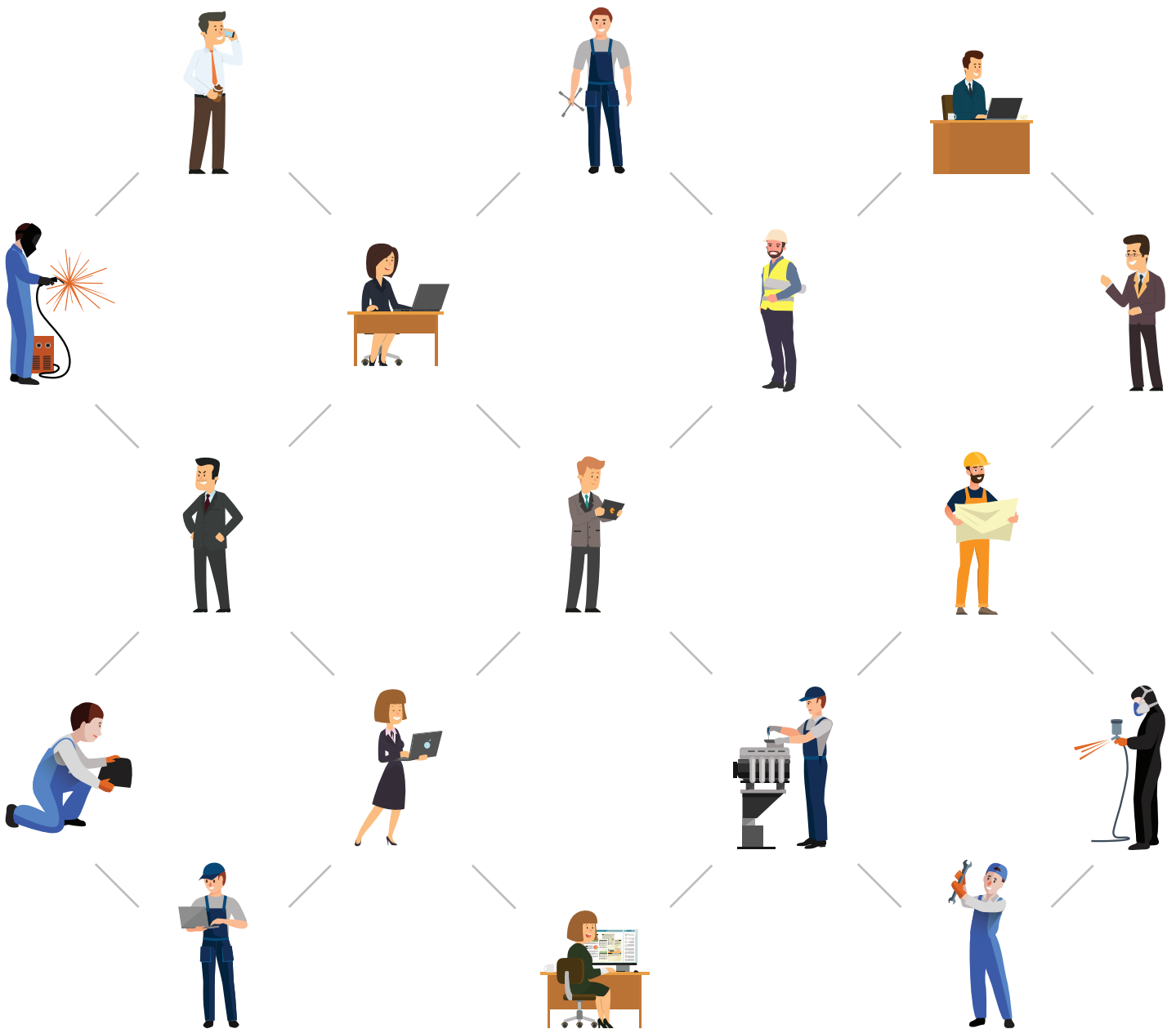




**Regroup**

**Reassess**

**Redefine**

**Recreate**

A N N U A L R E P O R T  
**2019-20**

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

## About This Report

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

## Scope and Boundary

This Annual Report comprises all the relevant aspects of operations of Lumax Auto Technologies. It also consists of the desired statutory disclosures and audited annual financial statements for the year ended 31 March 2020. All subsidiaries are included in the consolidated financial information.

