.61)
Deferred tax on Items of OCI	-	-	1.07%	93.97
Excess deduction of R&D Expenses	-4.66%	(647.60)	-	-
Impact of sale of land	-4.29%	(597.34)	-	-
Others	1.58%	219.52	0.38%	33.62
Income tax expense	22.78%	3,168.22	28.08%	2,468.59

*In the previous year, the Company paid taxes under MAT.

D. Recognised deferred tax assets and liabilities

Particulars	Year ended 31 March 2019			Year ended 31 March 2018		
	Deferred tax assets	Deferred tax liabilities	Net Deferred tax assets / (liabilities)	Deferred tax assets	Deferred tax liabilities	Net Deferred tax assets / (liabilities)
Property, plant and equipment and intangible assets (net)	-	(6,422.25)	(6,422.25)	-	(5,771.71)	(5,771.71)
Provision for compensated absences	624.98	-	624.98	511.92	-	511.92
Provision for doubtful debts and advances	115.70	-	115.70	62.70	-	62.70
Provision for bonus	179.73	-	179.73	178.45	-	178.45
Provision for gratuity	417.87	-	417.87	246.35	-	246.35
Provision for lease equilisation	189.40	-	189.40	180.15	-	180.15
Carry forward MAT credits	4,460.21	-	4,460.21	4,619.31	-	4,619.31
Total	5,987.89	(6,422.25)	(434.36)	5,798.88	(5,771.71)	27.17

E. Movement of temporary differences

Particulars	As at 31 March 2017	Recognised temporary differences	Recognised tax credits (net of adjustments)	As at 31 March 2018	Recognised temporary differences	Recognised tax credits (net of adjustments)	As at 31 March 2019
Property, plant and equipment and intangible assets (net)	(5,051.00)	(720.71)	-	(5,771.71)	(650.54)	-	(6,422.25)
Provision for compensated absences	392.07	119.85	-	511.92	113.06	-	624.98
Provision for doubtful debts and advances	33.94	28.76	-	62.70	53.00	-	115.70
Provision for bonus	195.16	(16.71)	-	178.45	1.28	-	179.73
Provision for gratuity	187.21	59.14	-	246.35	171.52	-	417.87
Unabsorbed depreciation	1,162.11	(1,162.11)	-	-	-	-	-
Provision for lease equilisation	171.09	9.06	-	180.15	9.25	-	189.40
Cess on royalty/design fee	7.18	(7.18)	-	-	-	-	-
Carry forward MAT credits	3,514.09	-	1,105.22	4,619.31	-	(159.10)	4,460.21
Total	611.85	(1,689.90)	1,105.22	27.17	(302.43)	(159.10)	(434.36)

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

23 Revenue from operations*

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (including excise duty)		
Finished goods	1,77,257.46	1,50,742.19
Traded goods	1,518.22	2,664.37
Moulds, tools and dies	4,904.02	14,486.67
Total Sale of products (A)	1,83,679.70	1,67,893.23
Sale of services (B)	1,179.34	844.22
Other operating revenues		
Scrap Sales	285.96	289.93
Others [#]	-	91.69
Total Other operating revenues (C)	285.96	381.62
Total- Revenue from operations (A+B+C)	1,85,145.00	1,69,119.07

* refer note 44

[#] refer note 43

24.1 Other Income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income under Effective Interest method		
on bank deposits held at amortised cost	2.94	10.22
others	71.02	17.93
Dividend	1,401.10	382.39
Net gain on sale of property plant and equipment	6.96	9.63
Rental income from property subleased	54.01	48.36
Provisions/creditors no longer required written back	423.40	167.96
Net gain on account of foreign exchange transaction	-	250.09
Mark to market gain on cross currency swaps	-	26.42
Export and other incentive (refer note 43)	426.43	-
Miscellaneous income	166.02	12.43
Total	2,551.88	925.43

24.2 Net gain on Exceptional/Extraordinary sales (Property/Plant)*

3,620.27 -

* During the year, the Company disposed of its land and building located in New Delhi, resulting in gain amounting to ₹ 3,620.27 lakhs. This gain, being income arising from transaction that is distinct from ordinary activities of the Company and not expected to reoccur, has been classified under exceptional item in the statement of profit and loss of the year.

25.1 Cost of raw material and components consumed

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventory of materials at the beginning of the year	11,038.39	5,636.27
Add: Purchases	1,16,459.87	1,01,452.71
Less: Inventory of materials at the end of the year	(10,235.92)	(11,038.39)
Total	1,17,262.34	96,050.59

25.2 Cost of moulds, tools & dies

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventory at the beginning of the year	913.23	2,567.33
Add: Purchases	6,784.60	10,252.12
Less: Inventory at the end of the year	(4,639.14)	(913.23)
Total	3,058.69	11,906.22

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

26 Purchase of Traded Goods

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Automotive lamps/components	1,562.66	2,442.86
Total	1,562.66	2,442.86

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 13)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening 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
Closing Inventory		
Finished goods	2,671.51	2,031.67
Work-in-progress	1,318.90	1,600.44
Stock-in-trade	371.14	163.65
	4,361.55	3,795.76
(Increase)/Decrease in Inventory		
Finished goods	(639.84)	(405.30)
Work-in-progress	281.54	(977.57)
Stock-in-trade	(207.49)	(2.73)
	(565.79)	(1,385.60)

28 Excise duty

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Excise duty (refer note 44)	-	4,184.44
Total	-	4,184.44

29 Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	18,525.55	15,720.16
Contribution to provident and other funds	825.46	656.70
Compensated absences	475.05	581.28
Gratuity (refer note 36)	269.25	247.21
Staff welfare	1,704.21	1,687.48
Total	21,799.52	18,892.83

30 Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expenses on financial liabilities measured at amortised cost	1,521.10	718.62
Interest-others	31.23	-
Total	1,552.33	718.62

31 Depreciation and amortization expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant & equipment	5,843.12	4,645.22
Amortization of intangible assets	185.75	141.76
Total	6,028.87	4,786.98

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

32 Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Stores and spares	738.43	1,078.87
Packing material	3,584.89	3,028.90
Power and fuel	5,930.35	4,988.26
Rent (refer note 34A)	359.11	318.92
Rates and taxes	91.24	157.05
Insurance	168.28	157.66
Repairs and maintenance	3,562.33	3,001.74
Freight and forwarding	2,886.51	3,078.71
Bank charges	77.16	78.11
Commission on sales - other than sole selling agent	-	107.91
Travelling and conveyance	1,759.86	1,576.56
Legal and professional	348.31	277.10
Management support fees	2,472.88	2,187.94
Design, support and testing charges	201.29	260.95
Directors' sitting fees	23.00	20.22
Payment to auditors (refer note 32.1)	43.91	49.92
Royalty	2,507.38	2,002.21
Diminution in value of assets held for sale	-	63.85
Warranty	120.94	124.92
Increase/ (decrease) of excise duty on finished goods	-	(190.32)
Net loss on account of foreign exchange transactions	353.32	-
Provision for doubtful debts/ advances (net)	151.69	81.33
Advertising and publicity	52.73	19.24
Selling and promotion	138.80	193.79
Communication	138.10	144.94
Printing & stationery	176.38	128.66
Net change in fair value of investment in equity shares held at FVTPL	1.25	8.09
Contribution towards Corporate Social Responsibility (refer note 32.2)	123.20	73.58
Miscellaneous	698.97	636.17
Total	26,710.31	23,655.28

Above expenses include research and development expenses (refer note 41)

32.1 Payment to Auditor (excluding applicable taxes)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
As auditor:		
Audit fee	24.50	31.50
Tax audit fee	3.00	3.00
Limited Review	10.50	10.50
In other capacity:		
Certification fees	1.00	-
Reimbursement of expenses	4.91	4.92
Total	43.91	49.92

32.2 Corporate Social Responsibility (CSR)

As per the provisions of section 135 of the Companies Act, 2013, the Company had to spend at least 2% of the average profits of the preceding three financial years towards CSR which amounts to ₹ 122.17 lakhs (31 March 2018: ₹ 71.26 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 ₹ 123.20 lakhs (31 March 2018 ₹ 73.58 lakhs) and has accordingly charged the same to the statement of Profit and Loss.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

33 Earnings per share (EPS)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for attributable to equity shareholders	10,740.00	6,323.69
Weighted average number of equity shares	93,47,732	93,47,732
Basic and Diluted Earnings per share in ₹ (Nominal value of shares of ₹ 10 (Previous year : ₹ 10))	114.89	67.65

34 Operating leases

A. Leases as lessee

The Company has taken residential accommodation for some of its employees, office premises and warehouses 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 ₹ 359.11 lakhs (previous year ₹ 318.92 lakhs).

Future minimum lease payments under non-cancellable operating lease are as under:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Payable in less than one year	6.00	6.00
Payable between one and five years	30.00	27.00
Payable after more than five years	267.00	276.00
Total	303.00	309.00

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 ₹ 54.01 lakhs (previous year ₹ 48.36 lakhs) was recognised as rental income in the Statement of Profit and Loss. As at 31 March 2019, there are no future minimum lease payments under non-cancellable operating lease as receivable.

35 Segment

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available. The Company is engaged in the business of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications and related activities. The Company's activities/business is regularly reviewed by the Company's Managing Director assisted by an executive committee from an overall business perspective, rather than reviewing its products/services as individual standalone components. Thus, the Company has only one operating segment, and no reportable segments in accordance with Ind AS - 108 Operating Segments.

The entity wide disclosures as required by Ind AS -108 are as follows:

A. Product/Service Description

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (including excise duty)		
Finished goods	1,77,257.46	1,50,742.19
Traded goods	1,518.22	2,664.37
Moulds, tools and dies	4,904.02	14,486.67
Sale of services	1,179.34	844.22
Other operating revenues		
Scrap sales	285.96	289.93
Others	-	91.69
Total	1,85,145.00	1,69,119.07

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

B. Revenue from external customer

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
India	1,81,686.78	1,65,711.39
Other countries*	3,458.22	3,407.68
Total	1,85,145.00	1,69,119.07

*Exports to any single country are not material to be disclosed

C. Non-current assets**

Particulars	As at 31 March 2019	As at 31 March 2018
India	63,639.72	56,108.26
Total	63,639.72	56,108.26

** Non-current assets exclude financial instruments and deferred tax assets.

D. Major customers

Details of customers which accounts for more than 10% of Company's total revenue are as follows:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Maruti Suzuki India Limited	47,598.22	47,350.55
Honda Motorcycle and Scooter India Private Limited	27,296.17	18,726.33
Suzuki Motor Gujrat Pvt. Ltd.	21,666.03	7,829.39

36 Assets and liabilities relating to employee benefits

A. Information about the Defined contribution plans

The Company's approved Superannuation Scheme, Employee Provident Fund and Employee State Insurance Scheme are defined contribution plans. A sum of ₹ 825.46 lakhs (previous year ₹ 656.70 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 ₹ 272.32 lakhs in contributions to its defined benefit plans in 2019-20.

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 2019	As at 31 March 2018
Balance at the beginning of the year	2,336.79	1,794.71
Benefits paid	(179.62)	(91.44)
Current service cost	212.67	175.48
Liability acquired through employee transfer	2.25	6.78
Past service cost	-	42.36
Interest cost	171.89	131.17
Actuarial (gains)/losses recognised in other comprehensive income		
changes in demographic/financial assumptions	99.60	136.28
experience adjustments	113.64	141.45
Balance at the end of the year	2,757.22	2,336.79

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

36 Assets and liabilities relating to employee benefits (CONTD.)

b) Reconciliation of the present value of plan assets

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	1,571.80	1,253.75
Contributions paid into the plan	50.72	298.51
Benefits paid	(179.63)	(91.45)
Interest income	115.31	101.80
Actuarial (gains)/losses recognised in other comprehensive income	3.19	9.19
Balance at the end of the year	1,561.39	1,571.80
Net defined benefit liability/(asset) at the end of the year	1,195.83	764.99

c) Expense recognised in Statement of Profit and Loss (Plan A and B)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	212.67	175.48
Interest cost	171.89	131.17
Past service gain	-	42.36
Interest income	(115.31)	(101.80)
Total	269.25	247.21

d) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial (gain)/loss on defined benefit obligation	213.24	277.73
Return on plan assets excluding interest income	(3.19)	(9.19)
Total	210.05	268.54

e) Plan assets

Plan assets comprise of the following:

Particulars	As at 31 March 2019	As at 31 March 2018
Investment with Insurer	1,537.94	1,547.38
%age	98.50%	98.45%
Bank	23.45	24.42
%age	1.50%	1.55%

C. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.65%	7.65%
Future salary growth	7.50%	7.00%
Attrition rate	8.00%	5.00%

At 31 March 2019, the weighted-average duration of the defined benefit obligation was 21.06 years (31 March 2018: 20.84 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 2019		Year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(161.09)	179.29	(160.96)	181.99
Future salary growth (1% movement)	171.36	(157.55)	176.51	(159.44)
Attrition rate (1% movement)	0.52	(0.73)	7.13	(7.23)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

37 Financial instruments - Fair values and risk management

a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Notes	As at 31 March 2019			As at 31 March 2018		
		Cost	FVTPL	Amortised cost	Cost	FVTPL	Amortised cost
Financial assets							
Non-current							
Investments	6	354.74	160.00	-	354.74	96.00	-
Loans	7	-	-	538.44	-	-	392.42
Others	8	-	-	227.37	-	-	231.49
Current							
Investments	6	-	13.93	-	-	15.18	-
Trade receivables	9	-	-	22,101.18	-	-	31,822.68
Cash and cash equivalents	10	-	-	201.33	-	-	124.10
Bank balances other than above	10	-	-	23.13	-	-	46.94
Loans	7	-	-	99.39	-	-	94.67
Others	8	-	-	1,062.30	-	-	3,255.19
Total		354.74	173.93	24,253.14	354.74	111.18	35,967.49
Financial liabilities							
Non-current							
Borrowings	17	-	-	93.63	-	-	228.30
Current							
Borrowings	17	-	-	13,696.40	-	-	9,921.03
Trade payables	18	-	-	38,009.19	-	-	53,636.22
Other financial liabilities	19	-	-	10,163.08	-	-	11,795.40
Total		-	-	61,962.30	-	-	75,580.95

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 2019			As at 31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non - Current						
Investments	-	-	160.00	-	-	96.00
Current						
Investments	13.93	-	-	15.18	-	-

Assets and liabilities which are measured at amortised cost

- 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.
- 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.
- 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.
- Fair value of all other non-current financial assets have not been disclosed as the change from carrying amount is not significant.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

37 Financial instruments - Fair values and risk management (CONTD.)

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			
Investment in Caparo Power Limited	The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and earnings (after making necessary adjustments).	- Forecast annual growth rate - 3% to perpetuity	The estimated fair value would increase (decrease) if: - the annual growth rate were higher (lower); - the risk-adjusted discount rate were lower (higher).

(ii) Transfers between level 1 and level 2

There have been no transfers between Level 1 and Level 2 during the year.

(iii) Level 3 fair values

There have been no transfers to and from Level 3 during the year.

c) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk	Recognised financial assets and liabilities not denominated in Indian rupee and future commercial transactions	Cash flow forecasting Sensitivity analysis	Forward Foreign Currency Contracts

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Company's risk management is carried out by a central treasury team department under policies approved by the board of directors.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

37 Financial instruments - Fair values and risk management (contd.)

(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:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Balance as at the beginning of the year	52.64	-
Movement during the year	106.64	52.64
Balance as at the end of the year	159.28	52.64

Loans and other financial assets

- 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.
- 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 loans/cash credit/working capital limit of ₹ 8,050 lakhs to meet short term funding requirement.
- The Company is also having vendor financing /bill discounting limit of ₹ 16,850 lakhs to meet the funding requirement.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

37 Financial instruments - Fair values and risk management (contd.)

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:

Particulars	As at 31 March 2019			As at 01 April 2018		
	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year
Borrowings						
Vehicle loan from banks	256.29	170.79	85.50	483.68	255.38	228.30
Vehicle loan from others	15.00	6.87	8.13	-	-	-
Other borrowings						
Unsecured bank loans	1,500.00	1,500.00	-	-	-	-
Working Capital facility	3,352.46	3,352.46	-	5,560.61	5,560.61	-
Vendor finance facility	8,843.94	8,843.94	-	4,360.42	4,360.42	-
Trade payables	38,009.19	38,009.19	-	53,636.22	53,636.22	-
Other financial liabilities						
Current portion of secured bank loans	177.66	177.66	-	255.38	255.38	-
Capital creditors	3,513.94	3,513.94	-	5,185.29	5,185.29	-
Interest accrued on borrowings/cash credit	49.51	49.51	-	45.36	45.36	-
Payable to employees	2,063.85	2,063.85	-	1,816.02	1,816.02	-
Unpaid dividend	92.96	92.96	-	74.56	74.56	-
Interest free deposits from customers	5.83	5.83	-	13.04	13.04	-
Other liabilities	4,259.33	4,259.33	-	4,405.75	4,405.75	-
Total	62,139.96	62,046.33	93.63	75,836.33	75,608.03	228.30

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 ₹. 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 2019	Cash and cash equivalents	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognised financial assets / (liabilities)	
				Foreign currency	₹
EUR	-	(2.42)	3.92	1.50	116.51
GBP	-	(0.02)	4.06	4.04	365.72
JPY	-	(2,214.52)	-	(2,214.52)	(1,382.25)
USD	-	(32.04)	6.32	(25.72)	(1,778.67)
THB	-	(0.18)	-	(0.18)	(0.39)
TWD	2.06	-	-	2.06	4.64
IDR	-	(1,482.52)	-	(1,482.52)	(7.19)

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

37 Financial instruments - Fair values and risk management (contd.)

As at 31 March 2018	Cash and cash equivalents	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognised financial assets / (liabilities)	
				Foreign currency	₹
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)

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, TWD: New Taiwan 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:

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	(17.79)	17.79	(77.12)	77.12
JPY (1% movement)	(13.82)	13.82	(14.25)	14.25
Other currencies	4.79	(4.79)	(1.18)	1.18

(v) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company tries to manage the risk partly by entering into fixed-rate instruments and partly by borrowing at a floating rate:

Exposure to Interest rate risk

The Company has the following exposure in interest bearing borrowings as on reporting date:

Standalone Balance sheet	As at 31 March 2019	As at 31 March 2018
Borrowings		
Term loans (fixed interest)	1,771.29	483.68
Cash credit/Working capital facility (variable interest)	3,352.46	5,560.61
Vendor finance facility (variable interest)	8,843.94	4,360.42
Total	13,967.69	10,404.71

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 2019	Year ended 31 March 2018
1% increase	(132.77)	(62.02)
1% decrease	132.77	62.02

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

38 Related Party Disclosure

A. Names of related parties and related party relationship

S. No.	Particulars	Name of Related parties
1	Enterprise/Person having significant influence	Stanley Electric Co. Ltd., Japan Mr. Dhanesh Kumar Jain (Chairman Emeritus- w.e.f. 01.04.2018)
2	Associate	SL Lumax Limited
3	Key Management Personnel	Mr. Dhanesh Kumar Jain (Chairman- upto 31.03.2018) Mr. Deepak Jain (Chairman & Managing Director- w.e.f. 01.04.2018) (Managing Director- upto 31.03.2018) Mr. Anmol Jain (Joint Managing Director) Mr. Eiichi Hirooka (Senior Executive Director- upto 03.02.2018) Mr. Tadayoshi Aoki (Senior Executive Director- w.e.f. 03.02.2018) Mr. Koji Swada (Executive Director) 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- upto 28.05.2018) Mrs. Ritika Modi (Independent Director- w.e.f. 28.07.2018) Mr. Dhiraj Dhar Gupta (Independent Director) Mr. Vineet Sahni (CEO & Senior Executive Director- w.e.f. 01.04.2018)
4	Relatives of Key Management Personnel	Mrs. Usha Jain (Mother of Mr. Deepak Jain & Anmol Jain) Mr. Mahesh Kumar Jain (brother of Mr Dhanesh Kumar Jain) Mr. Vyom Sahni (son of Mr. Vineet Sahni)
5	Enterprises owned or significantly influenced/ controlled by Key Management Personnel or their Relatives	Lumax Auto Technologies Ltd. Lumax DK Auto Industries Ltd. Lumax Tours & Travels Ltd. Lumax Finance Pvt. Ltd. Lumax Ancillary Ltd. 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 FAE Technologies Pvt. Ltd. Lumax Ituran Telematics Pvt. Ltd. Lumax Gill - Austem Auto Technologies Ltd. Lumax Integrated Ventures Pvt. Ltd. Sipal Engineering Pvt. Ltd. Backcountry Estates Pvt. Ltd. Lumax Charitable Trust Foundation
6	Enterprises controlled by Enterprise having significant influence	Thai Stanley Electric Public Co. Ltd. Asian Stanley International Co. Ltd. Pt Indonesia Stanley Electric Stanley Electric (Asia Pacific) Ltd. Tianjin Stanley Electric Co. Ltd. Vietnam Stanley Electric Co. Ltd.