## Frameworks

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

## Assurance

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



## Investor Information

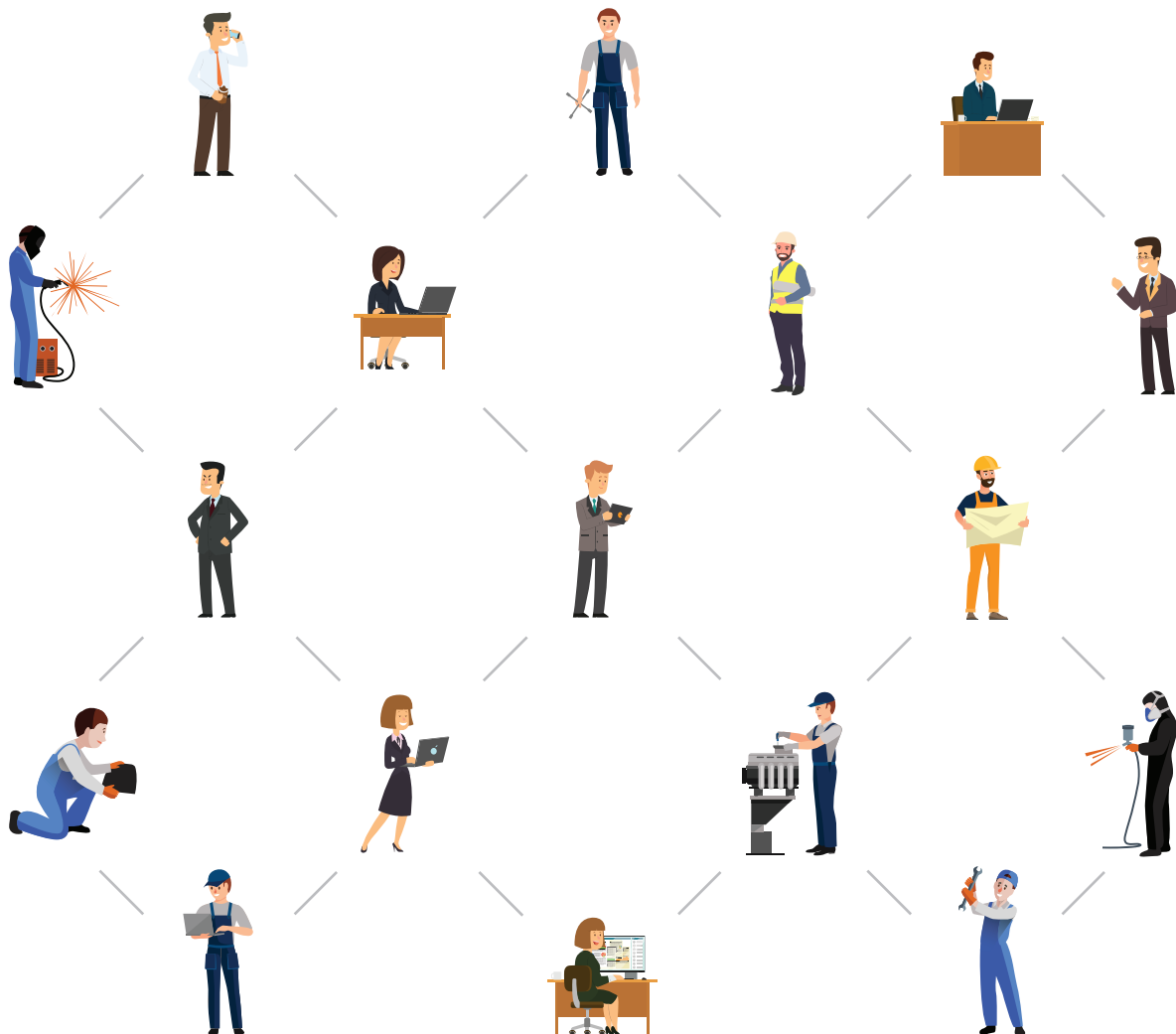
|                                            |                       |
|--------------------------------------------|-----------------------|
| Market Capitalisation as at 31 March 2020: | ₹ 340 Crores          |
| CIN:                                       | L31909DL1981PLC349793 |
| BSE Code:                                  | 532796                |
| NSE Symbol:                                | LUMAXTECH             |
| Bloomberg Code:                            | LMAX:IN               |
| Dividend Declared:                         | ₹ 3/-                 |
| AGM Date:                                  | 28 August 2020        |