B. Detail of Related Parties Transactions

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Associates		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
A)	TRANSACTIONS														
i)	<i>Sale of Raw Materials and Components (grouped in Consumption)</i>														
	Lumax Auto Technologies Ltd.							3,974.27	2,887.82					3,974.27	2,887.82
	Lumax DK Auto Industries Ltd.							44.94	54.60					44.94	54.60
	Lumax Ancillary Ltd.							576.46	559.42					576.46	559.42
	Bharat Enterprises							35.31	1.36					35.31	1.36
	Lumax Mannoh Allied Technologies Ltd.								0.51						0.51
	Lumax Ituran Telematics Pvt. Ltd.							7.53	-					7.53	-
ii)	<i>Sale of Finished Goods (including Semi-finished Goods)</i>														
	Lumax Auto Technologies Ltd.							5,781.37	5,272.94					5,781.37	5,272.94
	Lumax DK Auto Industries Ltd.							151.93	95.13					151.93	95.13
	Lumax Mannoh Allied Technologies Ltd.								4.80						4.80
	Lumax Ancillary Ltd.							192.78	127.70					192.78	127.70
iii)	<i>Sale of Fixed Assets</i>														
	Mahavir Udyog							0.11	-					0.11	-
	Mr. Vineet Sahn						7.40							7.40	
	Lumax Ancillary Ltd.								3.09						3.09
iv)	<i>Sale of Services</i>														
	Lumax Auto Technologies Ltd.							312.10	24.72					312.10	24.72
	Lumax DK Auto Industries Ltd.							3.06	7.58					3.06	7.58
	Lumax Ancillary Ltd.							12.85	6.00					12.85	6.00
	Bharat Enterprises							1.06	1.63					1.06	1.63
	Mahavir Udyog							0.42	0.28					0.42	0.28
	Thai Stanley Electric Public Co. Ltd.									62.10				62.10	
	Stanley Electric Co. Ltd.	3.34	60.95											3.34	60.95
v)	<i>Purchase of Raw Materials, Components and Moulds</i>														
	Lumax Auto Technologies Ltd.							21,701.52	12,489.51					21,701.52	12,489.51
	Lumax DK Auto Industries Ltd.							11,148.66	11,433.38					11,148.66	11,433.38
	Lumax Ancillary Ltd.							6,485.51	6,946.85					6,485.51	6,946.85
	Bharat Enterprises							2,800.05	2,286.21					2,800.05	2,286.21
	Mahavir Udyog							289.56	262.80					289.56	262.80

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Associates		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	-	-	-	-	29.62	1,095.13	-	-	29.62	1,095.13
	Asian Stanley International Co. Ltd	-	-	-	-	-	-	-	-	2,165.94	2,436.84	-	-	2,165.94	2,436.84
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	3.60	156.28	-	-	3.60	156.28
	Stanley Electric (Asia Pacific) Ltd	-	-	-	-	-	-	-	-	7.36	542.10	-	-	7.36	542.10
	Tianjin Stanley Electric Co. Ltd	-	-	-	-	-	-	-	-	345.25	226.80	-	-	345.25	226.80
	Vietnam Stanley Electric Co. Ltd.	-	-	-	-	-	-	-	-	65.29	80.80	-	-	65.29	80.80
	Stanley Electric Co. Ltd.	11,369.39	9,588.78	-	-	-	-	-	-	-	-	-	-	11,369.39	9,588.78
vi)	Purchase of Packing Material														
	Mahavir Udyog	-	-	-	-	-	-	2,062.57	1,972.35	-	-	-	-	2,062.57	1,972.35
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	3.39	-	-	-	-	-	3.39
vii)	Purchase of Stores & Spares														
	Lumax Energy Solutions Pvt. Ltd.	-	-	-	-	-	-	6.11	21.15	-	-	-	-	6.11	21.15
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	0.78	-	-	-	-	-	0.78
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	3.81	-	-	-	-	-	3.81
	Stanley Electric Co. Ltd.	2.62	6.36	-	-	-	-	-	-	-	-	-	-	2.62	6.36
viii)	Purchase of Fixed Assets														
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	42.74	-	-	-	-	-	42.74
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	111.29	-	-	-	-	-	111.29	-
	Stanley Electric Co. Ltd.	77.57	2.59	-	-	-	-	-	-	-	-	-	-	77.57	2.59
ix)	Purchase of Traded Goods														
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	-	-	-	-	76.34	154.92	-	-	76.34	154.92
x)	Technical Charges														
	Design, Drawing & Testing Charges														
	Stanley Electric Co. Ltd.	86.60	1,370.26	-	-	-	-	-	-	-	-	-	-	86.60	1,370.26
	Tianjin Stanley Electric Co. Ltd	-	-	-	-	-	-	-	-	23.69	2.51	-	-	23.69	2.51
	Management Support Fee														
	Stanley Electric Co. Ltd.	1,030.56	978.70	-	-	-	-	-	-	-	-	-	-	1,030.56	978.70
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	1,689.58	1,481.90	-	-	-	-	1,689.58	1,481.90
xi)	Rent Received														
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	4.25	3.53	-	-	-	-	4.25	3.53
	Sipal Engineering Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-
	Lumax Finance Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-
	Lumax Gill - Austem Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-
	Lumax Integrated Ventures Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Associates		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	0.05	-	-	-	-	-	0.05	-
	Lumax Ancillary Ltd.	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	-	0.05	-	-	-	-	-	0.05	-
	Lumax Energy Solutions Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-
	Backcountry Estates Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	58.70	53.18	-	-	-	-	58.70	53.18
xii)	Dividend Received														
	SL Lumax Ltd.	-	-	-	-	-	-	-	-	-	-	1,398.74	379.38	1,398.74	379.38
xiii)	Rent Paid														
	Mr. Dhanesh Kumar Jain	10.08	15.12	-	-	-	-	-	-	-	-	-	-	10.08	15.12
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	214.61	171.15	-	-	-	-	214.61	171.15
xiv)	Payment to Chairman Emeritus														
	Mr. Dhanesh Kumar Jain	30.00	-	-	-	-	-	-	-	-	-	-	-	30.00	-
xv)	Managerial Remuneration (short term employee benefits)*														
	Mr. Deepak Jain	-	-	135.69	134.22	-	-	-	-	-	-	-	-	135.69	134.22
	Mr. Anmol Jain	-	-	53.66	53.66	-	-	-	-	-	-	-	-	53.66	53.66
	Mr. Eiiichi Hirooka (upto 03.02.18)	-	-	-	16.06	-	-	-	-	-	-	-	-	-	16.06
	Mr. Tadayoshi Aoki (w.e.f. 03.02.18)	-	-	16.16	2.48	-	-	-	-	-	-	-	-	16.16	2.48
	Mr. Kojl Sawada	-	-	15.77	15.42	-	-	-	-	-	-	-	-	15.77	15.42
	Mr. Vineet Sahni	-	-	272.83	-	-	-	-	-	-	-	-	-	272.83	-
	*Does not include provision for gratuity and compensated absences, since the same is accrued on the basis of actuarial valuation carried out for the Company as a whole.														
xvi)	Commission to Director														
	Mr. Dhanesh Kumar Jain	-	97.44	-	-	-	-	-	-	-	-	-	-	-	97.44
	Mr. Deepak Jain	-	-	392.87	337.49	-	-	-	-	-	-	-	-	392.87	337.49
	Mr. Anmol Jain	-	-	136.41	194.88	-	-	-	-	-	-	-	-	136.41	194.88
	Mr. Vineet Sahni	-	-	114.31	-	-	-	-	-	-	-	-	-	114.31	-
xvii)	Royalty (gross)														
	Stanley Electric Co. Ltd.	2,507.38	2,002.21	-	-	-	-	-	-	-	-	-	-	2,507.38	2,002.21
xviii)	Dividend Paid														
	Mr. Dhanesh Kumar Jain	450.58	301.20	-	-	-	-	-	-	-	-	-	-	450.58	301.20
	Mr. Deepak Jain	-	-	37.82	20.69	-	-	-	-	-	-	-	-	37.82	20.69
	Mr. Anmol Jain	-	-	16.08	8.03	-	-	-	-	-	-	-	-	16.08	8.03

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Associates		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Mrs. Usha Jain	-	-	-	-	34.66	21.85	-	-	-	-	-	-	34.66	21.85
	D K Jain and Sons (HUF)	-	-	-	-	-	-	32.88	-	-	-	-	-	32.88	-
	Mr. Mahesh Kumar Jain	-	-	-	-	-	0.01	-	-	-	-	-	-	-	0.01
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	120.75	76.13	-	-	-	-	120.75	76.13
	Lumax Finance Pvt. Ltd.	-	-	-	-	-	-	113.47	60.50	-	-	-	-	113.47	60.50
	Stanley Electric Co. Ltd.	768.98	484.79	-	-	-	-	-	-	-	-	-	-	768.98	484.79
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	-	-	-	-	37.26	-	-	-	37.26	-
xix)	Travelling & Conveyance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	3.74	0.42	-	-	-	-	3.74	0.42
	Lumax Ancillary Ltd.	-	-	-	-	-	-	3.73	-	-	-	-	-	3.73	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	-	0.41	-	-	-	-	-	0.41
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	608.83	567.87	-	-	-	-	608.83	567.87
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	-	-	-	-	7.30	-	-	-	7.30	-
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	-	7.01	-	-	-	7.01
	Stanley Electric Co. Ltd	133.40	102.78	-	-	-	-	-	-	-	-	-	-	133.40	102.78
xx)	Communication Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax Ancillary Ltd.	-	-	-	-	-	-	-	1.90	-	-	-	-	-	1.90
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	0.54	-	-	-	-	-	0.54
xxi)	Freight Inward	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax Ancillary Ltd.	-	-	-	-	-	-	0.40	-	-	-	-	-	0.40	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.18	-	-	-	-	-	0.18	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	0.19	-	-	-	-	-	0.19
xxii)	Insurance Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.12	3.95	-	-	-	-	0.12	3.95
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01	-
xxiii)	Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	-	(0.35)	-	-	-	-	-	(0.35)
xxiv)	Legal & Professional Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.10	0.05	-	-	-	-	0.10	0.05
	Sipal Engineering Pvt. Ltd.	-	-	-	-	-	-	0.41	-	-	-	-	-	0.41	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	5.39	23.62	-	-	-	-	5.39	23.62
xxv)	Miscellaneous Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	21.55	4.24	-	-	-	-	21.55	4.24
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	0.11	-	-	-	-	-	0.11

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Associates		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Stanley Electric Co. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
xxvi)	Packing & Forwarding														
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02	-
xxvii)	Salaries, wages and bonus														
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	-	0.33	-	-	-	-	-	0.33
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	47.06	-	-	-	-	-	47.06	-
	Stanley Electric Co. Ltd.	70.21	55.45	-	-	-	-	-	-	-	-	-	-	70.21	55.45
	Mr. Vyom Sahni	-	-	-	-	-	2.04	-	-	-	-	-	-	2.04	-
xxviii)	Printing & Stationery Expenses														
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02
xxix)	Reimbursement Received														
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	(2.68)	(0.16)	-	-	-	-	(2.68)	(0.16)
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	(12.04)	(7.70)	-	-	-	-	(12.04)	(7.70)
	Lumax Ancillary Ltd.	-	-	-	-	-	-	(3.47)	-	-	-	-	-	(3.47)	-
	Bharat Enterprises	-	-	-	-	-	-	(0.07)	-	-	-	-	-	(0.07)	-
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	(13.64)	-	-	-	-	-	(13.64)	-
	Mahavir Udyog	-	-	-	-	-	-	(0.02)	-	-	-	-	-	(0.02)	-
	Stanley Electric Co. Ltd.	(228.90)	(215.70)	-	-	-	-	-	-	-	-	-	-	(228.90)	(215.70)
xxx)	Reimbursement given														
	Lumax Ancillary Ltd.	-	-	-	-	-	-	-	3.06	-	-	-	-	-	3.06
xxxi)	Repair to Plant & Machinery														
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	6.76	-	-	-	-	-	6.76
	Lumax Ancillary Ltd.	-	-	-	-	-	-	1.16	-	-	-	-	-	1.16	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	2.84	-	-	-	-	-	2.84
xxxii)	Repairs & Maintenance-Others														
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	57.35	71.44	-	-	-	-	57.35	71.44
	Stanley Electric Co. Ltd.	20.22	-	-	-	-	-	-	-	-	-	-	-	20.22	-
xxxiii)	Sales promotion														
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	-	18.48	-	-	-	-	-	18.48
xxxiv)	Welfare (Staff And Labour)														
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	2.22	-	-	-	-	-	2.22	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	42.42	12.86	-	-	-	-	42.42	12.86
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	0.46	-	-	-	-	-	0.46	-

S. No.	Particulars/Account Head	Enterprise/ Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Associates		Total		
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
	Stanley Electric Co. Ltd.	64.59	42.08	-	-	-	-	-	-	-	-	-	-	-	64.59	42.08
xxxv)	<i>Excess provision Written Back</i>															
	Stanley Electric Co. Ltd.	0.62	-	-	-	-	-	-	-	-	-	-	-	-	0.62	-
xxxvi)	<i>Job Work Charges</i>															
	Lumax Ancillary Ltd.	-	-	-	-	-	0.14	-	-	-	-	-	-	-	0.14	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	1.44	-	-	-	-	-	-	-	1.44	-
xxxvii)	<i>Corporate Social Responsibility Contribution (CSR)</i>															
	Lumax Charitable Trust Foundation	-	-	-	-	-	123.20	73.58	-	-	-	-	-	-	123.20	73.58
xxxviii)	<i>Sitting Fee</i>															
	Mr. Avinash Parkash Gandhi	-	-	4.20	4.61	-	-	-	-	-	-	-	-	-	4.20	4.61
	Mr. Rajeev Kapoor	-	-	3.60	2.20	-	-	-	-	-	-	-	-	-	3.60	2.20
	Mr. Munish Chandra Gupta	-	-	4.40	4.00	-	-	-	-	-	-	-	-	-	4.40	4.00
	Mr. Rattan Kapur	-	-	4.60	3.60	-	-	-	-	-	-	-	-	-	4.60	3.60
	Ms. Pallavi Dinodia Gupta	-	-	-	1.80	-	-	-	-	-	-	-	-	-	-	1.80
	Ms Ritika Modi	-	-	1.60	-	-	-	-	-	-	-	-	-	-	1.60	-
	Mr. Dhiraj Dhar Gupta	-	-	4.60	4.00	-	-	-	-	-	-	-	-	-	4.60	4.00

C. Details of Closing Balances of Related Parties

S. No.	Particulars/Account head	Enterprise having significant influence		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Associates		Total
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	
B)	BALANCES AT THE YEAR END									
i)	<i>Trade Receivables</i>									
	Lumax Auto Technologies Ltd.	-	-	2,516.48	3,558.60	-	-	-	-	2,516.48
	Lumax DK Auto Industries Ltd.	-	-	25.80	59.92	-	-	-	-	25.80
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	13.36	8.16	-	-	-	-	13.36
	Lumax Ancillary Ltd.	-	-	141.64	211.61	-	-	-	-	141.64
	Bharat Enterprises	-	-	7.91	-	-	-	-	-	7.91
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	5.31	-	-	-	-	-
	Mahavir Udyog	-	-	0.07	-	-	-	-	-	0.07
ii)	<i>Advance received from Customers</i>									
	Lumax Auto Technologies Ltd.	-	-	718.79	-	-	-	-	-	718.79
	Stanley Electric Co. Ltd.	-	3.27	-	-	-	-	-	-	-
iii)	<i>Unbilled Revenue</i>									
	Lumax Auto Technologies Ltd.	-	-	1.08	-	-	-	-	-	1.08
iv)	<i>Trade Payables</i>									
	Lumax Auto Technologies Ltd.	-	-	3,734.50	5,393.54	-	-	-	-	3,734.50
	Lumax DK Auto Industries Ltd.	-	-	4,443.25	5,452.77	-	-	-	-	4,443.25
	Lumax Tours & Travels Ltd.	-	-	30.50	43.18	-	-	-	-	30.50
	Lumax Ancillary Ltd.	-	-	1,453.90	1,889.69	-	-	-	-	1,453.90
	Bharat Enterprises	-	-	825.69	696.72	-	-	-	-	825.69
	Mahavir Udyog	-	-	553.42	524.87	-	-	-	-	553.42
	Lumax Management Services Pvt. Ltd.	-	-	197.52	525.53	-	-	-	-	197.52
	Lumax Energy Solutions Pvt. Ltd.	-	-	-	3.12	-	-	-	-	-
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	21.91	39.09	-	-	21.91
	Asian Stanley International Co. Ltd.	-	-	-	-	88.39	355.15	-	-	88.39
	Pt Indonesia Stanley Electric	-	-	-	-	10.61	163.29	-	-	10.61
	Stanley Electric (Asia Pacific) Ltd.	-	-	-	-	-	4.05	-	-	-
	Tianjin Stanley Electric Co. Ltd.	-	-	-	-	-	230.29	-	-	-
										230.29

S. No.	Particulars/Account head	Enterprise having significant influence		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Associates		Total	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018		
	Vietnam Stanley Electric Co. Ltd.	-	-	-	20.66	13.58	20.66	-	-	13.58	20.66
	Stanley Electric Co. Ltd.	2,072.39	7,670.58	-	-	-	-	-	-	2,072.39	7,670.58
v)	<i>Advance paid to Vendors</i>	-	-	-	-	-	-	-	-	-	-
	Lumax Ancillary Ltd.	-	-	2,074.89	-	-	-	-	-	2,074.89	-
vi)	<i>Prepaid Expenses</i>	-	-	-	-	-	-	-	-	-	-
	Lumax Management Services Pvt. Ltd.	-	-	76.66	-	-	-	-	-	76.66	-
vii)	<i>Investment</i>	-	-	-	-	-	-	-	-	-	-
	SL Lumax Limited	-	-	-	-	-	-	354.74	354.74	354.74	354.74

Note:

The Company has established a comprehensive system on maintenance of information and documents required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The Management is of the opinion that its transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements particularly on the amount of income tax expense and that of provision of taxation.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

39 Capital and other commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of Contract (Net of Advances paid during the year ₹ 2,523.54 lakhs (31 March 2018: ₹ 724.57 lakhs) remaining to be executed on capital account and not provided for)	3,623.38	1,250.48

40 Contingent liabilities

S. No.	Particulars	As at 31 March 2019	As at 31 March 2018
(i)	Income tax cases*	8.47	405.67
(ii)	Excise , customs and Service tax*	593.87	75.21
(iii)	Sales tax and VAT*	86.58	26.37
(iv)	Export obligation#	5,462.78	9,935.23

*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 ₹ 5,462.78 lakhs (31 March 2018: ₹ 9,935.23 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 ₹ 910.46 lakhs (31 March 2018: ₹ 1,655.87 lakhs).

In February 2019, the Supreme Court of India in its judgement, clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1919. The Company is of the view there are many interpretative challenges on the application of judgement retrospectively and as such the Company does not consider any probable obligations for past periods. Accordingly, the Company has made provision for provident fund contribution from the date of Supreme Court judgment.

41 Details of Research and development expenses are as follows:

A. The Company has incurred expenses on its research and development center at Gurugram approved and recognised by the Ministry of Science & Technology, Government of India.

a. Capital expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Capital expenditure	110.00	282.75

b. Revenue expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	1,219.40	1,012.80
Contribution to provident fund	61.10	48.57
Contribution to other funds	2.97	2.58
Staff welfare	197.65	166.89
Gratuity	39.56	40.18
Insurance	6.36	6.28
Repair & maintenance	219.53	140.84
Travelling & conveyance	449.08	443.87
Legal & professional expenses	2.69	-
Research & development	1.82	0.54
Power & fuel	18.49	10.51
Miscellaneous	35.90	70.00
Design, support & testing charges	57.98	21.51
Material/Consumable/Spares	21.16	-
Depreciation	182.49	163.76
Finance cost	3.96	4.87
Total	2,520.14	2,133.20

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

- B. The Company has incurred expenses on its research and development center at Pune approved and recognised by the Ministry of Science & Technology, Government of India.

a. Capital expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Capital expenditure	117.96	200.71

b. Revenue expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	903.85	716.52
Contribution to provident fund	41.15	31.57
Contribution to other funds	0.08	0.06
Staff welfare	80.43	78.80
Gratuity	19.87	13.22
Insurance	2.42	2.27
Repair & maintenance	68.57	75.15
Travelling & conveyance	179.66	137.87
Legal & professional expenses	44.29	13.12
Power & fuel	36.91	29.51
Miscellaneous	22.94	30.56
Design, support & testing charges	8.13	7.58
Material/Consumable/Spares	1.06	49.05
Depreciation	137.69	103.89
Finance cost	1.13	1.25
Total	1,548.18	1,290.42

- 42 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. The Company is now contemplating to file documents for obtaining refund from West Bengal Industrial Development Corporation.

43 Government grant (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 ₹ 187.13 lakhs (previous year ₹ 91.69 lakhs) under the above schemes. Further, the Company has also received ₹ 239.30 lakhs as budgetary support from Government of India under GST regime.

- 44 Post applicability of Goods and Services Tax (GST) w.e.f. 1 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 2019 are not comparable with the immediately preceding year ended 31 March 2018 which are reported inclusive of Excise Duty up to the period ended 30 June 2017.

45 Recent accounting pronouncement

1 Ind AS 116, Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

45 Recent accounting pronouncement (CONTD.)

A Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of offices/warehouse/factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

B Leases in which the Company is a lessor

The Company will reassess the classification of sub-leases in which the Company is a lessor. Based on the information currently available, the Company does not expect any reclassification from operating lease to finance lease.

C Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

2 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019.

The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

3 Amendment to Ind AS 12 – Income taxes

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Notes to the Standalone Financial Statements for the year ended 31 March 2019 (Contd.)

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

4 Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company does not have any impact on account of this amendment.

46 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019

47 Disclosure required by Ind AS 115

1. The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied as at 31 March 2019 amounts to ₹ 217.00 lakhs. This will be recognized as revenue when the moulds will be sold to the customer, which is expected to occur post 31 March 2020*

*The above amount does not include the value of performance obligations outstanding as at 31 March 2019 that have an original expected duration of one year or less, as allowed by Ind AS 115

2. Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 23 to the standalone financial statements. Further, the revenue is disclosed in the said note is net of ₹ 624.32 lakhs representing cash discount to customers.
3. The following table provides further information as required by Ind AS 115:

Particulars	As at/Year ended 31 March 2019
Receivables included in 'Trade receivables'	22,101.18
Revenue recognized in the current year included in the contract liability balance at the beginning of the year.	2,577.46
Unbilled revenue (Contract Assets)	814.70
Advances from customers (Contract liabilities)	6,695.76

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

Place: Gurugram
Date: 14 May 2019

Deepak Jain

Chairman &
Managing Director
DIN: 00004972

Place: Gurugram
Date: 14 May 2019

Vineet Sahni

CEO & Senior
Executive Director
DIN: 03616096

Place: Gurugram
Date: 14 May 2019

Shruti Kant Rustagi

Chief Financial
Officer

Place: Gurugram
Date: 14 May 2019

Ankita Gupta

Company Secretary

Membership No.-A50166

Place: Gurugram
Date: 14 May 2019

Independent Auditor's Report

To the Members of Lumax Industries Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Lumax Industries Limited (hereinafter referred to as the 'Holding Company') and its associate, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements" or financial statements).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such associate, as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the

Holding Company and its associate as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Contd.)

Key Audit matter	How the matter was addressed in our audit
<p>Revenue recognition</p> <p>As disclosed in Note 23, the Holding Company's revenue from operations for the year ended 31 March 2019 was INR 184,859.04 Lakhs.</p> <p>Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is only recognised to the extent that is highly probable a significant reversal will not occur. The timing of revenue recognition is relevant to the reported performance of the Holding Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>The Holding Company considers certain variable considerations such as price adjustment and discounts to be passed to customers on the basis of agreed terms, negotiations with customers/ commercial considerations, which involves significant judgement and estimates to arrive at the amount of price adjustments to be accrued for adjustment to revenue</p> <p>We have considered revenue recognition as a key audit matter on account of the qualitative and quantitative factors as mentioned above.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Assessing the appropriateness of the revenue recognition accounting policies, including those relating to price increase/ decrease and discounts by comparing with applicable accounting standards. - Evaluating relevant General Information Technology Control environment and testing the design and operating effectiveness of key IT application controls supporting revenue recognition. - Testing of certain manual key controls (both design and operating effectiveness) in respect of revenue recognition. - Inspecting on a sample basis, key customer contracts/ purchase order to identify terms and conditions relating to goods acceptance, price adjustments and discount and assessing the Holding Company's revenue recognition policies with reference to the requirements of the applicable accounting standards. - Inspecting samples identified by applying statistical sampling from the underlying documents that revenue has been booked correctly and in the correct period with reference to supporting invoices, terms and conditions with customers and receipts from customers. - Testing on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end to determine whether revenue was recognised in the correct period. - Performing analytical procedures on current year revenue based on trends and where appropriate, conducting further enquiries and testing. - Evaluated management's methodology and assumptions used in the calculations of price adjustments. Tested, on sample basis, credit notes issued/ payment made as per approved customer contracts/ agreed price adjustments passed on to the customers and tested completeness, arithmetical accuracy and validity of the data used in the price adjustments. - Assessing manual journals posted to revenue to identify unusual items.

Independent Auditor's Report (Contd.)

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Holding Company including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the Holding Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated

financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of Holding Company and its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its associate is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial

Independent Auditor's Report (Contd.)

statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of Holding Company and its associate to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of Holding Company. For the associate included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by him. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements also include the Holding Company's share of net profit (and other comprehensive income) of Rs. 918.65 lakhs for the year ended 31 March 2019, in respect of an associate, whose financial statements have not been audited by us. The financial statements in relation to the associate 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-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the audit report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such associate, as audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

Independent Auditor's Report (Contd.)

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the associate, as noted in the 'Other Matters' paragraph:
- i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Holding Company and its associate - Refer Note 40 to the consolidated financial statements.
- ii) The Holding Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.
- iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its associate company incorporated in India during the year ended 31 March 2019.
- iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):
- In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of such associate company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and associate company, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its associate company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Manish Gupta
Partner
Membership No.: 095037

Place: Gurugram
Date: 14 May 2019

Annexure A to the Independent Auditors' report on the consolidated financial statements of Lumax Industries Limited for the period ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Lumax Industries Limited (hereinafter referred to as "the Holding Company") and a company incorporated in India under the Companies Act, 2013, which is its associate company, as of that date.

In our opinion, the Holding Company and its associate, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the

risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W /W-100024

Manish Gupta

Partner

Membership No.: 095037

Place: Gurugram

Date: 14 May 2019

Consolidated Balance Sheet as at 31 March 2019

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

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
I ASSETS			
Non-current assets			
Property, plant and equipment	4A	54,412.30	51,401.69
Capital work-in-progress	4B	4,899.83	3,383.17
Investment Property	5	72.13	-
Intangible assets	4C	460.75	435.23
Intangible assets under development	4D	78.82	-
Investments accounted using the equity method	47	7,908.18	8,675.82
Financial assets			
Investments	6	160.00	96.00
Loans	7	538.44	392.42
Others	8	227.37	231.49
Non-current tax assets (net)	11	517.13	80.57
Other non-current assets	12	3,198.76	807.60
Total non-current assets		72,473.71	65,503.99
Current assets			
Inventories	13	20,414.73	16,878.74
Financial assets			
Investments	6	13.93	15.18
Trade receivables	9	22,101.18	31,822.68
Cash and cash equivalents	10	201.33	124.10
Bank balances other than above	10	23.13	46.94
Loans	7	99.39	94.67
Others	8	1,062.30	3,255.19
Other current assets	12	2,574.58	3,992.03
		46,490.57	56,229.53
Assets held for sale	14	-	1.80
Total current assets		46,490.57	56,231.33
TOTAL ASSETS		1,18,964.28	1,21,735.32
II EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	934.77	934.77
Other equity	16	42,554.93	35,265.00
Total equity		43,489.70	36,199.77
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	93.63	228.30
Provisions	20	2,524.96	2,003.04
Deferred tax liabilities (net)	22	1,722.49	1,380.50
Total non-current liabilities		4,341.08	3,611.84
Current liabilities			
Financial liabilities			
Borrowings	17	13,696.40	9,921.03
Trade payables			
- total outstanding dues of micro and small enterprises, and	18	52.41	32.95
- total outstanding dues of creditors other than micro and small enterprises	18	37,956.78	53,603.27
Other financial liabilities	19	10,163.08	11,795.40
Provisions	20	1,233.99	1,127.47
Other current liabilities	21	8,030.84	5,443.59
Total current liabilities		71,133.50	81,923.71
Total liabilities		75,474.58	85,535.55
TOTAL EQUITY AND LIABILITIES		1,18,964.28	1,21,735.32
Summary of significant accounting policies	3		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
For B S R & Associates LLP
 Chartered Accountants
 Firm registration number: 116231W/W-100024

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

Manish Gupta
Partner

Deepak Jain
Chairman &
Managing Director
DIN: 00004972

Vineet Sahni
CEO & Senior
Executive Director
DIN: 03616096

Shruti Kant Rustagi
Chief Financial
Officer

Ankita Gupta
Company Secretary

Membership No. 095037

Membership No.-A50166

Place: Gurugram
Date: 14 May 2019

Place: Gurugram
Date: 14 May 2019

Place: Gurugram
Date: 14 May 2019

Place: Gurugram
Date: 14 May 2019

Place: Gurugram
Date: 14 May 2019

Statement of Consolidated Profit & Loss for the year ended 31 March 2019

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

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
I REVENUE			
Revenue from operations	23	1,85,145.00	1,69,119.07
Other income	24.1	1,153.11	546.05
TOTAL REVENUE		1,86,298.11	1,69,665.12
II EXPENSES			
Cost of materials consumed			
Cost of raw material and components consumed	25.1	1,17,262.34	96,050.59
Cost of moulds, tools & dies	25.2	3,058.69	11,906.22
Purchase of stock in trade	26	1,562.66	2,442.86
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(565.79)	(1,385.60)
Excise duty	28	-	4,184.44
Employee benefits expenses	29	21,799.52	18,892.83
Finance costs	30	1,552.33	718.62
Depreciation and amortization	31	6,028.87	4,786.98
Other expenses	32	26,710.31	23,655.28
TOTAL EXPENSES		1,77,408.93	1,61,252.22
III Profit before exceptional items, income tax and share in profit/(loss) of associate (I-II)		8,889.18	8,412.90
IV Exceptional items	24.2	3,620.27	-
V Profit before income tax and share in profit / (loss) of associate (III+IV)		12,509.45	8,412.90
VI Profit of associate		918.65	1,342.04
VII Profit before tax (V+VI)		13,428.10	9,754.94
VIII Tax Expense:			
Current tax	22	2,969.24	1,828.42
Less : MAT credit entitlement (including MAT for earlier years)	22	(189.23)	(1,139.38)
Deferred tax	22	256.29	1,934.00
Current tax for earlier years	22	12.38	(4.33)
Income tax expenses		3,048.68	2,618.71
IX Profit for the year (VII-VIII)		10,379.42	7,136.23
X Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability		210.05	268.54
Income tax relating to above		-	(115.57)
Net other comprehensive income not to be reclassified subsequently to profit or loss		210.05	152.97
Total comprehensive income for the year (IX-X)		10,169.37	6,983.26
XI Earnings per equity share - Basic and diluted (Nominal value of share ₹ 10 (Previous year : ₹ 10) each)	33	111.04	76.34
Summary of significant accounting policies	3		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024

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

Manish Gupta

Partner

Membership No. 095037

Place: Gurugram
Date: 14 May 2019

Deepak Jain

Chairman &
Managing Director
DIN: 00004972

Place: Gurugram
Date: 14 May 2019

Vineet Sahni

CEO & Senior
Executive Director
DIN: 03616096

Place: Gurugram
Date: 14 May 2019

Shruti Kant Rustagi

Chief Financial
Officer

Place: Gurugram
Date: 14 May 2019

Ankita Gupta

Company Secretary

Membership No.-A50166

Place: Gurugram
Date: 14 May 2019

Consolidated Statement of Changes in Equity for the year ended 31 March 2019

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

a. Equity share capital

Particulars	Note	Amount
Balance as at 31 March 2017		934.77
Changes in equity share capital during 2017-18	15A	-
Balance as at 31 March 2018		934.77
Changes in equity share capital during 2018-19	15A	-
Balance as at 31 March 2019		934.77

b. Other Equity

Particulars	Notes	Reserves and Surplus				Items of OCI	Total
		Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurements of defined benefit plans	
Balance as at 31 March 2017		0.65	6,796.66	7,683.47	15,496.30	-	29,977.08
Transferred from retained earnings	16A	-	-	880.00	-	-	880.00
Profit for the year	16A	-	-	-	7,136.23	-	7,136.23
Dividends	16B	-	-	-	(1,355.42)	-	(1,355.42)
Dividend distribution tax	16B	-	-	-	(275.93)	-	(275.93)
Transfer to general reserve	16A	-	-	-	(880.00)	-	(880.00)
Other comprehensive income	16A	-	-	-	-	(152.97)	(152.97)
Transferred to retained earnings	16A	-	-	-	(152.97)	152.97	-
Dividend tax on dividend received	16A	-	-	-	(63.99)	-	(63.99)
Balance as at 31 March 2018		0.65	6,796.66	8,563.47	19,904.22	-	35,265.00
Transferred from retained earnings	16A	-	-	1,075.00	-	-	1,075.00
Profit for the year	16A	-	-	-	10,379.42	-	10,379.42
Dividends	16B	-	-	-	(2,149.98)	-	(2,149.98)
Dividend distribution tax	16B	-	-	-	(441.94)	-	(441.94)
Transfer to general reserve	16A	-	-	-	(1,075.00)	-	(1,075.00)
Other comprehensive income	16A	-	-	-	-	(210.05)	(210.05)
Transferred to retained earnings	16A	-	-	-	(210.05)	210.05	-
Dividend tax on dividend received		-	-	-	(287.52)	-	(287.52)
Balance as at 31 March 2019		0.65	6,796.66	9,638.47	26,119.15	-	42,554.93

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024

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

Manish Gupta

Partner

Membership No. 095037

Place: Gurugram
Date: 14 May 2019

Deepak Jain

Chairman &
Managing Director
DIN: 00004972

Place: Gurugram
Date: 14 May 2019

Vineet Sahni

CEO & Senior
Executive Director
DIN: 03616096

Place: Gurugram
Date: 14 May 2019

Shruti Kant Rustagi

Chief Financial
Officer

Place: Gurugram
Date: 14 May 2019

Ankita Gupta

Company Secretary

Membership No.-A50166

Place: Gurugram
Date: 14 May 2019

Consolidated Cash Flow Statement for the year ended 31 March 2019

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

S. No.	Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
A.	Cash flow from operating activities		
	Profit before tax	13,428.10	9,754.94
	Adjustment to reconcile profit before tax to net cash flows		
	Share in profits of Associate	(918.65)	(1,342.04)
	Depreciation/ amortisation	6,028.87	4,786.98
	Provision for doubtful debts/ advances	151.69	81.33
	Diminution in value of assets held for sale	-	63.85
	Net gain on disposal of property, plant and equipment (includes exceptional item)	(3,627.23)	(9.63)
	Change in fair value of investment	1.25	8.09
	Unrealised foreign exchange (gain)/ loss	(100.15)	138.31
	Provisions/creditors no longer required written back	(423.40)	(167.96)
	Finance cost	1,552.33	718.62
	Interest income	(2.94)	(10.22)
	Dividend income	(2.33)	(3.01)
	Operating profit before working capital changes	16,087.54	14,019.26
	Movements in working capital:		
	Decrease/ (increase) in inventories	(3,535.99)	(5,274.20)
	Decrease/ (increase) in trade receivables	9,596.29	(12,899.47)
	Decrease/ (increase) in loans	(150.74)	(248.92)
	Decrease/ (increase) in other financial assets	2,144.68	(3,237.64)
	Decrease/ (increase) in other assets	1,412.85	(102.14)
	(Decrease)/ increase in trade payables	(15,553.36)	20,903.39
	(Decrease)/ increase in other financial liabilities	112.60	2,398.83
	(Decrease)/ increase in other liabilities	2,587.25	(369.34)
	(Decrease)/ increase in non-current provisions	521.92	377.75
	(Decrease)/ increase in current provisions	470.91	120.78
	Cash generated from operations	13,693.95	15,688.30
	Income taxes paid (net of refunds)	3,294.29	1,678.03
	Net cash flow from/ (used in) operating activities (A)	10,399.66	14,010.27
B.	Cash flow from investing activities		
	Purchase of fixed assets, including CWIP and capital advances	(15,080.53)	(13,265.35)
	Proceeds from sales of property, plant and equipment	3,919.04	54.43
	Investment made in equity shares	(64.00)	-
	Interest received	32.75	0.29
	Dividends received	1,401.10	382.39
	Maturity from/(Investments in) bank deposits (having original maturity of more than three months)	46.33	(8.13)
	Net cash flow from/ (used in) investing activities (B)	(9,745.31)	(12,836.37)

Consolidated Cash Flow Statement For the year ended 31 March 2019

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

S. No.	Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
C.	Cash flow from financing activities		
	Proceeds from bank loan	1,542.99	225.79
	Repayment of bank loan	(255.38)	(1,023.59)
	Proceeds from/(repayment) of cash credit/WCDL/vendor finance facility	2,275.37	2,018.82
	Interest paid	(1,548.18)	(706.54)
	Dividend paid on equity shares	(2,149.98)	(1,355.42)
	Dividend distribution tax	(441.94)	(275.93)
	Net cash flow from/ (used in) financing activities (C)	(577.12)	(1,116.87)
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	77.23	57.03
	Cash and cash equivalents at the beginning of the year	124.10	67.07
	Cash and cash equivalents at the end of the year	201.33	124.10
i	Components of cash and cash equivalents		
	Cash on hand	13.26	19.56
	Balances with banks:		
	On current accounts	188.07	104.54
	Total cash and cash equivalents	201.33	124.10

Particulars	Non-current borrowings	Current borrowings	Interest payable	Total
ii Movement in financial liabilities				
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)
As on 01 April 2018	483.68	9,921.03	45.36	10,450.07
Cash flows	(212.39)	3,775.37	-	3,562.98
Interest expenses	-	-	1,552.33	1,552.33
Interest paid	-	-	(1,548.18)	(1,548.18)
Other non cash transactions:				
- Foreign exchange movement	-	-	-	-
As on 31 March 2019	271.29	13,696.40	49.51	13,967.69

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

Place: Gurugram
Date: 14 May 2019

Deepak Jain
Chairman &
Managing Director
DIN: 00004972

Place: Gurugram
Date: 14 May 2019

Vineet Sahni
CEO & Senior
Executive Director
DIN: 03616096

Place: Gurugram
Date: 14 May 2019

Shruti Kant Rustagi
Chief Financial
Officer

Place: Gurugram
Date: 14 May 2019

Ankita Gupta
Company Secretary

Membership No.-A50166

Place: Gurugram
Date: 14 May 2019

Notes to the Consolidated Financial Statements For the year ended 31 March 2019

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

1. Reporting entity

Lumax Industries Limited ('the Holding Company') is engaged in the business of manufacture, trading and supply of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications. The Holding Company is domiciled in India, with its registered office situated at 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi -110046. The Holding Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These consolidated Ind AS financial statements comprise the Holding Company and its interest in associate, SL Lumax Limited.

2. Basis of preparation

A. Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements are approved by the Holding Company's Board of Directors on 14 May 2019.

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

B. Basis of consolidation

Equity accounted investees

The Holding Company's interest in equity account investees represents interest in associate i.e. SL Lumax Limited.

An associate is an entity in which the Holding Company has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate is accounted using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements which include the Holding Company's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated to the extent of Holding Company's proportionate share. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Holding Company's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Uniform accounting policies

The Holding Company and its associate follow a uniform accounting period and as far as possible, the consolidated financial statements have been prepared using accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.

C. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional currency. All amounts have been rounded-off to nearest lakhs and two decimals thereof, unless otherwise indicated.

D. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) - measured at fair value.
- Net defined benefit (asset)/ liability - measured at fair value of plan assets less present value of defined benefit obligations.
- Other financial assets and liabilities - measured at amortised cost.

E. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties and judgements

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 March 2019 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:

Notes to the Consolidated Financial Statements For the year ended 31 March 2019 (Contd.)

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

- i) Recognition of deferred tax assets - note 22- The Holding Company has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Holding Company is expected to generate adequate taxable income for liquidating these assets in due course of time.
- ii) Write down of inventories - note 13 - Inventories measured at the lower of cost and net realizable value. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions to determine obsolete or excess inventories.
- iii) Impairment of financial assets - note 37 - The impairment provisions for financial assets are based on certain judgements made by the Management in making assumptions and selecting the inputs to the impairment calculation, based on the Holding Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Holding Company and that are believed to be reasonable under the circumstances.
- iv) Provision for employee benefits - note 36 - The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.
- v) Provision for warranty - note 20 - The provision is based on historical warranty data and weighting of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

F. Measurement of fair values

A number of the Holding Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Holding Company has an established control framework with respect to the measurement of fair values. The Holding Company regularly

reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Holding Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Holding Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 37 - financial instruments;

Note 14 - assets held for sale; and;

Note 5 - investment property.

G. Changes in significant accounting policies

MCA has issued new standard and various amendments to existing Ind AS that are effective for the current financial year of the Holding Company. Of these, the following developments are relevant to the Holding Company's financial statements:

i) Ind AS 20

Pursuant to revision in Ind AS 20 on Government Grants, the Holding Company has changed its accounting policy wherein Government grants related to assets are reduced from the cost of the asset. There is no material effect on adoption of revised Ind AS 20 on the consolidated financial statements.

ii) Ind AS 115

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. Under Ind AS 15, revenue is recognised when a customer

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Holding Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information. There is no material effect on adoption of Ind AS 115 on the consolidated financial statements.

3. Significant accounting policies

a. Current versus non-current classification

The Holding Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Holding Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is :

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Holding Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Holding Company has ascertained its operating cycle to be less than 12 months for the

purpose of current and non-current classification of assets and liabilities.

b. Property, plant & equipment (PPE)

i) Recognition and Measurement

The cost of an item of Property, plant and equipment is recognised as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Holding Company intends to use these during more than a period of 12 months and whose use is expected to be irregular are capitalized as PPE.

Gains or losses arising from the retirement or disposal of an property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific fixed assets and that are attributable to construction activity in general and can be allocated to specific fixed assets are included in capital work-in-progress.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Holding Company.

- ii) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss. Depreciation is charged on a pro-rata basis for assets acquired/sold during the year from/to the date of acquisition/sale. Freehold land is not depreciated.

Assets	Estimated useful lives	Useful lives as per schedule II
Factory building	30 years	30 years
Other building	60 years	60 years
Plant and machinery	3-21 years	15 years
Furniture and fixtures	10 years	10 years
Vehicles	5 years	8 years
Office equipment	5 years	5 years

Based on technical evaluation and internal assessment of useful lives, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

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.

- iii) Reclassification to investment property
When the use of property changes from owner occupied property to investment property the property is reclassified as investment property at its carrying value on the date of reclassification.

c. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost of such assets includes purchase price, licensee fee, import duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use.

Amortization methods, estimated useful lives and residual value.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period, residual value and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

The estimated useful lives are as follows:

Computer software	Over the estimated lives ranging from 3.5 years to 4 years
Technical know-how	Over the period of technical assistance agreement i.e. 8 years

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

d. Investment property

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon, Initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Gains or losses arising from the retirement or disposal of an investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The fair value of investment property is disclosed in the notes.

e. Assets held for sale

Non-current assets are classified as held for sale, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

These assets are measured at the lower of their carrying amount and fair value less costs to sell, except

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

for assets such as deferred tax assets, assets arising from employee benefits, financial assets, which are specifically exempt from this requirement. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Statement of Profit and Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their present condition and location. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed their net realisable value.

The Comparison of cost and net realisable value is made on an item-by-item basis.

Obsolete, defective and unserviceable stocks are duly provided for, wherever required.

g. Cash and Cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In the cash flow statement, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an internal part of the Holding Company's cash management.

h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through profit and loss.

Classification

On Initial recognition, a financial asset is classified as measured at:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Holding Company changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met and is not designated as at FVTPL:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVOCI if both of the following criteria are met and is not designated as at FVTPL:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Holding Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Holding Company may irrevocably designate a financial asset that otherwise

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Holding Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- a) the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- b) how the performance of the portfolio is evaluated and reported to the Holding Company's management;
- c) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- d) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- e) the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Holding Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial

recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Holding Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Holding Company considers:

- a) contingent events that would change the amount or timing of cash flows;
- b) terms that may adjust the contractual coupon rate, including variable interest rate features;
- c) prepayment and extension features; and
- d) terms that limit the Holding Company's claim to cash flows from specified assets (e.g. non-recourse features)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

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 Holding Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Holding Company has transferred an asset, the Holding Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Holding Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Holding Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Holding Company has not retained control of the financial asset. Where the Holding Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liability

The Holding Company derecognised a financial liability when its contractual obligations are discharged or canceled or expire. The Holding Company also derecognised a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Holding Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Holding Company uses derivative financial instruments to hedge its certain foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

i. Impairment

ij) Impairment of financial assets

The Holding Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and financial assets measured at FVOCI- debt investments. At each reporting date, the Holding Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being past due.

The Holding Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Holding Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Holding Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Holding Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Holding Company in accordance with the contract and the cash flows that the Holding Company expects to receive).

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Holding Company does not track changes in credit risk for individual customers. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Holding Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates

and delays in realisations over the expected life of the trade receivable and is adjusted for forward looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Statement of Profit and Loss and is recognised in OCI.

Write - off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Holding Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Holding Company's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

The Holding Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. 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

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

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 Holding Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and weighting of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

Rate decrease

A provision for rate decrease is recognised on the basis of firm commitments with the customers and past trends. The provisions are adjusted to regularly during the year as soon as the obligating event occurs.

Contingent liabilities

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Holding Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

k. Revenue

Sale of goods (including moulds)

Nature and timing of satisfaction of performance obligations, including significant payment terms

Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. However, few customers accept the goods when goods have been dispatched by the Holding Company.

Invoices are generated at that point in time. Invoices are usually payable within 45 days. No discounts are usually provided for goods, but few customers may avail cash discount on prompt payment of the goods.

Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.

Revenue recognition

Revenue arising from the sale of goods (including moulds) is recognized when the customer obtains control of the promised asset, i.e. either at the delivery or dispatch of goods (based on the agreed terms of sale with the respective customers), which is the point in time when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods.

For contracts that allow the customers to avail the cash discount, the Holding Company estimates the value of discount by applying the 'Most likely amount' method and past experience of the Holding Company.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Sale of services

Nature and timing of satisfaction of performance obligations, including significant payment terms

Customers obtain control of design services when the services are completed to the satisfaction of the Customer. Invoices for services are issued on a monthly basis and are usually payable within 45 days

Revenue recognition

Revenue arising from the sale of services is recognized at the point in time when the Holding Company satisfies the performance obligation and the services are completely rendered to the customer.

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 Holding Company's right to receive payment is established.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

Interest income or expense is recognised using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis

m. Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Holding Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs).

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Holding Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

n. Leases

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 Holding 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 Holding 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 Holding Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

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 Holding Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme in respect of certain employees.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Superannuation Fund: Contributions are made to a scheme administered by the Life Insurance Corporation of India to discharge superannuating liabilities to the employees, a defined contribution plan, and the same is expensed to the Statement of Profit and Loss. The Holding Company has no liability other than its annual contribution.

iii) *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Holding Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Holding Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income (OCI). The Holding Company determines the net interest expense / (income) on the net defined

benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Holding Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity: The Holding Company funds gratuity benefits for its employees within the limits prescribed under The Payment of Gratuity Act, 1972 through contributions to a Scheme administered by the Life Insurance Corporation of India ('LIC').

iv) *Other long-term employee benefits*

The Holding Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in Statement of Profit and Loss in the period in which they arise.

Long term compensated absences: Long term compensated absences are provided for on the basis of its actuarial valuation as per the projected unit credit method as on the Balance Sheet date.

p. **Income tax**

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i) *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Holding Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Holding Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax

liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as deferred tax asset.

Deferred tax assets (including MAT credit) are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Holding Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

q. **Grant**

Where the grant or subsidy relates to an asset, it is recognized by deducting the grant in arriving at the carrying amount of asset. However, when the grant or subsidy relates to an expenses item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the Holding Company receives grants of non-monetary assets, the asset is recognized by deducting the fair value of grant from gross value of asset.