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

PANDEMIC, LOCKDOWN, SOCIAL DISTANCING, CRISIS, DISRUPTION, RESTRICTION. MOST OF THE DISCUSSIONS ACROSS THE WORLD HAVE BEEN FOCUSING ON THESE FOR THE PAST FEW MONTHS NOW. COVID-19, THE HUMAN HEALTH THREAT, HAS HAD FAR WIDER IMPLICATIONS THAN WE COULD EARLIER DECIPHER. BUT WE, AT LUMAX AUTO TECHNOLOGIES LIMITED, ARE FOCUSING ON SOMETHING ELSE.

# The New Normal

**How we respond to a crisis says a lot about how we face challenges. It dictates how we let situations affect us. Covid-19 did impact us. But we decided to lift ourselves up and adapt to the new normal. We strategised and tried finding the new route. And so, this is what we did.**



**Regroup**

**Reassess**

**Redefine**

**Recreate**

**Social distancing is here to stay. So,**

**We regrouped our workforce and continued working while sticking to the new norms of workplace.**

**We reassessed our existing partnerships while looking for potential ones to bring in the benefit of synergy.**

**We worked harder and redefined our R&D capabilities to widen our portfolio.**

**We focussed on our strengths even more and recreated products to continue being leaders and unleash more opportunities.**

# PIONEER

## Same Principles. Renewed Passion.

ESTABLISHED IN THE YEAR 1945 AS A SMALL TRADING FIRM, THE DK JAIN GROUP IS THE PIONEER AND A LEADER IN THE INDIAN AUTOMOTIVE INDUSTRY. SINCE INCEPTION, THE GROUP HAS UNDERGONE A MULTI-PHASED DEVELOPMENT AND EVOLUTION JOURNEY. WITH OVER 7 DECADES OF RICH EXPERIENCE AND EXPERTISE, THE GROUP'S 'CUSTOMER FIRST' PHILOSOPHY HAS BEEN AN INTRINSIC PART OF ITS FOUNDATION, RIGHT FROM THE BEGINNING. THE GROUP'S PRINCIPLES: RESPECT, INTEGRITY, PASSION, AND EXCELLENCE, FORM THE CORE OF ITS STRONG FOUNDATION AND COMMITMENT. THESE PRINCIPLES ACT LIKE THE GUIDING LIGHT THAT HAVE ENABLED THE GROUP TO WIDEN ITS SPECTRUM OF OFFERINGS.