Export incentives

Export incentives are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

r. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

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 Holding Company is engaged in the business relating to manufacture, trading and supply of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications. Accordingly, the Holding Company's activities/business is reviewed regularly by the Holding Company's Managing Director assisted by an executive committee from an overall business perspective, rather than reviewing its products/services as individual standalone components.

Based on the dominant source and nature of risks and returns of the Holding Company, management has identified its business segment as its primary reporting format. Accordingly, same has been defined as one business segment.

t. Dividend Distribution

The Holding Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Holding Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

u. Foreign currency transactions

Initial recognition and settlement

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss.

Subsequent recognition

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI.

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

4A Property, plant & equipment

Particulars	Land		Buildings	Plant and machinery	Furniture & fixtures	Office equipment	Vehicles	Total
	Leasehold	Freehold						
Gross Block (Deemed cost)								
At 31 March 2017	243.64	2,590.94	8,358.12	31,704.18	371.17	117.75	1,008.62	44,394.42
Additions	-	816.68	1,286.89	12,786.75	189.19	113.82	305.81	15,499.14
Disposals/adjustments	-	-	-	(40.90)	(0.15)	(0.45)	(8.49)	(49.99)
At 31 March 2018	243.64	3,407.62	9,645.01	44,450.03	560.21	231.12	1,305.94	59,843.57
Additions	146.82	186.00	1,359.45	7,179.00	85.96	129.75	128.89	9,215.87
Disposals/adjustments	(256.71)	(72.13)	(27.12)	(16.53)	(1.47)	(0.02)	(33.26)	(407.24)
At 31 March 2019	133.75	3,521.49	10,977.34	51,612.50	644.70	360.85	1,401.57	68,652.20
Depreciation								
At 31 March 2017	3.88	-	354.36	3,188.00	51.75	30.31	173.56	3,801.86
For the year	3.88	-	385.71	3,922.74	59.09	36.96	236.84	4,645.22
Disposals/adjustments	-	-	-	(3.62)	(0.07)	(0.04)	(1.47)	(5.20)
At 31 March 2018	7.76	-	740.07	7,107.12	110.77	67.23	408.93	8,441.88
For the year	3.35	-	414.35	5,023.62	76.45	56.28	269.07	5,843.12
Disposals/adjustments	(6.14)	-	(7.38)	(3.20)	(0.66)	-	(27.72)	(45.10)
At 31 March 2019	4.97	-	1,147.04	12,127.54	186.56	123.51	650.28	14,239.90
Net Block:								
At 31 March 2018	235.88	3,407.62	8,904.94	37,342.91	449.44	163.89	897.01	51,401.69
At 31 March 2019	128.78	3,521.49	9,830.30	39,484.96	458.14	237.34	751.29	54,412.30

Notes:

- During the current year, the Holding Company has capitalised borrowing cost relating to construction of Plant and Machinery amounting to ₹ Nil (31 March 2018 - ₹ 190.43 lakhs).
- Property, plant and equipment amounting to ₹ 740.87 lakhs (31 March 2018 - ₹ 737.35 lakhs) have been pledged as security by the Holding Company.

4B Capital Work in progress

Particulars	As at 31 March 2019	As at 31 March 2018
Capital Work in progress	4,899.83	3,383.17
Total	4,899.83	3,383.17

4C Intangible assets

Particulars	Computer Software	Total
Gross Block (Deemed cost)		
At 31 March 2017	440.39	440.39
Additions	243.97	243.97
Disposals/adjustments	-	-
At 31 March 2018	684.36	684.36
Additions	211.26	211.26
Disposals/adjustments	(0.55)	(0.55)
At 31 March 2019	895.07	895.07
Depreciation		
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
For the year	185.75	185.75
Disposals/adjustments	(0.56)	(0.56)
At 31 March 2019	434.32	434.32
Net Block:		
At 31 March 2018	435.23	435.23
At 31 March 2019	460.75	460.75

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

4D Intangible assets under development

Particulars	As at 31 March 2019	As at 31 March 2018
Intangible assets under development	78.82	-
Total	78.82	-

5 Investment Property

Particulars	Freehold land	Total
Gross Block		
At 31 March 2018	-	-
Transferred from property, plant & equipment	72.13	72.13
At 31 March 2019	72.13	72.13
Depreciation		
At 31 March 2018	-	-
For the year	-	-
Disposals/adjustments	-	-
At 31 March 2019	-	-
Net Block:		
At 31 March 2018	-	-
At 31 March 2019	72.13	72.13

Notes:

- The fair value Investment property has been determined considering the current expected sale value in the market and has been categorized as Level 1 fair value (refer note 2E).
- Fair market value as at 31 March 2019 amount to ₹ 1,278.00 lakhs.

6 Investments

Particulars	As at 31 March 2019	As at 31 March 2018
A-Non-Current investments		
Unquoted equity shares		
Equity shares at FVTPL		
6,55,832 (31 March 2018: 15,832) equity shares of ₹ 10 each fully paid-up in Caparo Power Limited	65.58	1.58
Unquoted Preference shares		
Preference shares at FVTPL		
9,44,168 (31 March 2018: 9,44,168) 2% Redeemable Preference shares of ₹ 10 each fully paid-up in Caparo Power Limited	94.42	94.42
Total-A	160.00	96.00
B-Current investments		
Quoted equity shares at FVTPL	13.93	15.18
43,866 (31 March 2018: 43,866) equity shares of ₹ 10 each fully paid up in PNB Gilts Limited		
Total-B	13.93	15.18
Total- Investments (A+B)	173.93	111.18
Aggregate cost of quoted investments	9.87	9.87
Aggregate market value of quoted investments	13.93	15.18
Aggregate amount of unquoted investments	160.00	96.00
Aggregate provision for diminishing in value of investment	9.34	8.09

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

7 Loans

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
A-Non-Current		
Security deposits	516.19	369.95
Others	22.25	22.47
Total-A	538.44	392.42
B-Current		
Others	99.39	94.67
Total-B	99.39	94.67
Total- Loans (A+B)	637.83	487.09

8 Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
A-Non-current		
Margin money with banks* (deposits with maturity of more than 12 months)	-	22.52
Unpaid dividend accounts#	92.96	74.56
Claims recoverable (refer note 42)	134.41	134.41
Total - A	227.37	231.49
B-Current		
Unbilled revenue	814.70	3,051.46
Interest accrued but not due on fixed deposits	2.30	32.11
Export benefits receivable	130.63	-
Others	114.67	171.62
Total - B	1,062.30	3,255.19
Total- Other financial assets (A+B)	1,289.67	3,486.68

* Margin money with banks represents fixed deposits pledged with banks for guarantees issued to government authorities.

The Holding Company can utilize the balance only towards settlement of unclaimed dividend.

9 Trade receivables*

Particulars	As at 31 March 2019	As at 31 March 2018
Receivable considered good-Unsecured	22,101.18	31,822.68
Receivable - credit impaired	305.94	154.25
Less: Allowance for doubtful debts	(305.94)	(154.25)
Net-Trade receivables	22,101.18	31,822.68
Non-current	-	-
Current	22,101.18	31,822.68
Total	22,101.18	31,822.68

* Refer note 38 for related party transactions.

The Holding Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 37.

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

Party Name	As at 31 March 2019	As at 31 March 2018
Lumax Auto Technologies Ltd.	2,516.48	3,558.60
Lumax Ancillary Ltd.	141.64	211.61
Lumax DK Auto Industries Ltd.	25.80	59.92
Lumax Cornaglia Auto Technologies Pvt. Ltd.	13.36	8.16
Bharat Enterprises	7.91	-
Lumax Mannoh Allied Technologies Ltd.	-	5.31
Mahavir Udyog	0.07	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

10 Cash and bank balances

Particulars	As at 31 March 2019	As at 31 March 2018
A-Cash and cash equivalents		
Cash on hand	13.26	19.56
Bank balances		
In current accounts	188.07	104.54
Cash and cash equivalents in Balance Sheet	201.33	124.10
Cash and cash equivalents in the statement of cash flows	201.33	124.10
B-Bank balances other than above		
Margin Money with banks* (deposits with maturity of less than 12 months)	23.13	46.94

* Margin money with banks represents fixed deposits pledged with banks for guarantees issued to government authorities.

11 Tax assets

Particulars	As at 31 March 2019	As at 31 March 2018
Advance tax (net of provisions ₹ 2,987.34 lakhs; 31 March 2018: ₹ 1,938.91 lakhs)	517.13	80.57
Total	517.13	80.57

12 Other assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
A-Non-current		
Capital advances	3,181.22	794.66
Prepaid expenses	17.54	12.94
B-Current		
Advance to suppliers	1,069.65	2,164.37
Less: Provision for doubtful advances	(25.17)	(25.17)
	1,044.48	2,139.20
Advance to employees	1.61	5.21
Export benefits receivable	37.91	28.13
Balances with government authorities	1,126.72	1,612.74
Prepaid expenses	233.34	163.59
Others	130.52	43.16
Total- Other assets	5,773.34	4,799.63
Other Non-current assets	3,198.76	807.60
Other Current assets	2,574.58	3,992.03
Total	5,773.34	4,799.63

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

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials and components (including stock in transit ₹ 1,487.30 lakhs (31 March 2018: ₹ 1,725.11 lakhs))	10,235.92	11,038.39
Work-in-progress	1,318.90	1,600.44
Finished goods	2,671.51	2,031.67
Stock in Trade	371.14	163.65
Stores and spares (including packing material) (including transit stock: ₹ Nil (31 March 2018: ₹ 1.55 lakhs))	1,178.12	1,131.36
Moulds, tools and dies in process (including transit stock: ₹ Nil (31 March 2018: ₹ 129.69 lakhs))	4,639.14	913.23
Total	20,414.73	16,878.74

Due to the fact that certain products were slow moving and were sold below net realisable value, the Holding Company made a write down amounting to ₹ 116.04 lakhs (31 March 2018: ₹ Nil). Further, following a change in estimates, write-down amounting ₹ Nil (31 March 2018: ₹ 0.09 lakhs) 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 the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

14 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:

Particulars	As at 31 March 2019	As at 31 March 2018
Asset held for sale		
Property, plant and equipment	-	1.80
Total	-	1.80

In past years, the Management had decided to discontinue the use of machinery based in Sohna plant amounting to ₹ 65.65 lakhs. Same have been disclosed separately under "Assets classified as held for Sale" as at 31 March 2018. These assets have been sold for ₹ 1.80 lakhs during the current financial year.

15 Equity Share Capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
1,20,00,000 (31 March 2018: 1,20,00,000) equity shares of ₹ 10 each	1,200.00	1,200.00
Issued, subscribed and fully paid up		
93,47,732 (31 March 2018: 93,47,732) equity shares of ₹ 10 each	934.77	934.77
Total	934.77	934.77

15A Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	93,47,732	934.77	93,47,732	934.77
Issued during the year	-	-	-	-
At the end of the year	93,47,732	934.77	93,47,732	934.77

15B Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15C Details of shareholders holding more than 5% shares in the Holding Company

Particulars	As at 31 March 2019		As at 31 March 2018	
	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%
Dhanesh Kumar Jain	21,09,709	22.57%	19,59,026	20.96%
Lumax Auto Technologies Limited	5,25,000	5.62%	5,25,000	5.62%
Lumax Finance Private Limited	4,93,367	5.28%	4,60,902	4.93%

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

16 Other equity

A. Summary of other equity

Particulars	As at 31 March 2019	As at 31 March 2018
I. Capital reserve		
At the beginning and at the end of the year	0.65	0.65
II. Securities premium		
At the beginning and at the end of the year	6,796.66	6,796.66
III. General reserve		
Balance at the beginning of the year	8,563.47	7,683.47
Add: Amount transferred from retained earnings	1,075.00	880.00
Balance at the end of the year	9,638.47	8,563.47
IV. Retained earnings		
Balance at the beginning of the year	19,904.22	15,496.30
Add: Profit for the year	10,379.42	7,136.23
Less: Appropriations		
- Dividend paid	(2,149.98)	(1,355.42)
- Dividends distribution tax	(441.94)	(275.93)
- Transferred to general reserve	(1,075.00)	(880.00)
- Dividend tax on distributed profits of associate	(287.52)	(63.99)
Add: Transferred from other comprehensive income	(210.05)	(152.97)
Balance at the end of the year	26,119.15	19,904.22
V. Items of other comprehensive income		
Balance at the beginning of the year	-	-
Add: Remeasurements of defined benefit plans	(210.05)	(152.97)
Less: Transferred to retained earnings	210.05	152.97
Balance at the end of the year	-	-
Total- Other equity	42,554.93	35,265.00

- (a) Capital reserve comprises amounts generated on forfeiture of shares.
- (b) Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.
- (c) General reserve to be utilized as per provisions of the Act.

B. Dividends

The following dividends were declared and paid by the Holding Company during the years:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
₹ 23.00 per equity share (31 March 2018: ₹ 14.50)	2,149.98	1,355.42
Dividend distribution tax on dividend to shareholders	441.94	275.93
Total	2,591.92	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.

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
₹ 35.00 equity share (31 March 2018: ₹ 23.00 per share)	3,271.71	2,149.98
Total	3,271.71	2,149.98

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

C. Capital Management

The Holding Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

The Holding Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

In order to maintain or adjust the capital structure, the Holding Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, consistent with others in the industry. The Holding Company monitors capital using a gearing ratio, which is calculated as:

Net debt (total liabilities net of cash and cash equivalents) divided by "Total equity" (as shown in the Balance Sheet).

Particulars	As at 31 March 2019	As at 31 March 2018
Total liabilities	75,474.58	85,535.55
Less: cash and cash equivalents	(201.33)	(124.10)
Adjusted net debt	75,273.25	85,411.45
Total equity	43,489.70	36,199.77
Adjusted net debt to equity ratio	1.73	2.36

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

17 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Long term		
Vehicle loan from banks	256.29	255.38
Vehicle loan from others	15.00	228.30
Total	271.29	483.68
A-Non-current	93.63	228.30
B-Current - reclassified to other financial liabilities (refer note 19)	177.66	255.38
Short term		
Unsecured loan from bank	1,500.00	-
Cash credit/Working Capital facility from banks (secured)	3,352.46	5,560.61
Vendor finance facility from banks (unsecured)	8,843.94	4,360.42
Total	13,696.40	9,921.03

Information about the Holding Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 37.

Terms and repayment schedule

Particulars	Currency	Year of maturity	Nominal interest rate (range)	As at 31 March 2019	Charges
Secured					
Vehicle Loans from bank	₹	2019 - 2022	7.90% - 8.60%	256.29	Hypothecation of the respective vehicle
Vehicle Loans from others	₹	2019 - 2021	0.05%	15.00	Hypothecation of the respective vehicle
Cash Credit from bank	₹	2019	8.15% - 8.30%	852.27	Immovable fixed assets of Gurugram Unit & current assets of the Holding Company on Pari-Passu basis
Cash Credit from bank	₹	2019	8.30% - 11.00%	0.19	Current assets of the Holding Company on Pari-Passu basis
Working Capital Facility from bank	₹	2019	7.98% - 10.75%	1,000.00	Immovable fixed assets of Gurugram Unit & current assets of the Holding Company on Pari-Passu basis
Working Capital Facility from others	₹	2019	7.75% - 9.50%	1,500.00	Immovable fixed assets of Gurugram Unit & current assets of the Holding Company on Pari-Passu basis
Unsecured					
Term Loan from bank	₹	2019	10.00%	1,500.00	Nil
Vendor finance facility from banks	₹	2019	8.00% - 9.80%	8,843.94	Nil

Particulars	Currency	Year of maturity	Nominal interest rate (range)	As at 31 March 2018	Charges
Secured					
Vehicle Loans from bank	₹	2018 - 2022	7.75% - 10.00%	483.68	Hypothecation of the respective vehicle
Cash Credit from bank	₹	2018	8.15% - 9.25%	560.61	Immovable fixed assets of Gurugram Unit & current assets of the Holding Company on Pari-Passu basis
Working Capital Facility from bank	₹	2018	7.40% - 8.90%	1,000.00	Immovable fixed assets of Gurugram Unit & current assets of the Holding Company on Pari-Passu basis
Working Capital Facility from bank	₹	2018	7.70% - 8.70%	2,000.00	Immovable fixed assets of Gurugram Unit & current assets of the Holding Company on Pari-Passu basis
Working Capital Facility from others	₹	2018	7.75% - 8.50%	2,000.00	Immovable fixed assets of Gurugram Unit & current assets of the Holding Company on Pari-Passu basis
Unsecured					
Vendor finance facility from banks	₹	2018	7.75% - 9.00%	4,360.42	Nil

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

18 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables		
- Total outstanding due of micro enterprises and small enterprises (refer note (a) below for details of dues to micro and small enterprises)	52.41	32.95
- Total outstanding due of creditors other than micro enterprises and small enterprises	37,956.78	53,603.27
Total	38,009.19	53,636.22

The Holding Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 37

(a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
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	35.22	22.43
Interest due on above	0.42	0.48
	35.64	22.91
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	6.25	1.48
The amount of interest accrued and remaining unpaid at the end of each accounting year	17.19	10.52
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	-	-

19 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Current portion of secured bank loans	177.66	255.38
Capital creditors	3,513.94	5,185.29
Interest accrued on borrowings/cash credit	49.51	45.36
Payable to employees	2,063.85	1,816.02
Unpaid dividend	92.96	74.56
Interest free deposits from customers	5.83	13.04
Other liabilities*	4,259.33	4,405.75
Total Other financial liabilities	10,163.08	11,795.40
Current	10,163.08	11,795.40
Non-current	-	-
Total	10,163.08	11,795.40

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

20 Provisions

Particulars	Non-current	Current	Non-current	Current
	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018
A-Provision for employee benefits				
Compensated absences	1,814.22	147.22	1,487.49	150.42
Gratuity (refer note 36)	168.73	1,027.10	-	764.99
Total-A	1,982.95	1,174.32	1,487.49	915.41
B-Other provisions				
Provision for warranties {Refer (a) below}	-	59.67	-	61.02
Provision for lease equilisation	542.01	-	515.55	-
Provision for tax (net of advance tax for previous year ₹ 2,779.37 lakhs)	-	-	-	151.04
Total-B	542.01	59.67	515.55	212.06
Total- Provisions (A+B)	2,524.96	1,233.99	2,003.04	1,127.47

(a) Provision for warranties

A provision is recognized for expected warranty claims on products sold in past year, based on past experience of the level of repairs and returns. It is expected that all of these costs will be incurred in the next financial year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and information available about warranty. The table below gives information about movement in warranty provisions.

Particulars	As at 31 March 2019	As at 31 March 2018
At the beginning of the year	61.02	32.74
Arising during the year (net of reversals)	120.94	124.92
Utilized during the year	(122.29)	(96.64)
At the end of the year	59.67	61.02

21 Other liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
A-Non-current		
Total-A	-	-
B-Current		
Advances from customers	6,695.76	3,812.84
Statutory dues	1,335.08	1,630.75
Total-B	8,030.84	5,443.59
Total- Other liabilities (A+B)	8,030.84	5,443.59

22 Income tax

A. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
<i>for Current period</i>		
Current tax	2,969.24	1,828.42
Less: MAT credit entitlement	(189.23)	(1,139.38)
Deferred tax	256.29	1,934.00
<i>for prior periods</i>		
Current tax	12.38	(4.33)
	3,048.68	2,618.71

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

22 Income tax (contd.)

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit plan	210.05	-	210.05	268.54	(115.57)	152.97

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Rate (%)	Amount	Rate (%)	Amount
Profit before tax		13,428.10		9,754.94
Enacted tax rates in India	34.94%	4,692.31	34.61%	3,375.99
Effect of:				
Share of profit of equity accounted investee	-2.39%	(321.01)	-4.76%	(464.45)
Difference in tax rates*	-	-	-13.27%	(1,116.09)
Tax related to prior periods	0.09%	12.38	-0.04%	(4.33)
Tax credit for MAT	-1.41%	(189.23)	-11.68%	(1,139.38)
Movement in recognised temporary differences	-	-	15.51%	1,512.71
Exempt income	-0.01%	(0.81)	-0.01%	(0.64)
Deferred tax on Items of OCI	-	-	0.96%	93.97
Excess deduction of R&D Expenses	-4.82%	(647.60)	-	-
Impact of sale of land	-4.45%	(597.34)	-	-
Others	0.74%	99.98	3.70%	360.93
Income tax expense	31.25%	3,048.68	26.84%	2,618.71

*In the previous year, the Holding Company paid taxes under MAT.

D. Recognised deferred tax assets and liabilities

Particulars	Year ended 31 March 2019			Year ended 31 March 2018		
	Deferred tax assets	Deferred tax liabilities	Net Deferred tax assets / (liabilities)	Deferred tax assets	Deferred tax liabilities	Net Deferred tax assets / (liabilities)
Undistributed profits of associate	-	(1,288.13)	(1,288.13)	-	(1,407.67)	(1,407.67)
Property, plant and equipment and intangible assets (net)	-	(6,422.25)	(6,422.25)	-	(5,771.71)	(5,771.71)
Provision for compensated absences	624.98	-	624.98	511.92	-	511.92
Provision for doubtful debts and advances	115.70	-	115.70	62.70	-	62.70
Provision for bonus	179.73	-	179.73	178.45	-	178.45
Provision for gratuity	417.87	-	417.87	246.35	-	246.35
Provision for lease equalisation	189.40	-	189.40	180.15	-	180.15
Carry forward MAT credits	4,460.21	-	4,460.21	4,619.31	-	4,619.31
Total	5,987.89	(7,710.38)	(1,722.49)	5,798.88	(7,179.38)	(1,380.50)

E. Movement of temporary differences

Particulars	As at 31 March 2017	Recognised temporary differences	Recognised tax credits (net of adjustments)	As at 31 March 2018	Recognised temporary differences	Recognised tax credits (net of adjustments)	As at 31 March 2019
Undistributed profits of associate	(1,257.55)	(150.12)	-	(1,407.67)	119.54	-	(1,288.13)
Property, plant and equipment and intangible assets (net)	(5,051.00)	(720.71)	-	(5,771.71)	(650.54)	-	(6,422.25)
Provision for compensated absences	392.07	119.85	-	511.92	113.06	-	624.98
Provision for doubtful debts and advances	33.94	28.76	-	62.70	53.00	-	115.70
Provision for bonus	195.16	(16.71)	-	178.45	1.28	-	179.73
Provision for gratuity	187.21	59.14	-	246.35	171.52	-	417.87
Unabsorbed depreciation	1,162.11	(1,162.11)	-	-	-	-	-
Provision for lease equalisation	171.09	9.06	-	180.15	9.25	-	189.40
Cess on royalty/design fee	7.18	(7.18)	-	-	-	-	-
Carry forward MAT credits	3,514.09	-	1,105.22	4,619.31	-	(159.10)	4,460.21
Total	(645.70)	(1,840.02)	1,105.22	(1,380.50)	(182.89)	(159.10)	(1,722.49)

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

23 Revenue from operations*

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (including excise duty)		
Finished goods	1,77,257.46	1,50,742.19
Traded goods	1,518.22	2,664.37
Moulds, tools and dies	4,904.02	14,486.67
Total Sale of products (A)	1,83,679.70	1,67,893.23
Sale of services (B)	1,179.34	844.22
Other operating revenues		
Scrap Sales	285.96	289.93
Others [#]	-	91.69
Total Other operating revenues (C)	285.96	381.62
Total- Revenue from operations (A+B+C)	1,85,145.00	1,69,119.07

* refer note 44

[#] refer note 43

24.1 Other Income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income under Effective Interest method		
on bank deposits held at amortised cost	2.94	10.22
others	71.02	17.93
Dividend	2.33	3.01
Net gain on sale of property plant and equipment	6.96	9.63
Rental income from property subleased	54.01	48.36
Provisions/creditors no longer required written back	423.40	167.96
Net gain on account of foreign exchange transaction	-	250.09
Mark to market gain on cross currency swaps	-	26.42
Export and other incentive (refer note 43)	426.43	-
Miscellaneous income	166.02	12.43
Total	1,153.11	546.05

24.2 Net gain on Exceptional/Extraordinary sales (Property/Plant)* **3,620.27** **-**

* During the year, the Company disposed of its land and building located in New Delhi, resulting in gain amounting to ₹ 3,620.27 lakhs. This gain, being income arising from transaction that is distinct from ordinary activities of the Company and not expected to reoccur, has been classified under exceptional item in the statement of profit and loss of the year.

25.1 Cost of raw material and components consumed

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventory of materials at the beginning of the year	11,038.39	5,636.27
Add: Purchases	1,16,459.87	1,01,452.71
Less: Inventory of materials at the end of the year	(10,235.92)	(11,038.39)
Total	1,17,262.34	96,050.59

25.2 Cost of moulds, tools & dies

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventory at the beginning of the year	913.23	2,567.33
Add: Purchases	6,784.60	10,252.12
Less: Inventory at the end of the year	(4,639.14)	(913.23)
Total	3,058.69	11,906.22

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

26 Purchase of Traded Goods

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Automotive lamps/components	1,562.66	2,442.86
Total	1,562.66	2,442.86

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 13)

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
Opening 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
Closing Inventory	Finished goods	2,671.51	2,031.67
	Work-in-progress	1,318.90	1,600.44
	Stock-in-trade	371.14	163.65
		4,361.55	3,795.76
(Increase)/Decrease in Inventory	Finished goods	(639.84)	(405.30)
	Work-in-progress	281.54	(977.57)
	Stock-in-trade	(207.49)	(2.73)
		(565.79)	(1,385.60)

28 Excise duty

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Excise duty (refer note 44)	-	4,184.44
Total	-	4,184.44

29 Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	18,525.55	15,720.16
Contribution to provident and other funds	825.46	656.70
Compensated absences	475.05	581.28
Gratuity (refer note 36)	269.25	247.21
Staff welfare	1,704.21	1,687.48
Total	21,799.52	18,892.83

30 Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expenses on financial liabilities measured at amortised cost	1,521.10	718.62
Interest-others	31.23	-
Total	1,552.33	718.62

31 Depreciation and amortization expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant & equipment	5,843.12	4,645.22
Amortization of intangible assets	185.75	141.76
Total	6,028.87	4,786.98

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

32 Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Stores and spares	738.43	1,078.87
Packing material	3,584.89	3,028.90
Power and fuel	5,930.35	4,988.26
Rent (refer note 34A)	359.11	318.92
Rates and taxes	91.24	157.05
Insurance	168.28	157.66
Repairs and maintenance	3,562.33	3,001.74
Freight and forwarding	2,886.51	3,078.71
Bank charges	77.16	78.11
Commission on sales - other than sole selling agent	-	107.91
Travelling and conveyance	1,759.86	1,576.56
Legal and professional	348.31	277.10
Management support fees	2,472.88	2,187.94
Design, support and testing charges	201.29	260.95
Directors' sitting fees	23.00	20.22
Payment to auditors (refer note 32.1)	43.91	49.92
Royalty	2,507.38	2,002.21
Diminution in value of assets held for sale	-	63.85
Warranty	120.94	124.92
Increase/ (decrease) of excise duty on finished goods	-	(190.32)
Net loss on account of foreign exchange transactions	353.32	-
Provision for doubtful debts/ advances (net)	151.69	81.33
Advertising and publicity	52.73	19.24
Selling and promotion	138.80	193.79
Communication	138.10	144.94
Printing & stationery	176.38	128.66
Net change in fair value of investment in equity shares held at FVTPL	1.25	8.09
Contribution towards Corporate Social Responsibility (refer note 32.2)	123.20	73.58
Miscellaneous	698.97	636.17
Total	26,710.31	23,655.28

Above expenses include research and development expenses (refer note 41)

32.1 Payment to Auditor (excluding applicable taxes)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
As auditor:		
Audit fee	24.50	31.50
Tax audit fee	3.00	3.00
Limited Review	10.50	10.50
In other capacity:		
Certification fees	1.00	-
Reimbursement of expenses	4.91	4.92
Total	43.91	49.92

32.2 Corporate Social Responsibility (CSR)

As per the provisions of section 135 of the Companies Act, 2013, the Holding Company had to spend at least 2% of the average profits of the preceding three financial years towards CSR which amounts to ₹ 122.17 lakhs (31 March 2018: ₹ 71.26 lakhs). Accordingly, a CSR committee had been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013. The Holding Company has spent an amount of ₹ 123.20 lakhs (31 March 2018 ₹ 73.58 lakhs) and has accordingly charged the same to the statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

33 Earnings per share (EPS)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for attributable to equity shareholders	10,379.42	7,136.23
Weighted average number of equity shares	93,47,732	93,47,732
Basic and Diluted Earnings per share in ₹ (Nominal value of shares of ₹ 10 (Previous year : ₹ 10))	111.04	76.34

34 Operating leases

A. Leases as lessee

The Holding Company has taken residential accommodation for some of its employees, office premises and warehouses 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 ₹ 359.11 lakhs (previous year ₹ 318.92 lakhs).

Future minimum lease payments under non-cancellable operating lease are as under:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Payable in less than one year	6.00	6.00
Payable between one and five years	30.00	27.00
Payable after more than five years	267.00	276.00
Total	303.00	309.00

B. Leases as lessor

The Holding 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 ₹ 54.01 lakhs (previous year ₹ 48.36 lakhs) was recognised as rental income in the Statement of Profit and Loss. As at 31 March 2019, there are no future minimum lease payments under non-cancellable operating lease as receivable.

35 Segment

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available. The Holding Company is engaged in the business of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications and related activities. The Holding Company's activities/business is regularly reviewed by the Holding Company's Managing Director assisted by an executive committee from an overall business perspective, rather than reviewing its products/services as individual standalone components. Thus, the Company has only one operating segment, and no reportable segments in accordance with Ind AS - 108 Operating Segments.

The entity wide disclosures as required by Ind AS -108 are as follows:

A. Product/Service Description

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (including excise duty)		
Finished goods	1,77,257.46	1,50,742.19
Traded goods	1,518.22	2,664.37
Moulds, tools and dies	4,904.02	14,486.67
Sale of services	1,179.34	844.22
Other operating revenues		
Scrap sales	285.96	289.93
Others	-	91.69
Total	1,85,145.00	1,69,119.07

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

B. Revenue from external customer

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
India	1,81,686.78	1,65,711.39
Other countries*	3,458.22	3,407.68
Total	1,85,145.00	1,69,119.07

*Exports to any single country are not material to be disclosed

C. Non-current assets**

Particulars	As at 31 March 2019	As at 31 March 2018
India	71,547.90	64,784.08
Total	71,547.90	64,784.08

** Non-current assets exclude financial instruments and deferred tax assets.

D. Major customers

Details of customers which accounts for more than 10% of Holding Company's total revenue are as follows:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Maruti Suzuki India Limited	47,598.22	47,350.55
Honda Motorcycle and Scooter India Private Limited	27,296.17	18,726.33
Suzuki Motor Gujrat Pvt. Ltd.	21,666.03	7,829.39

36 Assets and liabilities relating to employee benefits

A. Information about the Defined contribution plans

The Holding Company's approved Superannuation Scheme, Employee Provident Fund and Employee State Insurance Scheme are defined contribution plans. A sum of ₹ 825.46 lakhs (previous year ₹ 656.70 lakhs) has been recognized as an expense in relation to these schemes and shown under Employee benefits expense in the Statement of Profit and Loss.

B. Information about the Defined benefit plan and Funding arrangements

The Holding Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

These defined benefit plan expose the Holding Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. The plan is funded with an insurance company in the form of a qualifying insurance policy. The Holding Company expects to pay ₹ 272.32 lakhs in contributions to its defined benefit plans in 2019-20.

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.

36 Assets and liabilities relating to employee benefits (CONTD.)

a) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	2,336.79	1,794.71
Benefits paid	(179.62)	(91.44)
Current service cost	212.67	175.48
Liability acquired through employee transfer	2.25	6.78
Past service cost	-	42.36
Interest cost	171.89	131.17
Actuarial (gains)/losses recognised in other comprehensive income		
changes in demographic/financial assumptions	99.60	136.28
experience adjustments	113.64	141.45
Balance at the end of the year	2,757.22	2,336.79

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

36 Assets and liabilities relating to employee benefits (CONTD.)

b) Reconciliation of the present value of plan assets

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	1,571.80	1,253.75
Contributions paid into the plan	50.72	298.51
Benefits paid	(179.63)	(91.45)
Interest income	115.31	101.80
Actuarial (gains)/losses recognised in other comprehensive income	3.19	9.19
Balance at the end of the year	1,561.39	1,571.80
Net defined benefit liability/(asset) at the end of the year	1,195.83	764.99

c) Expense recognised in Statement of Profit and Loss (Plan A and B)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	212.67	175.48
Interest cost	171.89	131.17
Past service gain	-	42.36
Interest income	(115.31)	(101.80)
Total	269.25	247.21

d) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial (gain)/loss on defined benefit obligation	213.24	277.73
Return on plan assets excluding interest income	(3.19)	(9.19)
Total	210.05	268.54

e) Plan assets

Plan assets comprise of the following:

Particulars	As at 31 March 2019	As at 31 March 2018
Investment with Insurer	1,537.94	1,547.38
%age	98.50%	98.45%
Bank	23.45	24.42
%age	1.50%	1.55%

C. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.65%	7.65%
Future salary growth	7.50%	7.00%
Attrition rate	8.00%	5.00%

At 31 March 2019, the weighted-average duration of the defined benefit obligation was 21.06 years (31 March 2018: 20.84 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 2019		Year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(161.09)	179.29	(160.96)	181.99
Future salary growth (1% movement)	171.36	(157.55)	176.51	(159.44)
Attrition rate (1% movement)	0.52	(0.73)	7.13	(7.23)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

37 Financial instruments - Fair values and risk management

a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note No.	As at 31 March 2019			As at 31 March 2018		
		Cost	FVTPL	Amortised cost	Cost	FVTPL	Amortised cost
Financial assets							
Non-current							
Investments	6	-	160.00	-	-	96.00	-
Loans	7	-	-	538.44	-	-	392.42
Others	8	-	-	227.37	-	-	231.49
Current							
Investments	6	-	13.93	-	-	15.18	-
Trade receivables	9	-	-	22,101.18	-	-	31,822.68
Cash and cash equivalents	10	-	-	201.33	-	-	124.10
Bank balances other than above	10	-	-	23.13	-	-	46.94
Loans	7	-	-	99.39	-	-	94.67
Others	8	-	-	1,062.30	-	-	3,255.19
Total		-	173.93	24,253.14	-	111.18	35,967.49
Financial liabilities							
Non-current							
Borrowings	17	-	-	93.63	-	-	228.30
Current							
Borrowings	17	-	-	13,696.40	-	-	9,921.03
Trade payables	18	-	-	38,009.19	-	-	53,636.22
Other financial liabilities	19	-	-	10,163.08	-	-	11,795.40
Total		-	-	61,962.30	-	-	75,580.95

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 2019			As at 31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non - Current						
Investments	-	-	160.00	-	-	96.00
Current						
Investments	13.93	-	-	15.18	-	-

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 financial assets have not been disclosed as the change from carrying amount is not significant.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

37 Financial instruments - Fair values and risk management (CONTD.)

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			
Investment in Caparo Power Limited	The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and earnings (after making necessary adjustments).	- Forecast annual growth rate - 3% to perpetuity	The estimated fair value would increase (decrease) if: - the annual growth rate were higher (lower); - the risk-adjusted discount rate were lower (higher).

(ii) Transfers between level 1 and level 2

There have been no transfers between Level 1 and Level 2 during the year.

(iii) Level 3 fair values

There have been no transfers to and from Level 3 during the year.

c) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

37 Financial instruments - Fair values and risk management (Contd.)

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 Holding Company's board of directors has overall responsibility for the establishment and oversight of the Holding Company's risk management framework. The Holding Company's risk management policies are established to identify and analyse the risk faced by the Holding Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Holding Company's risk management is carried out by a central treasury team department under policies approved by the board of directors.

The Holding Company's audit committee oversees how management monitors compliance with Holding Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Holding Company.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

37 Financial instruments - Fair values and risk management (CONTD.)

(ii) Credit risk

Credit risk is the risk of financial loss to the Holding Company if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Holding Company's receivables from customers, loans and other deposits etc.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

Credit risk arising from trade receivables is managed in accordance with the Holding Company's established policy with regard to credit limits, control and approval procedures. The Holding Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

Movement in expected credit loss allowance on trade receivables:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Balance as at the beginning of the year	52.64	-
Movement during the year	106.64	52.64
Balance as at the end of the year	159.28	52.64

Loans and other financial assets

- a) The Holding Company has given security deposits to Government departments and vendors for securing services from them. As these are well established organisations and have strong capacity to meet the obligations, risk of default is negligible or nil.
- b) The Holding Company provides loans to employees and recovers the same by deduction from the salary of the employees. Loans are given only to those employees who have served a minimum period as per the approved policy of the Holding Company. The expected probability of default is negligible or nil.

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Holding Company generally invests in deposits with international and domestic banks with high repute.

Derivatives

Derivatives are entered into with banks and financial institution counterparties, as per the approved guidelines for entering derivative contracts. The Holding Company considers that its derivatives have low credit risk as these are taken with international and domestic banks with high repute.

(iii) Liquidity risk

Liquidity risk is the risk that the Holding Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Holding Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Holding Company's reputation.

Long term cash flow requirement is monitored through long term plans. In the line of long term planning, short term plans are reviewed on quarterly basis and compared with actual position on monthly basis to assess the performance of the Holding Company and liquidity position.

The Holding Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Holding Company maintains the following line of credit:

- The Holding Company is having short term loans/cash credit/working capital limit of ₹ 8,050 lakhs to meet short term funding requirement.
- The Holding Company is also having vendor financing /bill discounting limit of ₹ 16,850 lakhs to meet the funding requirement.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

37 Financial instruments - Fair values and risk management (CONTD.)

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:

Particulars	As at 31 March 2019			As at 01 April 2018		
	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year
Borrowings						
Vehicle loan from banks	256.29	170.79	85.50	483.68	255.38	228.30
Vehicle loan from others	15.00	6.87	8.13	-	-	-
Other borrowings						
Unsecured bank loans	1,500.00	1,500.00	-	-	-	-
Working Capital facility	3,352.46	3,352.46	-	5,560.61	5,560.61	-
Vendor finance facility	8,843.94	8,843.94	-	4,360.42	4,360.42	-
Trade payables	38,009.19	38,009.19	-	53,636.22	53,636.22	-
Other financial liabilities						
Current portion of secured bank loans	177.66	177.66	-	255.38	255.38	-
Capital creditors	3,513.94	3,513.94	-	5,185.29	5,185.29	-
Interest accrued on borrowings/cash credit	49.51	49.51	-	45.36	45.36	-
Payable to employees	2,063.85	2,063.85	-	1,816.02	1,816.02	-
Unpaid dividend	92.96	92.96	-	74.56	74.56	-
Interest free deposits from customers	5.83	5.83	-	13.04	13.04	-
Other liabilities	4,259.33	4,259.33	-	4,405.75	4,405.75	-
Total	62,139.96	62,046.33	93.63	75,836.33	75,608.03	228.30

The Holding Company has secured bank loans that contain loan covenants. A future breach of covenant may require the Holding Company to repay the loan earlier than indicated in the above table.

(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 Holding Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Holding Company uses derivative to manage market risks. All such transactions are carried out within the guideline as prescribed in the Holding Company's risk management policy.

Currency risk

The Holding Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The functional currency for the Holding Company is ₹. The currencies in which these transactions are primarily denominated are US dollars and Euro.

The Holding Company's exposure to foreign currency risk at the end of the reporting period are as follows:

As at 31 March 2019	Cash and cash equivalents	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognised financial assets / (liabilities)	
				Foreign currency	₹
EUR	-	(2.42)	3.92	1.50	116.51
GBP	-	(0.02)	4.06	4.04	365.72
JPY	-	(2,214.52)	-	(2,214.52)	(1,382.25)
USD	-	(32.04)	6.32	(25.72)	(1,778.67)
THB	-	(0.18)	-	(0.18)	(0.39)
TWD	2.06	-	-	2.06	4.64
IDR	-	(1,482.52)	-	(1,482.52)	(7.19)

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

37 Financial instruments - Fair values and risk management (Contd.)

As at 31 March 2018	Cash and cash equivalents	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognised financial assets / (liabilities)	
				Foreign currency	₹
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)

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, TWD: New Taiwan 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:

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	(17.79)	17.79	(77.12)	77.12
JPY (1% movement)	(13.82)	13.82	(14.25)	14.25
Other currencies	4.79	(4.79)	(1.18)	1.18

(v) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Holding Company's exposure to the risk of changes in market interest rates relates primarily to the Holding Company's long-term debt obligations with floating interest rates. The Holding Company tries to manage the risk partly by entering into fixed-rate instruments and partly by borrowing at a floating rate:

Exposure to Interest rate risk

The Holding Company has the following exposure in interest bearing borrowings as on reporting date:

Consolidated Balance sheet	As at 31 March 2019	As at 31 March 2018
Borrowings		
Term loans (fixed interest)	1,771.29	483.68
Cash credit/Working capital facility (variable interest)	3,352.47	5,560.61
Vendor finance facility (variable interest)	8,843.93	4,360.42
Total	13,967.69	10,404.71

The Holding Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. However, as these are short term in nature, there is no exposure to interest rate risk.

Sensitivity analysis	Year ended 31 March 2019	Year ended 31 March 2018
1% increase	(132.77)	(62.02)
1% decrease	132.77	62.02

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

38 Related Party Disclosure

A. Names of related parties and related party relationship

S. No.	Particulars	Name of Related parties
1	Enterprise/Person having significant influence	Stanley Electric Co. Ltd., Japan Mr. Dhanesh Kumar Jain (Chairman Emeritus- w.e.f. 01.04.2018)
2	Key Management Personnel	Mr. Dhanesh Kumar Jain (Chairman- upto 31.03.2018) Mr. Deepak Jain (Chairman & Managing Director- w.e.f. 01.04.2018) (Managing Director- upto 31.03.2018) Mr. Anmol Jain (Joint Managing Director) Mr. Eiichi Hirooka (Senior Executive Director- upto 03.02.2018) Mr. Tadayoshi Aoki (Senior Executive Director- w.e.f. 03.02.2018) Mr. Koji Swada (Executive Director) 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- upto 28.05.2018) Mrs. Ritika Modi (Independent Director- w.e.f. 28.07.2018) Mr. Dhiraj Dhar Gupta (Independent Director) Mr. Vineet Sahni (CEO & Senior Executive Director- w.e.f. 01.04.2018)
3	Relatives of Key Management Personnel	Mrs. Usha Jain (Mother of Mr. Deepak Jain & Anmol Jain) Mr. Mahesh Kumar Jain (brother of Mr Dhanesh Kumar Jain) Mr. Vyom Sahni (son of Mr. Vineet Sahni)
4	Enterprises owned or significantly influenced/ controlled by Key Management Personnel or their Relatives	Lumax Auto Technologies Ltd. Lumax DK Auto Industries Ltd. Lumax Tours & Travels Ltd. Lumax Finance Pvt. Ltd. Lumax Ancillary Ltd. 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 FAE Technologies Pvt. Ltd. Lumax Ituran Telematics Pvt. Ltd. Lumax Gill - Austem Auto Technologies Ltd. Lumax Integrated Ventures Pvt. Ltd. Sipal Engineering Pvt. Ltd. Backcountry Estates Pvt. Ltd. Lumax Charitable Trust Foundation
5	Enterprises controlled by Enterprise having significant influence	Thai Stanley Electric Public Co. Ltd. Asian Stanley International Co. Ltd. Pt Indonesia Stanley Electric Stanley Electric (Asia Pacific) Ltd. Tianjin Stanley Electric Co. Ltd. Vietnam Stanley Electric Co. Ltd.