### Spectrum of Offerings

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

### 75 and Counting

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







**75**

Years

Rich experience

**9,000+**

Human assets

**30**

Modern  
manufacturing  
facilities

**4**

R&D centres

**1**

State-of-the-art  
design centre  
at Taiwan

**9**

Partnerships

# HIGHLIGHTS

**The D K Jain Group's subsidiary entity, Lumax DK Auto, merged with the standalone entity**

**Bengaluru plant awarded JIPM-TPM Excellence Award**

**Entered JV with Yokowo, Japan, to manufacture and supply antennas and other vehicle communication products**

**Start of Commercial production at Lumax Jopp**

**12**

Entities

**3**

TPM awarded facilities

**7**

Partnerships

**15**

Ultra-modern manufacturing facilities

**21,000**

Retail touch points

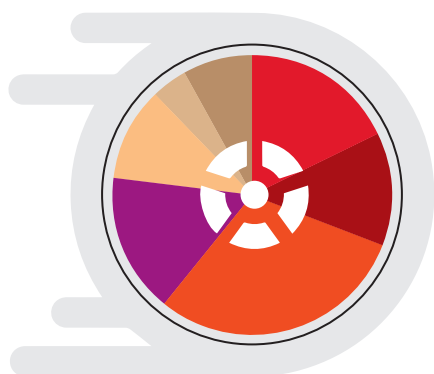
**₹ 1,141**

Crores

Revenue from Operations

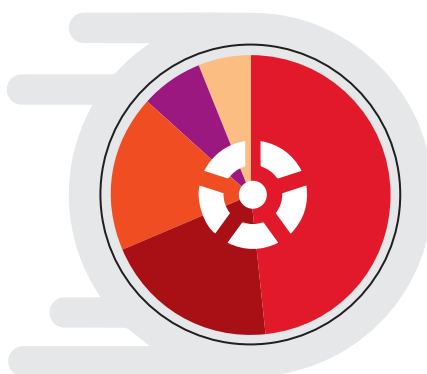


### Product-Wise Revenue Contribution



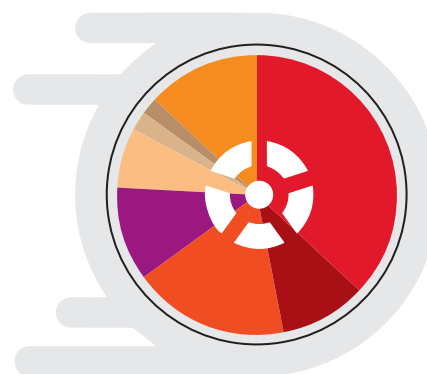
| Products              | Share (%) |
|-----------------------|-----------|
| ● Aftermarket         | 18        |
| ● Lighting            | 13        |
| ● Moulded Parts       | 30        |
| ● Chassis and Frames  | 16        |
| ● Gear Shifter        | 11        |
| ● Intake System       | 4         |
| ● Other Miscellaneous | 8         |

### Segmental Revenue Break-Up



| Products              | Share (%) |
|-----------------------|-----------|
| ● 2/3 Wheelers        | 48        |
| ● Passenger Vehicles  | 20        |
| ● After Market        | 18        |
| ● Commercial Vehicles | 7         |
| ● Others              | 7         |

### Client-Wise Revenue mix



| Products           | Share (%) |
|--------------------|-----------|
| ● Bajaj Auto       | 37        |
| ● Lumax Industries | 10        |
| ● After Market     | 18        |
| ● HMSI             | 11        |
| ● MSIL             | 7         |
| ● Toyota           | 2         |
| ● LEAR             | 2         |
| ● Others           | 13        |

# 50,000

Retail touch points over the next three years

# 1,360

Human capital

# 30+

Years

After market experience

# ₹ 109

Crores

EBITDA

EBITDA: Earnings before interest, tax, depreciation, and amortisation

# LEADER

## A leading supplier of complete automotive components

An experience of over three decades combined with a rich legacy worth boasting of, Lumax Auto Technologies is a leading and full-service provider to India's top Original Equipment Manufacturers (OEMs). The Company, with its collaborative approach, caters 2-Wheeler (2W), 3-Wheeler (3W), 4-Wheeler (4W), and off-road vehicle segments. Operating through its subsidiaries and joint ventures, the Company has emerged as a manufacturer of wide range of products that include complete Lighting Module, Frame Chassis, Swing Arm & Trailing Arm, Integrated Plastic Modules, Gear Shifter and Shift Towers, Intake Systems and Seat Frames, among others

The Company, as an OEM supplier, enjoys a significant market share in the aftermarket space. Riding the waves of change, the Company's robust research & development capabilities have managed to serve the growing and evolving needs of automotive industry through its BS VI compliance products.

**Market leaders  
in Design,  
Testing and  
Manufacturing  
Gear Shifters  
in India**



### Our Group Purpose

Delivering pride and progress  
with positivity



### Our Vision

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



### Values

# RIPE

Respect

Integrity

Passion

Excellence

## Our Presence

### 3 Plants at Manesar (Haryana)

**Products manufactured:**  
Gear Shifters, Shift Towers, Integrated Plastic Modules

### 1 R&D Centre at Manesar

### Pantnagar (Uttarakhand)

**Products manufactured:**  
Lighting & Integrated Plastic Modules

### Surendra Nagar (Gujarat)

**Products manufactured:**  
Gear Shifters

### 6 Plants at Chakan and Bhosari (Maharashtra)

**Products manufactured:**  
Lighting, Seat Frames, Intake Systems, Chassis & Swing Arm

### 1 R&D Centre at Chakan, Pune

### Gurugram (Haryana)

**Aftermarket:**  
Domestic and Export

### 3 Plants at Aurangabad (Maharashtra)

**Products manufactured:**  
Chassis, Swing Arm & Trailing Arm

### Bengaluru (Karnataka)

**Products manufactured:**  
Integrated Plastic Modules

# LETTER FROM THE **MANAGEMENT**



**Lumax Auto Technologies Limited is strategically focussed on building capabilities in the future of architecture which will define our position as one of the top leaders in Auto Component space with global reputation.**

**Our lives will be different after the Covid-19 pandemic. We do not yet know the full extent of change. But it is clear that the world is already being reshaped to varying degrees. This is an opportunity for us to collectively lay the groundwork for a better future.**

## Dear Stakeholders,

They say, 'the future is for us to determine'. As we write this message, the world is battling a human tragedy, a future scenario that none of us could ever determine or imagine. March 2020 marked the Covid-19 outbreak in the Indian Sub-continent. The pandemic, today, is threatening lives and livelihoods across the globe. It is disrupting economies and communities at a speed, scale, and severity that no one could foresee.