B. Detail of Related Parties Transactions

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
A)	TRANSACTIONS												
i)	<i>Sale of Raw Materials and Components (grouped in Consumption)</i>												
	Lumax Auto Technologies Ltd.							3,974.27	2,887.82			3,974.27	2,887.82
	Lumax DK Auto Industries Ltd.							44.94	54.60			44.94	54.60
	Lumax Ancillary Ltd.							576.46	559.42			576.46	559.42
	Bharat Enterprises							35.31	1.36			35.31	1.36
	Lumax Mannoh Allied Technologies Ltd.								0.51				0.51
	Lumax Ituran Telematics Pvt. Ltd.							7.53	-			7.53	-
ii)	<i>Sale of Finished Goods (including Semi-finished Goods)</i>												
	Lumax Auto Technologies Ltd.							5,781.37	5,272.94			5,781.37	5,272.94
	Lumax DK Auto Industries Ltd.							151.93	95.13			151.93	95.13
	Lumax Mannoh Allied Technologies Ltd.								4.80				4.80
	Lumax Ancillary Ltd.							192.78	127.70			192.78	127.70
iii)	<i>Sale of Fixed Assets</i>												
	Mahavir Udyog							0.11	-			0.11	-
	Mr. Vineet Sahni			7.40								7.40	
	Lumax Ancillary Ltd.								3.09				3.09
iv)	<i>Sale of Services</i>												
	Lumax Auto Technologies Ltd.							312.10	24.72			312.10	24.72
	Lumax DK Auto Industries Ltd.							3.06	7.58			3.06	7.58
	Lumax Ancillary Ltd.							12.85	6.00			12.85	6.00
	Bharat Enterprises							1.06	1.63			1.06	1.63
	Mahavir Udyog							0.42	0.28			0.42	0.28
	Thai Stanley Electric Public Co. Ltd.									62.10		62.10	
	Stanley Electric Co. Ltd.	3.34	60.95										
v)	<i>Purchase of Raw Materials, Components and Moulds</i>												
	Lumax Auto Technologies Ltd.							21,701.52	12,489.51			21,701.52	12,489.51
	Lumax DK Auto Industries Ltd.							11,148.66	11,433.38			11,148.66	11,433.38
	Lumax Ancillary Ltd.							6,485.51	6,946.85			6,485.51	6,946.85
	Bharat Enterprises							2,800.05	2,286.21			2,800.05	2,286.21
	Mahavir Udyog							289.56	262.80			289.56	262.80

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	-	-	-	-	29.62	1,095.13	29.62	1,095.13
	Asian Stanley International Co. Ltd	-	-	-	-	-	-	-	-	2,165.94	2,436.84	2,165.94	2,436.84
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	3.60	156.28	3.60	156.28
	Stanley Electric (Asia Pacific) Ltd	-	-	-	-	-	-	-	-	7.36	542.10	7.36	542.10
	Tianjin Stanley Electric Co. Ltd	-	-	-	-	-	-	-	-	345.25	226.80	345.25	226.80
	Vietnam Stanley Electric Co. Ltd.	-	-	-	-	-	-	-	-	65.29	80.80	65.29	80.80
	Stanley Electric Co. Ltd.	11,369.39	9,588.78	-	-	-	-	-	-	-	-	11,369.39	9,588.78
vi)	Purchase of Packing Material												
	Mahavir Udyog	-	-	-	-	-	-	2,062.57	1,972.35	-	-	2,062.57	1,972.35
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	3.39	-	-	-	3.39
vii)	Purchase of Stores & Spares												
	Lumax Energy Solutions Pvt. Ltd.	-	-	-	-	-	-	6.11	21.15	-	-	6.11	21.15
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.78	0.78	-	-	-	0.78
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	3.81	3.81	-	-	-	3.81
	Stanley Electric Co. Ltd.	2.62	6.36	-	-	-	-	-	-	-	-	2.62	6.36
viii)	Purchase of Fixed Assets												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	42.74	-	-	-	42.74
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	111.29	-	-	-	111.29	-
	Stanley Electric Co. Ltd.	77.57	2.59	-	-	-	-	-	-	-	-	77.57	2.59
ix)	Purchase of Traded Goods												
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	-	-	-	-	76.34	154.92	76.34	154.92
x)	Technical Charges												
	Design, Drawing & Testing Charges												
	Stanley Electric Co. Ltd.	86.60	1,370.26	-	-	-	-	-	-	-	-	86.60	1,370.26
	Tianjin Stanley Electric Co. Ltd	-	-	-	-	-	-	-	-	23.69	2.51	23.69	2.51
	Management Support Fee												
	Stanley Electric Co. Ltd.	1,030.56	978.70	-	-	-	-	-	-	-	-	1,030.56	978.70
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	1,689.58	1,481.90	-	-	1,689.58	1,481.90
xi)	Rent Received												
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	4.25	3.53	-	-	4.25	3.53
	Sipal Engineering Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	0.08	-
	Lumax Finance Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	0.08	-
	Lumax Gill - Austem Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	0.08	-
	Lumax Integrated Ventures Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	-	0.08	-

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Total
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	0.05	-	-	0.05	-
	Lumax Ancillary Ltd.	-	-	-	-	-	-	0.08	-	-	0.08	-
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	-	0.05	-	-	0.05	-
	Lumax Energy Solutions Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	0.08	-
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	0.08	-	-	0.08	-
	Backcountry Estates Pvt. Ltd.	-	-	-	-	-	-	0.08	-	-	0.08	-
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	58.70	53.18	-	58.70	53.18
xii)	Rent Paid											
	Mr. Dhanesh Kumar Jain	10.08	15.12	-	-	-	-	-	-	-	-	15.12
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	214.61	171.15	-	214.61	171.15
xiii)	Payment to Chairman Emeritus											
	Mr. Dhanesh Kumar Jain	30.00	-	-	-	-	-	-	-	-	30.00	-
xiv)	Managerial Remuneration (short term employee benefits)*											
	Mr. Deepak Jain	-	-	135.69	134.22	-	-	-	-	-	135.69	134.22
	Mr. Anmol Jain	-	-	53.66	53.66	-	-	-	-	-	53.66	53.66
	Mr. Eiiichi Hirooka (upto 03.02.18)	-	-	-	16.06	-	-	-	-	-	-	16.06
	Mr. Tadayoshi Aoki (w.e.f. 03.02.18)	-	-	16.16	2.48	-	-	-	-	-	16.16	2.48
	Mr. Kojl Sawada	-	-	15.77	15.42	-	-	-	-	-	15.77	15.42
	Mr. Vineet Sahni	-	-	272.83	-	-	-	-	-	-	272.83	-
	*Does not include provision for gratuity and compensated absences, since the same is accrued on the basis of actuarial valuation carried out for the Holding Company as a whole.											
xv)	Commission to Director											
	Mr. Dhanesh Kumar Jain	-	97.44	-	-	-	-	-	-	-	-	97.44
	Mr. Deepak Jain	-	-	392.87	337.49	-	-	-	-	-	392.87	337.49
	Mr. Anmol Jain	-	-	136.41	194.88	-	-	-	-	-	136.41	194.88
	Mr. Vineet Sahni	-	-	114.31	-	-	-	-	-	-	114.31	-
xvi)	Royalty (gross)											
	Stanley Electric Co. Ltd.	2,507.38	2,002.21	-	-	-	-	-	-	-	2,507.38	2,002.21
xvii)	Dividend Paid											
	Mr. Dhanesh Kumar Jain	450.58	301.20	-	-	-	-	-	-	-	450.58	301.20
	Mr. Deepak Jain	-	-	37.82	20.69	-	-	-	-	-	37.82	20.69
	Mr. Anmol Jain	-	-	16.08	8.03	-	-	-	-	-	16.08	8.03

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Mrs. Usha Jain	-	-	-	-	34.66	21.85	-	-	-	-	34.66	21.85
	D K Jain and Sons (HUF)	-	-	-	-	-	-	32.88	-	-	-	32.88	-
	Mr. Mahesh Kumar Jain	-	-	-	-	-	0.01	-	-	-	-	-	0.01
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	120.75	76.13	-	-	120.75	76.13
	Lumax Finance Pvt. Ltd.	-	-	-	-	-	-	113.47	60.50	-	-	113.47	60.50
	Stanley Electric Co. Ltd.	768.98	484.79	-	-	-	-	-	-	-	-	768.98	484.79
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	-	-	-	-	37.26	-	37.26	-
xviii)	Travelling & Conveyance												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	3.74	0.42	-	-	3.74	0.42
	Lumax Ancillary Ltd.	-	-	-	-	-	-	3.73	-	-	-	3.73	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	-	0.41	-	-	-	0.41
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	608.83	567.87	-	-	608.83	567.87
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	-	-	-	-	7.30	-	7.30	-
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	-	7.01	-	7.01
	Stanley Electric Co. Ltd	133.40	102.78	-	-	-	-	-	-	-	-	133.40	102.78
xix)	Communication Costs												
	Lumax Ancillary Ltd.	-	-	-	-	-	-	-	1.90	-	-	-	1.90
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	-	0.54	-	-	-	0.54
xx)	Freight Inward												
	Lumax Ancillary Ltd.	-	-	-	-	-	-	0.40	-	-	-	0.40	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.18	-	-	-	0.18	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	0.19	-	-	-	0.19
xxi)	Insurance Charges												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.12	3.95	-	-	0.12	3.95
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	0.01	-	-	-	0.01	-
xxii)	Interest Income												
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	-	(0.35)	-	-	-	(0.35)
xxiii)	Legal & Professional Charges												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.10	0.05	-	-	0.10	0.05
	Sipal Engineering Pvt. Ltd.	-	-	-	-	-	-	0.41	-	-	-	0.41	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	5.39	23.62	-	-	5.39	23.62
xxiv)	Miscellaneous Expenses												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	21.55	4.24	-	-	21.55	4.24
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	0.11	-	-	-	0.11

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Total
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	
	Stanley Electric Co. Ltd.	-	-	-	-	-	-	-	-	-	-	-
xxv)	Packing & Forwarding											
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	0.02	-	-	0.02	-
xxvi)	Salaries, wages and bonus											
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	0.33	-	-	-	0.33
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	47.06	-	-	47.06	-
	Stanley Electric Co. Ltd.	70.21	55.45	-	-	-	-	-	-	-	70.21	55.45
	Mr. Vyom Sahni	-	-	-	-	2.04	-	-	-	-	2.04	-
xxvii)	Printing & Stationery Expenses											
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	0.02	-	-	-	0.02
xxviii)	Reimbursement Received											
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	(2.68)	(0.16)	-	(2.68)	(0.16)
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	(12.04)	(7.70)	-	(12.04)	(7.70)
	Lumax Ancillary Ltd.	-	-	-	-	-	-	(3.47)	-	-	(3.47)	-
	Bharat Enterprises	-	-	-	-	-	-	(0.07)	-	-	(0.07)	-
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	(13.64)	-	-	(13.64)	-
	Mahavir Udyog	-	-	-	-	-	-	(0.02)	-	-	(0.02)	-
	Stanley Electric Co. Ltd.	(228.90)	(215.70)	-	-	-	-	-	-	-	(228.90)	(215.70)
xxix)	Reimbursement given											
	Lumax Ancillary Ltd.	-	-	-	-	-	-	-	3.06	-	-	3.06
xxx)	Repair to Plant & Machinery											
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	6.76	-	-	6.76	-
	Lumax Ancillary Ltd.	-	-	-	-	-	-	1.16	-	-	1.16	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	2.84	-	-	2.84	-
xxxi)	Repairs & Maintenance-Others											
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	57.35	71.44	-	57.35	71.44
	Stanley Electric Co. Ltd.	20.22	-	-	-	-	-	-	-	-	20.22	-
xxxii)	Sales promotion											
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	18.48	-	-	18.48	-
xxxiii)	Welfare (Staff And Labour)											
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	2.22	-	-	2.22	-
	Lumax Management Services Pvt. Ltd.	-	-	-	-	-	-	42.42	12.86	-	42.42	12.86
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	0.46	-	-	0.46	-

S. No.	Particulars/Account Head	Enterprise/Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Stanley Electric Co. Ltd.	64.59	42.08	-	-	-	-	-	-	-	-	64.59	42.08
xxxiv)	<i>Excess provision Written Back</i>												
	Stanley Electric Co. Ltd.	0.62	-	-	-	-	-	-	-	-	-	0.62	-
xxxv)	<i>Job Work Charges</i>												
	Lumax Ancillary Ltd.	-	-	-	-	-	0.14	-	-	-	-	0.14	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	1.44	-	-	-	-	1.44	-
xxxvi)	<i>Corporate Social Responsibility Contribution (CSR)</i>												
	Lumax Charitable Trust Foundation	-	-	-	-	-	123.20	73.58	-	-	-	123.20	73.58
xxxvii)	<i>Sitting Fee</i>												
	Mr. Avinash Parkash Gandhi	-	-	4.20	4.61	-	-	-	-	-	-	4.20	4.61
	Mr. Rajeev Kapoor	-	-	3.60	2.20	-	-	-	-	-	-	3.60	2.20
	Mr. Munish Chandra Gupta	-	-	4.40	4.00	-	-	-	-	-	-	4.40	4.00
	Mr. Rattan Kapur	-	-	4.60	3.60	-	-	-	-	-	-	4.60	3.60
	Ms. Pallavi Dinodia Gupta	-	-	-	1.80	-	-	-	-	-	-	-	1.80
	Ms Ritika Modi	-	-	1.60	-	-	-	-	-	-	-	1.60	-
	Mr. Dhiraj Dhar Gupta	-	-	4.60	4.00	-	-	-	-	-	-	4.60	4.00

C. Details of Closing Balances of Related Parties

S. No.	Particulars/Account head	Enterprise having significant influence		Enterprises owned or significantly influenced by management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Total
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	
B)	BALANCES AT THE YEAR END							
i)	<i>Trade Receivables</i>							
	Lumax Auto Technologies Ltd.	-	-	2,516.48	3,558.60	-	-	3,558.60
	Lumax DK Auto Industries Ltd.	-	-	25.80	59.92	-	-	59.92
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	13.36	8.16	-	-	8.16
	Lumax Ancillary Ltd.	-	-	141.64	211.61	-	-	211.61
	Bharat Enterprises	-	-	7.91	-	-	-	7.91
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	5.31	-	-	5.31
	Mahavir Udyog	-	-	0.07	-	-	-	0.07
ii)	<i>Advance received from Customers</i>							
	Lumax Auto Technologies Ltd.	-	-	718.79	-	-	-	718.79
	Stanley Electric Co. Ltd.	-	3.27	-	-	-	-	3.27
iii)	<i>Unbilled Revenue</i>							
	Lumax Auto Technologies Ltd.	-	-	1.08	-	-	-	1.08
iv)	<i>Trade Payables</i>							
	Lumax Auto Technologies Ltd.	-	-	3,734.50	5,393.54	-	-	5,393.54
	Lumax DK Auto Industries Ltd.	-	-	4,443.25	5,452.77	-	-	5,452.77
	Lumax Tours & Travels Ltd.	-	-	30.50	43.18	-	-	43.18
	Lumax Ancillary Ltd.	-	-	1,453.90	1,889.69	-	-	1,889.69
	Bharat Enterprises	-	-	825.69	696.72	-	-	696.72
	Mahavir Udyog	-	-	553.42	524.87	-	-	524.87
	Lumax Management Services Pvt. Ltd.	-	-	197.52	525.53	-	-	525.53
	Lumax Energy Solutions Pvt. Ltd.	-	-	-	3.12	-	-	3.12
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	21.91	39.09	39.09
	Asian Stanley International Co. Ltd.	-	-	-	-	88.39	355.15	355.15
	Pt Indonesia Stanley Electric	-	-	-	-	10.61	163.29	163.29
	Stanley Electric (Asia Pacific) Ltd.	-	-	-	-	-	4.05	4.05
	Tianjin Stanley Electric Co. Ltd.	-	-	-	-	-	230.29	230.29

S. No.	Particulars/Account head	Enterprise having significant influence		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises controlled by Enterprise having significant influence		Total	
		As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
	Vietnam Stanley Electric Co. Ltd.	-	-	-	-	13.58	20.66	13.58	20.66
	Stanley Electric Co. Ltd.	2,072.39	7,670.58	-	-	-	-	2,072.39	7,670.58
v)	<i>Advance paid to Vendors</i>	-	-	-	-	-	-	-	-
	Lumax Ancillary Ltd.	-	-	2,074.89	-	-	-	2,074.89	-
vi)	<i>Prepaid Expenses</i>	-	-	-	-	-	-	-	-
	Lumax Management Services Pvt. Ltd.	-	-	76.66	-	-	-	76.66	-

Note:

The Holding 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 Holding Company is in the process of updating the documentation for transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The Management is of the opinion that its transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements particularly on the amount of income tax expense and that of provision of taxation.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

39 Capital and other commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of Contract (Net of Advances paid during the year ₹ 2,523.54 lakhs (31 March 2018: ₹ 724.57 lakhs) remaining to be executed on capital account and not provided for)	3,623.38	1,250.48

40 Contingent liabilities

S. No.	Particulars	As at 31 March 2019	As at 31 March 2018
(i)	Income tax cases*	8.47	405.67
(ii)	Excise , customs and Service tax*	593.87	75.21
(iii)	Sales tax and VAT*	86.58	26.37
(iv)	Export obligation#	5,462.78	9,935.23

*The Holding Company is of the firm belief that above demands are not tenable and are unlikely to be retained and is therefore not carrying any provision in its books in respect of such demands.

Further, the Holding Company is directly or indirectly involved in other lawsuits, claims and proceedings, which arise in the ordinary course of business. The Holding 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 Holding Company has not recognised these litigations under contingent liability as well.

#Outstanding export obligation of ₹ 5,462.78 lakhs (31 March 2018: ₹ 9,935.23 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 ₹ 910.46 lakhs (31 March 2018: ₹ 1,655.87 lakhs).

In February 2019, the Supreme Court of India in its judgement, clarified the applicability of allowances that should be considered to measure the contribution payable under Employees Provident Fund Act, 1952. The Holding Company is of the view that, since there are many interpretative challenges on the retrospective application of the judgement, accordingly, the probable obligation relating to the earlier periods cannot be reliably estimated. Hence, the Holding Company has made provision for provident fund contribution from the date of Supreme Court Order.

41 DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES ARE AS FOLLOWS:

A. The Holding Company has incurred expenses on its research and development center at Gurugram approved and recognised by the Ministry of Science & Technology, Government of India.

a. Capital expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Capital expenditure	110.00	282.75

b. Revenue expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	1,219.40	1,012.80
Contribution to provident fund	61.10	48.57
Contribution to other funds	2.97	2.58
Staff welfare	197.65	166.89
Gratuity	39.56	40.18
Insurance	6.36	6.28
Repair & maintenance	219.53	140.84
Travelling & conveyance	449.08	443.87
Legal & professional expenses	2.69	-
Research & development	1.82	0.54
Power & fuel	18.49	10.51
Miscellaneous	35.90	70.00
Design, support & testing charges	57.98	21.51
Material/Consumable/Spares	21.16	-
Depreciation	182.49	163.76
Finance cost	3.96	4.87
Total	2,520.14	2,133.20

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

B. The Holding Company has incurred expenses on its research and development center at Pune approved and recognised by the Ministry of Science & Technology, Government of India.

a. Capital expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Capital expenditure	117.96	200.71

b. Revenue expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	903.85	716.52
Contribution to provident fund	41.15	31.57
Contribution to other funds	0.08	0.06
Staff welfare	80.43	78.80
Gratuity	19.87	13.22
Insurance	2.42	2.27
Repair & maintenance	68.57	75.15
Travelling & conveyance	179.66	137.87
Legal & professional expenses	44.29	13.12
Power & fuel	36.91	29.51
Miscellaneous	22.94	30.56
Design, support & testing charges	8.13	7.58
Material/Consumable/Spares	1.06	49.05
Depreciation	137.69	103.89
Finance cost	1.13	1.25
Total	1,548.18	1,290.42

42 Claim recoverable represents receivables from West Bengal Industrial Development Corporation in relation to Singur Land. The Holding Company has relied on legal opinion for ascertaining the recoverability of the claim. The Holding Company is now contemplating to file documents for obtaining refund from West Bengal Industrial Development Corporation.

43 Government grant (Export incentives)

The Holding 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 Holding Company has recognised income of ₹ 187.13 lakhs (previous year ₹ 91.69 lakhs) under the above schemes.

Further, the Holding Company has also received ₹ 239.30 lakhs as budgetary support from Government of India under GST regime.

44 Post applicability of Goods and Services Tax (GST) w.e.f. 1 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 2019 are not comparable with the immediately preceding year ended 31 March 2018 which are reported inclusive of Excise Duty up to the period ended 30 June 2017.

45 Recent accounting pronouncement

1 Ind AS 116, Leases

The Holding Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Holding Company has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

45 Recent accounting pronouncement (CONTD.)

A Leases in which the Holding Company is a lessee

The Holding Company will recognise new assets and liabilities for its operating leases of offices/warehouse/factory facilities. The nature of expenses related to those leases will now change because the Holding Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Holding Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

B Leases in which the Holding Company is a lessor

The Holding Company will reassess the classification of sub-leases in which the Holding Company is a lessor. Based on the information currently available, the Holding Company does not expect any reclassification from operating lease to finance lease.

C Transition

The Holding Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Holding Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

2 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

“On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019.

The Holding Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

3 Amendment to Ind AS 12 – Income taxes

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

The Holding Company is currently evaluating the effect of this amendment on the consolidated financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

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

4 Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Holding Company does not have any impact on account of this amendment.

46 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019

47 Investments accounted using the equity method

The Holding Company's equity interest in its associate i.e. SL Lumax Limited. SL Lumax Limited is primarily engaged in manufacturing and supply of auto components from its manufacturing plant located at Irungattukottai, Sriperumbudur, Tamil Nadu, India. SL Lumax Limited is an unlisted Company and is accounted in the Consolidated financial statements using equity method.

The following table summarises the financial information of SL Lumax Limited as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in SL Lumax Limited.

Particulars	As at 31 March 2019	As at 31 March 2018
Carrying value of Investment	7,908.18	8,675.82

a) Information relating to Assets and Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Percentage ownership interest	21.28%	21.28%
Current assets	33,476.83	33,146.08
Non-current assets	23,251.59	25,207.87
Current liabilities	17,044.77	14,274.25
Non-current liabilities	2,637.46	3,426.89
Net Assets	37,046.19	40,652.81
Holding Company's share of Net Assets (21.28%)*	7,883.28	8,650.92

*Carrying value of investment includes ₹ 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 2019	Year ended 31 March 2018
Revenue	1,25,474.16	1,11,276.97
Profit	3,707.47	6,299.68
Other comprehensive income	608.79	5.90
Total comprehensive income	4,316.26	6,305.58
Holding Company's share of profit (21.28%)	789.08	1,340.79
Holding Company's share of OCI (21.28%)	129.57	1.25
Holding Company's share of total comprehensive income (21.28%)	918.65	1,342.04

c) Dividend received from SL Lumax Limited	1,398.77	379.38
---	-----------------	---------------

Notes to the Consolidated Financial Statements for the year ended 31 March 2019 (Contd.)

48 Disclosure required by Ind AS 115

- The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied as at 31 March 2019 amounts to ₹ 217.00 lakhs. This will be recognized as revenue when the moulds will be sold to the customer, which is expected to occur post 31 March 2020*.

*The above amount does not include the value of performance obligations outstanding as at 31 March 2019 that have an original expected duration of one year or less, as allowed by Ind AS 115

- Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 23 to the consolidated financial statements. Further, the revenue is disclosed in the said note is net of ₹ 624.32 lakhs representing cash discount to customers.
- The following table provides further information as required by Ind AS 115:

Particulars	As at/Year ended 31 March 2019
Receivables included in 'Trade receivables'	22,101.18
Revenue recognized in the current year included in the contract liability balance at the beginning of the year.	2,577.46
Unbilled revenue (Contract Assets)	814.70
Advances from customers (Contract liabilities)	6,695.76

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

Place: Gurugram
Date: 14 May 2019

Deepak Jain

Chairman &
Managing Director
DIN: 00004972

Place: Gurugram
Date: 14 May 2019

Vineet Sahni

CEO & Senior
Executive Director
DIN: 03616096

Place: Gurugram
Date: 14 May 2019

Shruti Kant Rustagi

Chief Financial
Officer

Place: Gurugram
Date: 14 May 2019

Ankita Gupta

Company Secretary

Membership No.-A50166

Place: Gurugram
Date: 14 May 2019

Form AOC-1

[Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company]

PART "B" Associates

(Amount ₹in lakhs)

Name of Associates Company	SL Lumax Limited
1. Latest Audited Balance Sheet Date	31 March 2019
2. Shares of Associate Company held by the Company on the year end	
a. No.	32,98,986
b. Amount of Investment in Associate Company	354.74
c. Extend of Holding in %	21.28%
3. Description of how there is significant influence	Due to percentage of Share Capital
4. Reason why the Associate company is not consolidated	N.A.
5. Net worth attributable to shareholding as per latest audited Balanced Sheet	7,883.43
6. Profit/Loss for the year	
a. Considered in Consolidation	918.65
b. Not Considered in Consolidation	

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

Place: Gurugram Date: 14 May 2019	<p>Deepak Jain Chairman & Managing Director DIN: 00004972</p>	<p>Vineet Sahni CEO & Senior Executive Director DIN: 03616096</p>	<p>Shruti Kant Rustagi Chief Financial Officer</p>	<p>Ankita Gupta Company Secretary Membership No.-A50166</p>
--------------------------------------	--	--	---	---

Notice

LUMAX INDUSTRIES LIMITED

Registered Office: 2nd Floor, Harbans Bhawan-II,
Commercial Complex, Nangal Raya, New Delhi- 110046
Website: www.lumaxworld.in/lumaxindustries, Tel: 011 49857832
E-mail: lumaxshare@lumaxmail.com, CIN: L74899DL1981PLC012804

(Note: The Business of this Meeting may be transacted through electronic voting system)

Notice is hereby given that the Thirty- Eighth (38th) Annual General Meeting (“AGM”) of the Members of Lumax Industries Limited (“Company”) will be held on **Friday, 23 August 2019 at 10.30 A.M. at 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 of the Company for the Financial Year ended 31 March 2019, the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2019 and the Report of Auditors thereon.
2. To declare the final Dividend of ₹ 35/- per Equity Share of ₹10/- each as recommended by the Board of Directors for the Financial Year ended 31 March 2019.
3. To appoint a Director in place of Mr. Deepak Jain (DIN: 00004972), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. Ratification of Remuneration of Cost Auditor for the Financial Year 2019-20

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**Resolved that** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modifications 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 31 March 2020, be paid the remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting.

Resolved further that the Board of Directors and/or Chief Financial Officer and/or 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 such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution”.

5. Re-Appointment of Mr. Koji Sawada (DIN: 07582189) as an Executive Director of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“**Resolved that** in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), as applicable, and in line with Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees the consent of Company be and is hereby accorded for the re-appointment of Mr. Koji Sawada (DIN: 07582189) as Executive Director of the Company, for a further period of three (3) years with effect from 9 August 2019 on the existing terms & conditions including remuneration (and also including the remuneration to be paid in the event of loss or inadequacy of profits in any Financial Year during the aforesaid period, subject to the requirements of Schedule V to the Companies Act, 2013), as set out in the explanatory statement, annexed to the Notice convening this Meeting, with liberty and authority to the

Notice (Contd.)

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 the applicable laws and approvals if any.

Resolved further that since the period of office of Mr. Koji Sawada as Director is liable to determination by retirement by rotation, he shall continue to hold office of Executive Director as soon as he is reappointed as such immediately on retirement by rotation and such reappointment as Director shall not be deemed to constitute a break in his appointment as Executive Director.

Resolved further that for the purpose of giving effect to the foregoing resolution, the Board or the Company Secretary of the Company be and are hereby authorized 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 as may be considered necessary, proper or desirable in the said regard including filing of returns with any authority.”

6. Ratification/Approval of Remuneration paid to Mr. Vineet Sahni, CEO & Senior Executive Director for the Financial Year 2018-19 post annual increments as per the policy of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“**Resolved that** pursuant to the provisions of Section 197, 198 and Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), on recommendation of Nomination and Remuneration Committee and subject to receipt of necessary consents and approvals as may be applicable the consent of the Company be and is hereby accorded for ratification/approval of payment of annual increment at the rate of 17% and commission at the rate of 1% of net profit as per Section 198 of the Companies Act, 2013 to Mr. Vineet Sahni, CEO & Senior Executive Director of the Company for the Financial Year 2018-19 whereas the other terms and conditions of remuneration being same.

Resolved further that the Board of Directors and/or the Chief Financial Officer 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. Increase in Remuneration of Mr. Vineet Sahni, CEO & Senior Executive Director for the Financial Year 2019-20

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“**Resolved that** on recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded for variation of terms of fixed remuneration by way of increase in remuneration (and also including the remuneration to be paid in the event of loss or inadequacy of profits in any Financial Year subject to the requirements of Schedule V to the Companies Act, 2013), payable to Mr. Vineet Sahni, CEO & Senior Executive Director for remaining term of his appointment with liberty to the Board of Directors and Nomination and Remuneration Committee to alter, amend, modify and vary the terms and conditions of the remuneration as set out in the explanatory statement annexed to this Notice in such manner as may be discussed and decided among the Board of Directors.

Resolved further that the Board of Directors and/or the Chief Financial Officer 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.”

8. Appointment of Mrs. Ritika Modi (DIN: 00463560) as an Independent Director of the Company for a period of five (5) Years.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“**Resolved that** Ms. Ritika Modi (DIN: 00463560) who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the ensuing AGM and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment

Notice (Contd.)

and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the corresponding Rules framed thereunder, as an Independent Director to hold office for a term of five (5) years with effect from 28 July 2018, not liable to retire by rotation.”

9. Re-appointment of Mr. Avinash Parkash Gandhi (DIN: 00161107) as an Independent Director for a Second Term and Continuation of Directorship

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“**Resolved that** on recommendation of Nomination and Remuneration Committee and in line with Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees and pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time, Mr. Avinash Parkash Gandhi (DIN: 00161107), who was appointed as an Independent Director at the thirty third AGM of the Company and who holds office up to 21 August 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder and who has submitted a declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, for a further period of five (5) Years commencing with effect from 22 August 2019 up to 21 August 2024 and whose office shall not be liable to retire by rotation.”

Resolved further that Mr. Avinash Parkash Gandhi shall continue to hold office of Independent Director as soon as he is reappointed as a Director and such reappointment as Director shall not be deemed to constitute a break in his appointment as Independent Director.

“**Resolved further that** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, and on the recommendation of Nomination and Remuneration Committee, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to approve the continuation of Directorship of Mr. Avinash Parkash Gandhi (DIN: 00161107), aged above eighty (80) years as Non-Executive Independent Director of the Company up to 21 August 2024, being the date of expiry of his second term in the Company.

10. Re-appointment of Mr. Munish Chandra Gupta (DIN: 01362556) as an Independent Director for a Second Term and Continuation of Directorship

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“**Resolved that** on recommendation of Nomination and Remuneration Committee and in line with Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees and pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) and 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time, Mr. Munish Chandra Gupta (DIN: 01362556), who was appointed as an Independent Director at the thirty third AGM of the Company and who holds office up to 21 August 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder and who has submitted a declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, for a further period of five (5) Years commencing with effect from 22 August 2019 up to 21 August 2024 and whose office shall not be liable to retire by rotation.”

Resolved further that Mr. Munish Chandra Gupta shall continue to hold office of Independent Director as soon as he is reappointed as a Director and such reappointment as Director shall not be deemed to constitute a break in his appointment as Independent Director.

Notice (Contd.)

“Resolved further that pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, and on the recommendation of Nomination and Remuneration Committee, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to approve the continuation of directorship of Mr. Munish Chandra Gupta (DIN: 01362556), aged above eighty (80) years as Non-Executive Independent Director of the Company up to 21 August 2024, being the date of expiry of his second term of directorship in the Company.

11. Re-appointment of Mr. Dhiraj Dhar Gupta (DIN: 01089718) as an Independent Director for a Second Term

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“Resolved that on recommendation of Nomination and Remuneration Committee and in line with Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees and pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) and 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time, Mr. Dhiraj Dhar Gupta (DIN: 01089718), who was appointed as an Independent Director at the thirty third AGM of the Company and who holds office up to 21 August 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder and who has submitted a declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, for a further period of five (5) Years commencing with effect from 22 August 2019 up to 21 August 2024 and whose office shall not be liable to retire by rotation.”

Resolved further that Mr. Dhiraj Dhar Gupta shall continue to hold office of Independent Director as soon as he is reappointed as a Director and such reappointment as Director shall not be deemed to constitute a break in his appointment as Independent Director.

12. Re-appointment of Mr. Rattan Kapur (DIN: 00304573) as an Independent Director for a Second Term

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“Resolved that on recommendation of Nomination and Remuneration Committee and in line with Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees and pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) and 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time, Mr. Rattan Kapur (DIN: 00304573), who was appointed as an Independent Director at the thirty third AGM of the Company and who holds office up to 21 August 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder and who has submitted a declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, for a further period of five (5) Years commencing with effect from 22 August 2019 up to 21 August 2024 and whose office shall not be liable to retire by rotation.”

Resolved further that Mr. Rattan Kapur shall continue to hold office of Independent Director as soon as he is reappointed as a Director and such reappointment as Director shall not be deemed to constitute a break in his appointment as Independent Director.

**By Order of the Board
For Lumax Industries Limited**

Place: Gurugram
Date: 14 May 2019

Ankita Gupta
Company Secretary
Membership No. -A50166

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

Notes:

1. An explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special Business to be transacted at the AGM and the relevant details of the Directors seeking appointment/re-appointment as required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed thereto.
2. A Shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself, and the proxy need not be a Shareholder of the Company. A person can act as a proxy on behalf of maximum 50 Members and holding in aggregate not more than 10% of total share capital of the Company. A Shareholder holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other Shareholder.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before commencement of Meeting. A proxy form for AGM is enclosed.
4. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 17 August 2019 to Friday, the 23 August 2019 (both days inclusive).
5. **Dividend Entitlement:** Dividend on Equity Shares, as recommended by the Board of Directors, if approved at the AGM will be payable to those Members whose names appear on the Register of Members of the Company, in the case of beneficial owners as at the close of 16 August 2019 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 transmissions, which are lodged with the Company before 16 August 2019.

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 within stipulated time.
6. Shareholder/proxies/authorized representatives should bring duly filled attendance slip attached to this Notice to attend the Meeting.
7. The E-Voting Instructions forms an Integral part of this Notice and is attached to this Notice as Schedule 2.
8. 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 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 2010-11 has been transferred to the Investor Education & Protection Fund on 8 October 2018. The unpaid Dividend amount for the year ended 2011-12 is due for transfer to the Investor Education & Protection Fund by second week of October, 2019. Members who have not encashed their Dividend for the year ended 2011-2012 and onwards are therefore, requested to make their claims to the Company immediately. Members are requested to contact with the Registrar and Share Transfer Agent, M/s Karvy Fintech Private Limited ("Karvy") for aforesaid purpose.
9. Members are requested to support our Green Initiative by choosing to receive the Company's communication through e-mail and are requested to update their e-mail addresses with their depository participants and Karvy.
10. **Change of Address:** The Members holding shares in physical mode are requested to intimate to Karvy immediately, if there is any change in their registered address. Demat Members should inform the change of address to their respective Depository Participants.

11. **Corporate Shareholder:** Corporate Shareholder 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 on their behalf.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical Form can submit their PAN details to the Company/ Karvy.
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 for all its Members to enable them to cast their vote electronically through the electronic voting facility provided by Karvy. 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 will not be entitled to cast their vote again.
14. The e-voting period shall commence on 19 August 2019 (9:00 A.M.) and ends on 22 August 2019 (5:00 P.M.). During this period Members holding shares either in physical or dematerialized form, as on cut-off date i.e. 16 August 2019 may cast votes electronically. The e-voting module will be disabled by Karvy thereafter. A shareholder shall not be allowed to vote again on any resolution on which vote has already been cast. E-voting rights cannot be exercised by a proxy, though corporate and institutional members shall be entitled to vote through their authorized representatives with proof of authorization.
15. The Notice of AGM, Annual Report 2018-19 along with instructions for e-voting, proxy form and attendance slip 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 through permitted modes to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
16. All documents referred in the Notice 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 (except Saturday) up to the day of the AGM.
17. Notice of this AGM, Audited Financial Statements for Financial Year 2018-19 together with Directors' Report and Auditors' Report are available on the website of the Company www.lumaxworld.in/lumaxindustries.
18. **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.
19. **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.
20. **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.
21. The route map showing directions to reach the venue of AGM is annexed.

**By Order of the Board
For Lumax Industries Limited**

Place: Gurugram
Date: 14 May 2019

Ankita Gupta
Company Secretary
Membership No. -A50166

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

Explanatory Statement (Pursuant To Section 102 Of Companies Act, 2013)

ITEM NO. 4

The Board on the recommendation of the Audit Committee, in its Meeting held on 14 May 2019 have approved the appointment and remuneration of M/s Jitender Navneet & Co., Cost Accountants (Firm Regn. No. 000119) as the Cost Auditor of the Company for audit of cost accounting records of the Company for the Financial Year ending 31 March 2020 at a fee of ₹ 1.75 Lakhs (Rupees One Lakh Seventy-Five Thousand) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

M/s. Jitender Navneet & Co., Cost Accountants have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, ratification by the Members is sought to the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31 March 2020.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested,

financial or otherwise, in the resolution as set out at Item No.4 of the Notice.

The Board recommend the resolution set forth in Item No. 4 for approval of the Members as Ordinary Resolution.

ITEM NO. 5

The term of Mr. Koji Sawada (DIN: 07582189) as an Executive Director on the Board of Company which commenced on 9 August 2016 for a period of three (3) years shall expire on 8 August 2019. On recommendation of Nomination and Remuneration Committee, the Board of Directors in its Meeting held on 4 February 2019 re-appointed Mr. Koji Sawada as Executive Director for a further period of three (3) years with effect from 9 August 2019 subject to approval of Members in the ensuing AGM.

Accordingly, pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Board hereby recommends re-appointment of Mr. Koji Sawada as Executive Director of the Company for approval of Members.

The Board considers that it is in the interest of the Company to continue to have the benefit of rich experience and expertise of Mr. Koji Sawada for 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. Koji Sawada	
	a. Proceeding/Outfit allowance to self and his family.	Mr. Koji Sawada shall be eligible for proceeding/ Outfit allowance at the rate of maximum of two months basic salary. Further he will be paid all travelling expenses and incidentals incurred in India. His spouse and each of his children of above 12 years age are eligible for proceeding/Outfit allowance subject to maximum at the rate of 50% of 2 months basic salary and at the rate of 25% in case of children below 12 years.
	b. Medical Aid	Expenses in connection with the medical checkup twice a year, Air fare from India to Japan and return and other medical expenses etc. as per the Service Agreement between the Company and Stanley.
	c. Other benefits	<p>i) The Company will provide a Chauffeur driven Car to him. The Company shall bear all the expenses in respect of car such as garaging charges, servicing, repairs, fuel, taxes, comprehensive insurance premium etc. including the salary for the Chauffeur.</p> <p>ii) The Company will also provide the facilities of Telephone and Gas etc.</p> <p>iii) The Company will pay to and for travelling expenses of Mr. Koji Sawada and his family when he goes on special leave/holiday passage granted to him.</p>

All the perquisites and benefits shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules perquisites shall be evaluated at actual cost. Provided further that the use of Company maintained cars, telephones, mobile phone, travelling and hotel expenses incurred for business purposes shall not be included in the computation of perquisites and allowances for the purpose of calculating ceiling of remuneration.

Brief Profile: Mr. Koji Sawada is a Nominee Director of M/s Stanley Electric Co. Limited, Japan and is associated with Company since 2008. He graduated from Osaka Institute of Technology and possesses over 30 years of rich experience in Quality Control and Lamp Assembly which is pertinent for the Industry in which Company is operating

The requirements as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards-2 are mentioned in the Schedule 1 to this explanatory statement and contained in the Corporate Governance Report which is part of Annual Report 2018-19.

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 resolution as set out at Item No. 5 of the Notice.

Your Directors recommend the resolution set forth in Item No. 5 for approval of the Members as an Ordinary Resolution.

ITEM NO. 6

On recommendation of Nomination and Remuneration Committee, the Board of Directors in its Meeting held on 31 March 2018 had approved appointment and remuneration of Mr. Vineet Sahni as Senior Executive Director of the Company for a period of five (5) years with effect from 1 April 2018 and the same was approved by Members in the AGM dated 18 July 2018.

The explanatory statement to the said AGM Notice included that any annual increments payable to Mr. Vineet Sahni as per the policy of the Company shall be recommended by Nomination and Remuneration Committee and approved by Board of Directors and Members and shall remain within overall ceiling applicable to Whole-Time Directors as prescribed under the Companies Act, 2013. Also, as per the terms and conditions of remuneration a commission up to 1% of net profits was approved to be paid quarterly, half yearly or annually as the Board may decide from time to time.

In view of above, the total increment paid to Mr. Vineet Sahni, CEO & Senior Executive Director for the Financial Year 2018-19 was 17% on the existing remuneration and commission at the rate of 1% of net profits as per section 198 of the Companies Act, 2013 was paid for the Financial Year 2018-19 whereas the other terms and conditions of Remuneration remained same.

On recommendation of Nomination and Remuneration Committee the above increase of remuneration was approved by Board of Directors and is now being placed for ratification/ approval of Members in the ensuing AGM.

The details as required to be stated under Secretarial Standards-2 are contained in Schedule 1 to this explanatory statement and Corporate Governance Report which is part of Annual Report 2018-19.

Except Mr. Vineet Sahni, None other Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of this Notice.

Your Directors recommend the resolution set forth in Item No. 6 for approval of the Members as an Ordinary Resolution.

ITEM NO. 7

In accordance with the Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees, the Nomination and Remuneration Committee has recommended an annual increment at the rate not exceeding 20% on fixed component of remuneration being paid annually to Mr. Vineet Sahni, CEO & Senior Executive Director of the Company up to his remaining term of appointment i.e. for a period of 4 years and the same shall be expiring on 31 March 2023.

On recommendation of Nomination and Remuneration Committee and after taking into account the financial position of the Company, trend in the Industry, the qualifications, experience, and performance of Mr. Vineet Sahni, the Board shall consider to increase the fixed salary component of Mr. Vineet Sahni in accordance with policy of Company on annual increments, whereas other terms and conditions of remuneration shall remain same, for every Financial Year up to the term of his appointment.

The details as required to be stated under Secretarial Standards-2 are contained Schedule 1 to this explanatory statement and Corporate Governance Report which is part of Annual Report 2018-19.

Except Mr. Vineet Sahni, None other Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 of this Notice.

Your Directors recommend the resolution set forth in Item No. 7 for approval of the Members as an Ordinary Resolution.

ITEM NO. 8

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mrs. Ritika Modi (DIN:00463560) as an Additional Director of the Company in the category of Independent Director, not liable to retire by rotation, for a term of five (5) years i.e. from 28 July 18, 2018 to 27 July 2023, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 120 of the Articles of Association of the Company, Mrs. Ritika Modi shall hold office up to the date of this AGM and is eligible to be appointed as Director.

The Company has received declarations from Mrs. Ritika Modi to the effect that she meets the criteria of independence as provided in Section 149(6) read with Schedule IV of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, Mrs. Ritika Modi fulfils the conditions specified in the Companies Act, 2013 Rules and Listing Regulations for appointment as Independent Director and she is independent of the management of the Company. Mrs. Ritika Modi is not debarred from holding the office of Director pursuant to any SEBI Order. The terms and conditions of her appointment shall be open for inspection by the Members at the registered office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Brief profile: Mrs. Ritika Modi is a Diploma holder in Travel and Tourism from Bel Air University, London. A veteran in travel industry having over 25 years of experience in the industry, she has an in-depth understanding of the travel agency and airline landscape in India. After working with top airlines including British Airways and KLM where she was involved in financial matters, she started her own corporate travel agency - MOD Travel, in the early nineties. In her current role as Regional President, UNIGLOBE Travel South Asia, Mrs. Ritika Modi heads the largest single brand travel franchise network in the South Asia region. Taking it as her responsibility to work for those who need help, she supports a number of social causes and leads a variety of projects involving child education and environment protection. She also started a non-profit organization which focused on counseling of women and supporting them to pursue a career in travel.

The requirements as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards-2 are mentioned in the Schedule 1 to this explanatory statement and contained in the Corporate Governance Report which is part of Annual Report 2018-19.

Except Mrs. Ritika Modi, None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution 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.

ITEM NO. 9

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Avinash Parkash Gandhi (DIN: 00161107) as an Independent Director, for a second term of five (5) years from 22 August 2019 to 21 August 2024, not liable to retire by rotation. Mr. Avinash Parkash Gandhi was appointed as an Independent Director at the thirty third AGM of the Company and holds office up to 21 August 2019. The Board, based on the satisfactory performance evaluation considers that given his background, experience and contribution, the continued association of Mr. Avinash Parkash Gandhi would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director on Board. The Board and its allied Committees have benefitted from his relevant specialization and expertise. The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. Mr. Avinash Parkash Gandhi is not debarred from holding the office of Director pursuant to any SEBI Order. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Further, pursuant to the Regulation 17(1A) of the Listing Regulations, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of Seventy Five (75) years unless a Special Resolution is passed to that effect. In view of above provision, it is being informed that Mr. Avinash Parkash Gandhi, Non- Executive Independent Director is aged above eighty (80) years and In view of his long, rich experience, continued valuable guidance to the management and strong Board performance it is proposed to continue his directorship as an Independent Director for his second term on the Board of the Company.

Brief Profile: Mr Avinash Parkash Gandhi is a Mechanical Engineer with a rich experience of more than 40 years in the Automotive Industry and has held top leadership positions in prestigious organisations in the automotive industry. His last assignment was as President at Hyundai Motors India

Limited. He was previously associated with Escorts Limited as the Chief Executive – Research & Development. He was also associated with Telco, holding senior positions in the area of manufacturing operations.

The requirements as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards-2 are mentioned in the Schedule 1 to this explanatory statement and contained in the Corporate Governance Report which is part of Annual Report 2018-19.

Except Mr. Avinash Parkash Gandhi, 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. 9 of the Notice.

Your Directors recommend the resolution set forth in Item No.9 for approval of the Members as Special Resolution.

ITEM NO. 10

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Munish Chandra Gupta (DIN: 01362556) as an Independent Director, for a second term of five (5) years from 22 August 2019 to 21 August 2024, not liable to retire by rotation. Mr. Munish Chandra Gupta was appointed as an Independent Director at the thirty third AGM of the Company and holds office up to 21 August 2019. The Board, based on the satisfactory performance evaluation considers that given his background, experience and contribution, the continued association of Mr. Munish Chandra Gupta would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director on Board. The Board and its allied Committees have benefitted from his relevant specialization and expertise. The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. Mr. Munish Chandra Gupta is not debarred from holding the office of Director pursuant to any SEBI Order. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Further, pursuant to the Regulation 17(1A) of the Listing Regulations, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of Seventy Five (75) years unless a Special Resolution is passed to that effect. In view of above provisions, it is being informed that Mr. Munish Chandra Gupta, Non- Executive Independent Director is aged above eighty (80) years and In view of his long, rich experience, continued valuable guidance to the management and strong Board performance it is proposed to continue his directorship as an Independent Director for his second term on the Board of the Company.

Brief Profile: Mr. Munish Chandra Gupta is a Retd. IAS Officer & has served the Indian Union & State Governments in various capacities including Deputy Secretary, Min of Finance – Dept. of Economic Affairs and Advisor – United Nations Industrial Development Organisation (UNIDO). He is a post graduate in English Literature from Agra University.

The requirements as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards-2 are mentioned in the Schedule 1 to this explanatory statement and contained in the Corporate Governance Report which is part of Annual Report 2018-19.

Except Mr. Munish Chandra Gupta, None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution as set out at Item No. 10 of the Notice.

Your Directors recommend the resolution set forth in Item No.10 for approval of the Members as Special Resolution.

ITEM NO. 11

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Dhiraj Dhar Gupta (DIN: 01089718) as an Independent Director, for a second term of five (5) years from 22 August 2019 to 21 August 2024, not liable to retire by rotation. Mr. Dhiraj Dhar Gupta was appointed as an Independent Director at the thirty third AGM of the Company and holds office up to 21 August 2019. The Board, based on the satisfactory performance evaluation considers that given his background, experience and contribution, the continued association of Mr. Dhiraj Dhar Gupta would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director on the Board. The Board and its allied Committees have benefitted from his relevant specialization and expertise. The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder

and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. Mr. Dhiraj Dhar Gupta is not debarred from holding the office of Director pursuant to any SEBI Order. The terms and conditions of his appointment shall be open for inspection by the Members at the registered office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Brief Profile: Mr Dhiraj Dhar Gupta is an industrialist having over 3 decades of experience in Auto Component manufacturing. He is also Promoter Director of Abhishek Auto Pvt Ltd. He holds a Bachelor's Degree in Commerce and is an alumnus of Shri Ram College of Commerce, Delhi University.