The pharmaceutical companies and researchers are racing against time to decode the virus and crack a vaccine. The Governments and businesses are working hard to steer through this crisis and come up with strategies that best protect lives and livelihoods. Lumax Auto Technologies took an impact. But we did not stop. The severity of a crisis depends a lot on how we respond to it. Such situations often bring out the best in people, acting as catalysts as we navigate our way through a new route. We, at Lumax Auto Technologies, responded to safeguard and support our stakeholders' community and our team.

## Industry

The FY 2019-20 witnessed the slowest demand in the past two decades. The underlying causes being weak economic environment, higher vehicle prices and strict lending rules. Then came along December 2019, with signs of green shoots. The pace of decline in demand of Passenger Vehicles reduced, though on a low base. However, this building momentum, largely due to improvement in the rolling average, collapsed in the last month of the financial year due to the outbreak of Covid-19.

## Regroup. Reassess. Redefine. Recreate.

The culmination of the recent trying times and its influence have helped us evolve as a stronger contender underpinned by our values, principles, and efforts. While we are at the inflexion point, we would like to

**Regroup** our workforce to empower them by swiftly surfing through the new normal

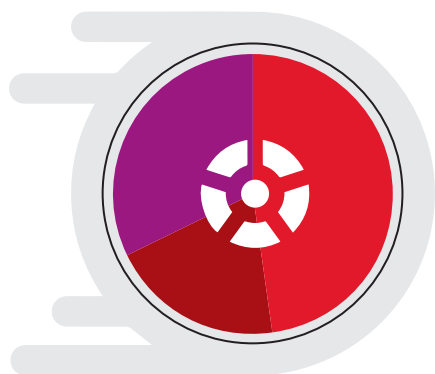
**Reassess** our collaborations with existing and potential partners and customers to benefit from synergies

**Redefine** our R&D capabilities to build a diverse product portfolio

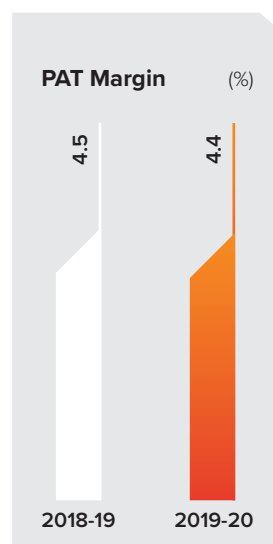
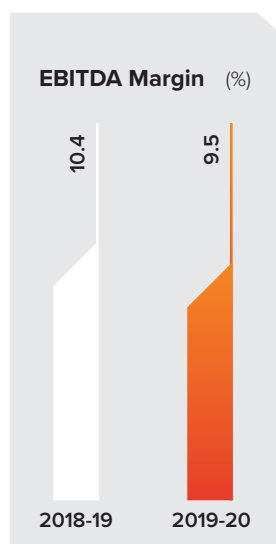
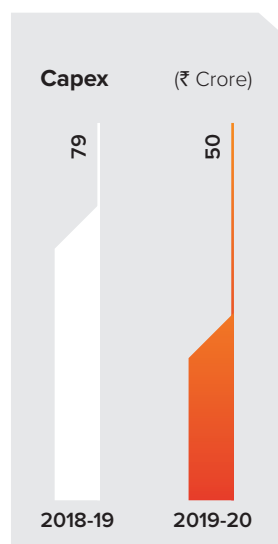
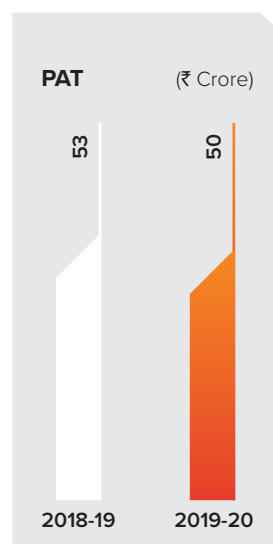
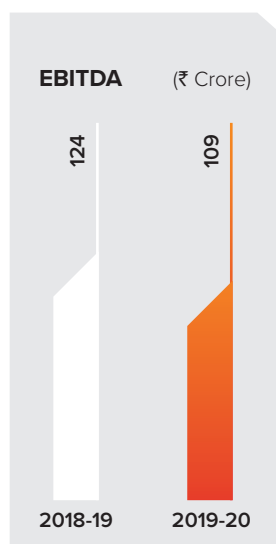
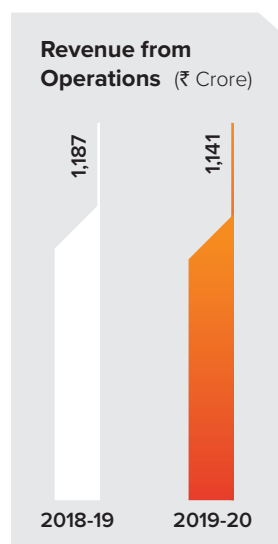
**Recreate** our products and become a frontrunner to make the best of opportunities