The requirements as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards-2 are mentioned in the Schedule 1 to this explanatory statement and contained in the Corporate Governance Report which is part of Annual Report 2018-19.

Except Mr. Dhiraj Dhar Gupta, None other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution as set out at Item No. 11 of the Notice.

Your Directors recommend the resolution set forth in Item No. 11 for approval of the Members as Special Resolution.

ITEM NO. 12

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Rattan Kapur (DIN: 00304573) as an Independent Director, for a second term of five (5) years from 22 August 2019 to 21 August 2024, not liable to retire by rotation. Mr. Rattan Kapur was appointed as an Independent Director at the thirty third AGM of the Company and holds office up to 21 August 2019. The Board, based on the satisfactory performance evaluation considers that given his background, experience and contribution, the continued association of Mr. Rattan Kapur would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director on Board. The Board and its allied Committees have

benefitted from his relevant specialization and expertise. The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16(1)(b) of Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. Mr. Rattan Kapur is not debarred from holding the office of Director pursuant to any SEBI Order. The terms and conditions of his appointment shall be open for inspection by the Members at the registered office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Brief Profile: Mr Rattan Kapur is an industrialist with an experience of more than 30 years in the Auto Component Industry. He is Past President of ACMA and former Chairman of Haryana State Council of CII. He is a B. Com Graduate from Delhi University.

The requirements as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards-2 are mentioned in the Schedule 1 to this explanatory statement and contained in the Corporate Governance Report which is part of Annual Report 2018-19.

Except Mr. Rattan Kapur, None other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution as set out at Item No. 12 of the Notice.

Your Directors recommend the resolution set forth in Item No. 12 for approval of the Members as Special Resolution.

**By Order of the Board
For Lumax Industries Limited**

Place: Gurugram
Date: 14 May 2019

Ankita Gupta
Company Secretary
Membership No. -A50166

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

PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AND FIXATION OF REMUNERATION IS FURNISHED BELOW:

Names of Directors/DIN	Date of Birth/ Details of Shareholding	Qualifications/Nature of Expertise	Relationship with other Directors/ Manager/ KMP	Directorships in Other Public Companies	Chairmanship/ Membership in Committees of Other Public Companies
Mr. Deepak Jain/00004972	6.04.1975/ 1,64,428	An alumnus of Illinois Institute of Technology, USA in Operations Management and International Business, Mr Deepak Jain brings with him experience of more than 20 years in the automotive industry. His exceptional management skills and strategic vision has helped Company grow in newer markets. He is actively involved in ACMA and is the current Regional Chairman – North – ACMA and has held various eminent industry positions He is also Member of Young President Organisation and Entrepreneurs” Organisation.	Related to Mr. Anmol Jain as Brother Not related to any Manager and KMP of the Company	1. RSWM Limited 2. Lumax Auto Technologies Limited 3. Lumax DK Auto Industries Limited 4. Lumax Mannoh Allied Technologies Limited 5. Lumax FAE Technologies Private Limited 6. Lumax Cornaglia Auto Technologies Private Limited 7. SL Lumax Limited	Share Transfer/ Stakeholder Relationship Committee ➤ Lumax Auto Technologies Limited* Corporate Social Responsibility Committee & Nomination and Remuneration Committee ➤ Lumax Auto Technologies Limited
Mr. Koji Sawada/ 07582189	21.04.1963/Nil	Graduate from Osaka Institute of Technology, Japan/ Having over 30 Years of rich experience in Quality Control and Lamp Assembly.	Related to Mr. Tadayoshi Aoki and Mr. Toru Tanabe as Nominee Directors of Stanley Electric Co., Ltd. Not related to any Manager and KMP of the Company	Nil	Nil
Mr. Vineet Sahni/ 03616096	01.04.1965/1,710	B.E Mechanical from Delhi College of Engineering and PG Diploma in Management from MSPI – Delhi/ 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.	Not related with any Director/Manager/KMP of the Company	SL Lumax Limited	Nil
Mrs. Ritika Modi/ 00463560	30.05.1966/Nil	Diploma in Travel and Tourism from Bel Air University London/ Presently acting as Regional President, UNIGLOBE Travel South Asia. Possesses in-depth knowledge in expansion of business and building of customer relationships and is involved towards numerous social causes involving child education and environment conservation	Not related with any Director/Manager/KMP of the Company	Nil	Nil

Names of Directors/DIN	Date of Birth/ Details of Shareholding	Qualifications/Nature of Expertise	Relationship with other Directors/ Manager/ KMP	Directorships in Other Public Companies	Chairmanship/ Membership in Committees of Other Public Companies
Mr. Avinash Parkash Gandhi/ 00161107	1.10.1938/Nil	B.E. (Mechanical)/ He has held top leadership positions in prestigious organizations for over two decades out of 40 years of professional work experience. His last assignment was at Hyundai Motors India Ltd (HMIL) as President. He joined HMIL in 1998, a second largest passenger car manufacturer in India. Before HMIL he had worked for 10 years in Escorts as a Chief Executive of Corporate Research and Development. He has also worked in Telco for about 15 years holding various Senior positions in the area of manufacturing operations.	Not related with any Director/Manager/KMP of the Company	<ol style="list-style-type: none"> 1. Hyundai Motor India Limited 2. Indo Alysus Industries Limited 3. Minda Corporation Limited 4. Minda Sai Limited 5. QRG Enterprises Limited 6. Schaeffler India Limited 7. Uniproducts (India) Ltd. 8. Lumax Auto Technologies Limited 	<p>Audit Committee</p> <ul style="list-style-type: none"> ➤ Hyundai Motor India Limited ➤ Indo Alysus Industries Limited ➤ Minda Corporation Limited ➤ Minda Sai Limited * ➤ Schaeffler India Limited ➤ Lumax Auto Technologies Limited <p>Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> ➤ Hyundai Motor India Limited ➤ Indo Alysus Industries Limited ➤ Minda Corporation Limited* ➤ Minda Sai Limited ➤ Uniproducts (India) Ltd.* <p>Shareholders/ Investor Grievance Committee</p> <ul style="list-style-type: none"> ➤ Minda Corporation Limited

Names of Directors/DIN	Date of Birth/ Details of Shareholding	Qualifications/Nature of Expertise	Relationship with other Directors/ Manager/ KMP	Directorships in Other Public Companies	Chairmanship/ Membership in Committees of Other Public Companies
Mr. Munish Chandra Gupta/01362556	23.07.1938/Nil	<p>M.A. (English Literature) from Agra University/</p> <p>Served as a Member of the Indian Administrative Service from May 1960 to January, 1997.</p> <p>Served as Deputy Secretary in the Ministry of Finance, Department of Economic Affairs dealing with External Finance and Management of Foreign Exchange.</p> <p>Served as Director IIPA from April 1997 to March 2002.</p> <p>Served as Advisor UNIDO (United Nations Industrial Development Organization), Regional office, Delhi from April 2002 to October 2004</p>	Not related with any Director/Manager/KMP of the Company	<ol style="list-style-type: none"> Bhansali Engineering Polymers Ltd. Vardhman Acrylics Ltd 	<p>Audit Committee</p> <ul style="list-style-type: none"> ➤ Bhansali Engineering Polymers Ltd.* ➤ Vardhman Acrylics Ltd <p>Corporate Social Responsibility Committee</p> <ul style="list-style-type: none"> ➤ Bhansali Engineering Polymers Ltd.* ➤ Vardhman Acrylics Ltd <p>Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> ➤ Bhansali Engineering Polymers Ltd. ➤ Vardhman Acrylics Ltd. * <p>Stakeholders Relationship Committee</p> <ul style="list-style-type: none"> ➤ Vardhman Acrylics Ltd*
Mr. Dhiraj Dhar Gupta/01089718	9.07.1950/Nil	<p>B. Com (H) from Shri Ram College of Commerce Delhi University/ He has almost three decades of rich and wide experience in manufacturing Automobile Components, Finance and Marketing. After graduation he setup independently a paper packaging unit in Delhi and in Nigeria in 1977. In 1985 he promoted Abhishek Auto Industries Limited for manufacturing Safety Seat Belts first time in India with a technical tie-up with a Japanese Company – Ashimori Industries and started supplying to major car manufacturers like Maruti Suzuki India Ltd., Tata Motors, Mahindra & Mahindra, Honda India, Volkswagen, Hindustan Motors, Swaraj Mazda etc. Now in JV with Key Safety Systems of USA the company supplies Global Model Seat belts and also exporting Seat Belts all around the globe.</p>	Not related with any Director/Manager/KMP of the Company	<ol style="list-style-type: none"> Lumax DK Auto Industries Limited MM Auto Industries Limited Delhi Race Club 1940 Limited MM Asan Auto Ltd 	<p>Audit Committee</p> <ul style="list-style-type: none"> ➤ Lumax DK Auto Industries Limited <p>Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> ➤ Lumax DK Auto Industries Limited

Names of Directors/DIN	Date of Birth/ Details of Shareholding	Qualifications/Nature of Expertise	Relationship with other Directors/ Manager/ KMP	Directorships in Other Public Companies	Chairmanship/ Membership in Committees of Other Public Companies
Mr. Rattan Kapur/00304573	20.10.1957/Nil	<p>B. Com from Delhi University/ He started his professional career as an Entrepreneur in the year 1977 by establishing an auto component manufacturing unit. In the year 1993, Mr. Rattan Kapur promoted Mark Exhaust Systems Limited (MESL) in Joint Venture with Maruti Suzuki India Limited. MESL is a leading manufacturer of Exhaust Systems, Catalytic Converter and Door Assemblies.</p> <p>Presently, he is the Managing Director of Mark Exhaust Systems Ltd. He has held following positions in different associations:</p> <ol style="list-style-type: none"> 1. Past President Supplier club Honda Siel cars India (HSCI) 2. Past Chairman of the Automotive Component Manufacturers Association (ACMA)-NR. 3. Chairman of Haryana State Council of Confederation of Indian Industry (CII). 	Not related with any Director/Manager/KMP of the Company	<ol style="list-style-type: none"> 1. Track Components Limited 2. Karmic Engineering Limited 3. Mark Exhaust Systems Limited 	<p>Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> ➤ Mark Exhaust Systems Limited

Notes:

1. The Directorships and Chairmanships/Memberships of Foreign Companies and Section 8 Companies is not included in above table but are being reported for listed and unlisted Public Companies
2. * Indicates Chairmanship in Committees
3. For other details such as the number of meetings of the Board attended during the year, remuneration drawn last year, please refer to the Corporate Governance Report which is a part of the Annual Report 2018-19

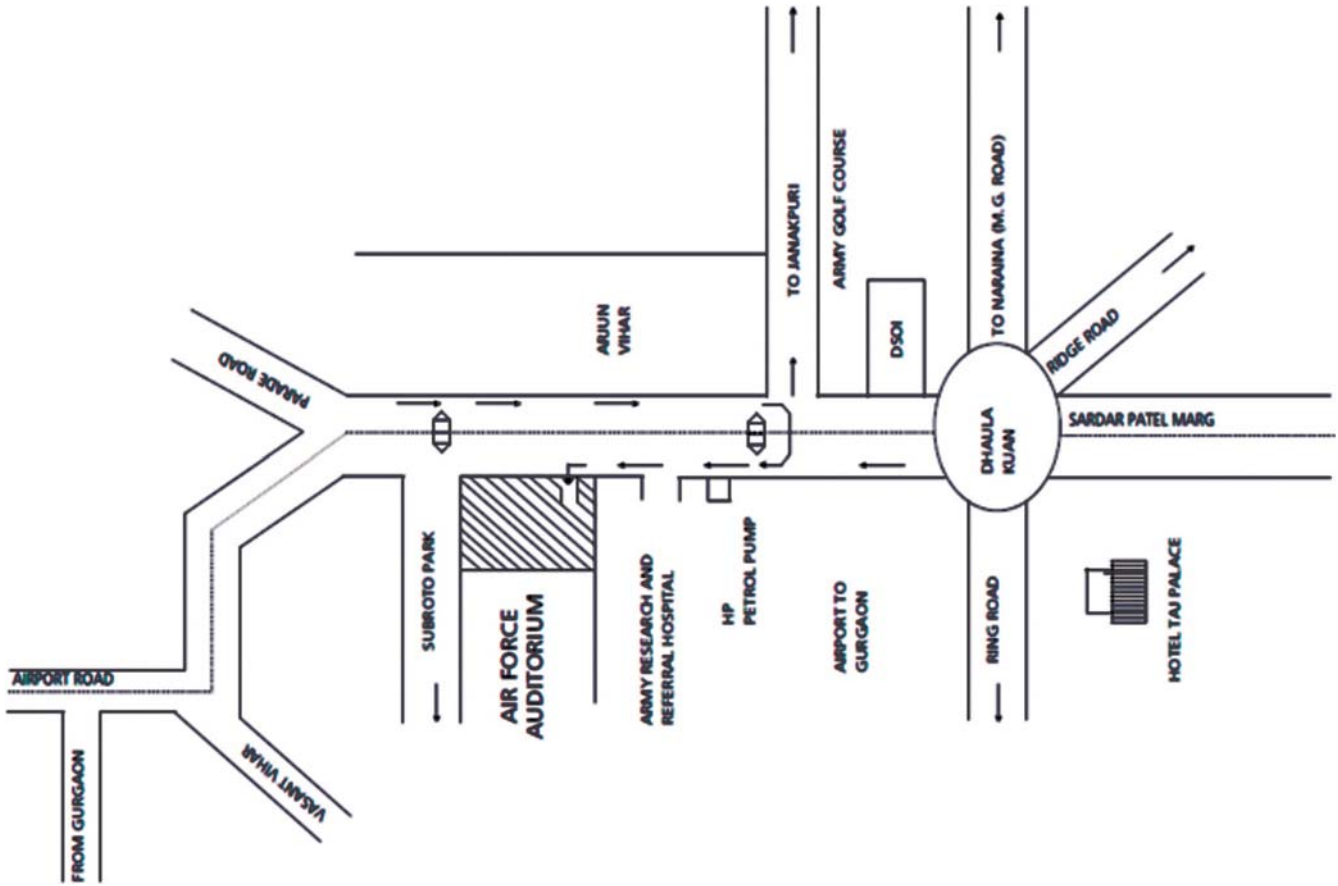
ELECTRONIC VOTING INSTRUCTIONS

Pursuant to 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 instructions and other information relating to remote e-voting are as under:

1. A. **In case a Member receives an e-mail from Karvy** [for Members whose e-mail addresses are registered with the Company / Depository Participant(s)]
 - a) Launch internet browser by typing the URL <https://evoting.karvy.com>
 - b) Enter the login credentials (i.e. User ID and password mentioned overleaf). The E-Voting Event Number + Folio No. or DP ID/Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
 - c) After entering these details appropriately, Click on “LOGIN”.
 - d) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - e) You need to login again with the new credentials.
 - f) On successful login, the system will prompt you to select the e-voting Event Number for Lumax Industries Limited.
 - g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/ AGAINST” taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option “ABSTAIN” and the shares held will not be counted under either head.
 - h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - j) You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - k) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote.
 - l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: guptamaneeshcs@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name EVENTNO.”
- During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- B. In case a Member receives physical copy of the Notice by post [for Members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:
 - (i) User ID and initial password – As provided overleaf.
 - (ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
2. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
 3. The facility for voting through polling paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right to vote at the meeting.

4. The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
5. The Board of Directors of the Company has appointed Mr. Maneesh Gupta, a Practicing Company Secretary, New Delhi as scrutinizer to scrutinize the remote e-voting process and voting at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
6. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 16 August 2019.
7. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. 16 August 2019 only shall be entitled to avail the facility of remote e-voting/ voting at the meeting.
8. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 16 August 2019, may obtain the User ID and Password in the manner as mentioned below:
 - a) If the mobile number of the Member is registered against Folio No. / DP ID/Client ID, the member may send SMS: MYEPWD E-Voting Event number + Folio No. or DP ID Client ID to 9212993399
 Example for NSDL: MYEPWD IN12345612345678
 Example for CDSL: MYEPWD 1402345612345678
 Example for Physical: MYEPWD XXX1234567890
 - b) If e-mail address or mobile number of the Member is registered against Folio No./ DP ID/Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click “forgot password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c) Member may call Karvy’s toll free number 1-800-3454-001.
 - d) Member may send an e-mail request to einward.ris@karvy.com.
 If the Member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
9. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. 23 August 2019.
10. In case of any query pertaining to e-voting, please visit Help & FAQ’s section available at Karvy’s website <https://evoting.karvy.com>.
11. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated Scrutinizer’s Report and submit the same to the Chairman. The results declared along with the consolidated Scrutinizer’s Report shall be placed on the website of the Company www.lumaxworld.in/lumaxindustries and on the website of the Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.

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.lumaxworld.in/lumaxindustries, Tel: 011 49857832

Email: lumaxshare@lumaxmail.com, CIN: L74899DL1981PLC012804

**PROXY FORM- MGT-11***(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 Lumax Industries Limited, holding _____ shares 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 38th Annual General Meeting of the Company, to be held on the Friday, 23 August 2019 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:

S. No.	Resolutions	**For	**Against
ORDINARY BUSINESS			
1	Adoption of Audited Annual Accounts for the year ended 31 March 2019 and the Auditors and Directors Reports thereon	_____	_____
2	Declaration of Dividend on Equity Shares for the year ended 31 March 2019	_____	_____
3	Re-appointment of Mr. Deepak Jain (DIN: 00004972), who retires by rotation	_____	_____
SPECIAL BUSINESS			
4	Ratification of remuneration of Cost Auditor for the Financial Year 2019-20	_____	_____
5	Re-Appointment of Mr. Koji Sawada (DIN: 07582189) as Executive Director of the Company	_____	_____
6	Ratification/Approval of Remuneration paid to Mr. Vineet Sahni, CEO & Senior Executive Director for the Financial Year 2018-19 post annual increments as per the policy of the Company	_____	_____
7	Increase in Remuneration of Mr. Vineet Sahni, CEO & Senior Executive Director	_____	_____
8	Appointment of Mrs. Ritika Modi (DIN: 00463560) as an Independent Director of the Company for a period of five (5) Years	_____	_____
9	Re-appointment of Mr. Avinash Parkash Gandhi (DIN: 00161107) as an Independent Director for a Second Term	_____	_____
10	Re-appointment of Mr. Munish Chandra Gupta (DIN: 01362556) as an Independent Director for a Second Term	_____	_____
11	Re-appointment of Mr. Dhiraj Dhar Gupta (DIN: 01089718) as an Independent Director for a Second Term	_____	_____
12	Re-appointment of Mr. Rattan Kapur (DIN: 00304573) as an Independent Director for a Second Term	_____	_____

**Applicable for investors holding shares in electronic form.*

Signed _____ day of _____ 2019

Signature of ShareholderAffix
Revenue
Stamp_____
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 thinks appropriate.



LUMAX INDUSTRIES LIMITED

Registered Office: 2nd Floor, Harbans Bhawan-II, Commercial Complex,
Nangal Raya, New Delhi – 110046

Website: www.lumaxworld.in/lumaxindustries, Tel: 011 49857832

Email: lumaxshare@lumaxmail.com, CIN: L74899DL1981PLC012804



ATTENDANCE SLIP

(To be presented at the entrance)

Regd. Folio No.

*Demat A/c No.

No. of Shares Held:

DP.ID No.

NAME AND ADDRESS OF THE MEMBER:

I/We hereby record my/our presence at the 38th Annual General Meeting of the Company held on Friday, 23 August 2019 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010.

Signature of Member/ Proxy

Notes:

1. Please fill this Attendance Slip & hand over at the reception.
2. Members are requested to bring their copy of the Annual Report to the Meeting.
- 3.*Members holding shares in Demat form must quote their Demat A/c No. and Depository Participant (DP) ID. No.

IMPORTANT AND URGENT
INFORMATION FOR THE SHAREHOLDERS

Mandatory Updation of PAN and Bank Account details (Only for Physical Shareholding)

Securities and Exchange Board of India (“SEBI”) vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018, has mandated Listed Entities to seek the subject details from the Shareholders holding shares in physical form with an objective to streamline the processes relating to maintenance of records, transfer of securities and seamless payment of Dividend/interest/redemption amounts to the Shareholders.

Therefore, we request your good self to provide the following details for our records, which shall be linked to your respective folios:

1. Enclosed Format dully filled and signed by all the Shareholders.
2. Self-attested copy of PAN Card of all the Shareholders.
3. Original Cancelled Cheque leaf with Name (if the name is not printed, self-attested copy of Passbook duly attested by the Bank on first page).
4. Self-attested copy of Address Proof of the Shareholder.

If the Shareholder is a resident of Sikkim, the Shareholder is required to submit a valid Identity proof issued by Government.

Mandatory Dematerialization of Shares

Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8 June 2018 read with BSE Circular No. LIST/COMP/15/2018-19 dated 5 July 2018 issued to all Listed Companies has directed for Dematerialization of Shares held in physical form. In order to Dematerialize your share, please open a Demat Account with any of Depository Participants (DP) and submit your physical share certificate to DP along with necessary documents in this regard.

Updation of Email ID

To support “Green Initiative” and to further strengthen the communication and for providing the documents through electronic mode, the Shareholders are requested to get their Email Id’s registered with the Company.

Registration of Mobile No. and Merging of Multiple Folios

Shareholders are requested to register their Mobile No. for direct and speedy communication and those Shareholders who are having Multiple Folios are requested to get the same merged in One Folio which will help in ease of communication.

FORMAT FOR FURNISHING PAN AND BANK DETAILS

To
 Karvy Fintech Private Limited
 Karvy Selenium Tower B, Plot 31-32,
 Gachibowli, Financial District, Nanakramguda,
 Hyderabad - 500 032

Dear Sir/Ma'am,

UNIT: LUMAX INDUSTRIES LIMITED

I/ We furnish below our folio details along with PAN and Bank mandate details for updation and confirmation of doing the needful. I/we are enclosing the self-attested copies of PAN cards of all the holders, original Cancelled Cheque leaf, Bank Passbook and Address Proof viz., Aadhaar Card as required for updation of the details:

Folio No.	
Address of the 1st named Shareholder as per the share certificate	
Mobile No.	
Email ID	

Bank Account Details (for electronic credit of unpaid Dividends and all future Dividends):									
Name of the Bank									
Name of the Branch									
Account Number (as appearing in your cheque book)									
Account Type (Saving/ Current/ Cash Credit)		Saving			Current			Cash Credit	
9 Digit MICR Number (as appearing on the cheque issued by the bank)									
11 Digit IFSC Code									

	PAN No.	Name	Signature
First Holder :			
Joint Holder 1 :			
Joint Holder 2 :			

Place:

Date:

Note: The above details will not be updated if the supporting documents are not attached and not duly signed by all the Shareholders.



Lumax Industries Limited

www.lumaxworld.in/lumaxindustries