## Financial Highlights

### Segment-Wise Revenue Contribution



| Products       | Share (%) |
|----------------|-----------|
| 2-Wheelers     | 48        |
| Passenger cars | 20        |
| Others         | 32        |



EBITDA: Earnings before interest, tax, depreciation, and amortisation  
PAT: Profit after tax



## Operational Highlights

We are the market leaders in Gear Shifters. By following the direction of growth and wind, we have transitioned and shaped ourselves keeping pace with market changes and dynamics, as also our customer needs. Our new clientele includes the renowned MG Hector in Air Intake Systems and we are confident of adding to our revenue base.

Lumax Ituran has generated business enquiries from OEMs preparing for regulatory norms to implement the track and trace devices with additional features for future models. The trial phase has already started, and the response is encouraging. We expect to realise revenues from FY 2020-21. Lumax FAE plant, for oxygen sensors, is under commissioning and will be operational by Q3 FY2020-21.

**The Indian automobile industry is in a phase of metamorphosis. It is undergoing a technological change, and this is the most opportune time to introduce best-in-class technology for connected vehicles and communication.**

## Synergies driving excellence

Changing regulations offer new opportunities to diversify into new segments. Our goal is to increase the content per vehicle with new-generation architectures. We have always endeavoured and believed in expanding our business with the current and future global partners. We wish to expand into new areas of plastics, electronics, electrification, and light weighting, to build a robust future. Until last year, the Company had 6 partnerships. As we actively seek inorganic opportunities, during the year, we signed one new joint venture.

## Yokowo

During the year, we signed an equal JV with the Japanese firm Yokowo, to manufacture and supply on-board antennas and other vehicle communication products to the Indian automotive industry.

## Future strategies

- To achieve leadership in India and lay roadmap for the global market
- To navigate global markets in Gear Shifters, being the only Company to have a localised R&D capability
- To increase domestic presence and customer base in Seat Frames, 2Ws, Chassis and Air Intake Systems
- To expand and diversify planned product portfolio under LATL
- To ramp-up After Market Business for witnessing accelerated growth
- To strategically build product portfolio to benefit from BS VI transition

## Going Forward

Our team is committed in this journey of transformation as we move to the next orbit. We have developed synergies with global leaders in technology and are filled with passion for excellence. The results are visible in our leadership positioning across the key auto-component space. We remain actively engaged with regulatory and industry organisations, even as new operational protocols are being proposed and developed. We have taken all necessary measures to protect our skilled workforce and safeguard our business, while planning for business resumption.

Warm regards,

**D. K. Jain**  
Chairman

**Anmol Jain**  
Managing Director

**Deepak Jain**  
Director

# BUSINESS MODEL

## Inputs



## Process



### Financial Capital

₹ 50 Cr Capex

In-house Capex funding

0.05 Long Term Debt/Equity



### Manufacturing Capital

15 Production facilities



### Intellectual Capital

₹ 4.37 Cr R&D spend

2 R&D centres

58 Design Engineers



### Human Capital

1,360 Total manpower

308 Training hours

6% Women employees

12 Years average experience



### Natural Capital

Harnessing solar energy

Installing energy efficient appliances

Implementing water conservation processes



### Social Relationship Capital

Key stakeholders

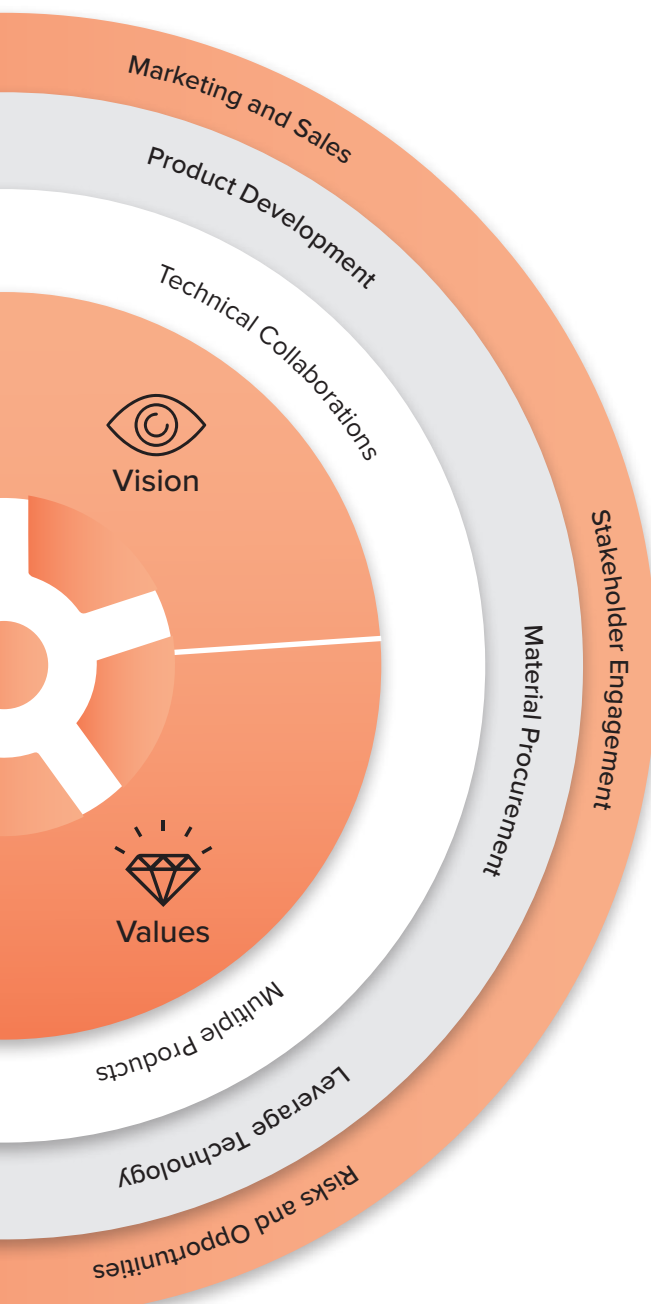
Government and regulatory bodies

Vendors

Customers

Investors



| --->                                                                             |  | Output                                                              | ---> | Outcome                                                          |
|----------------------------------------------------------------------------------|--|---------------------------------------------------------------------|------|------------------------------------------------------------------|
|  |  | ₹ 1,141 Cr Revenue                                                  |      | Consistent revenue base, better than industry performance        |
|                                                                                  |  | 9.5% EBITDA margin                                                  |      | Strengthened customers' confidence                               |
|                                                                                  |  | 9 Product categories                                                |      | Efficiently managed supply chain resulting in low logistics cost |
|                                                                                  |  | 3 TPM facilities                                                    |      | Improved market share                                            |
|                                                                                  |  | 7 Patents                                                           |      | Stood ahead of the technological curve                           |
|                                                                                  |  | Upgraded technology                                                 |      | Improved operational efficiencies by streamlining processes      |
|                                                                                  |  | 125 New employees hired                                             |      | Low attrition rate                                               |
|                                                                                  |  | 94:6 Gender ratio                                                   |      | Low operational accidents                                        |
|                                                                                  |  | 413791 kWh/y Renewable energy generated                             |      | Improved quality and productivity                                |
|                                                                                  |  | 545137 kWh/y Reduction in overall power consumption                 |      | Optimally used human resource                                    |
|                                                                                  |  | 478 tCO2/y Total GHG reduction                                      |      | Reduced environmental emissions                                  |
|                                                                                  |  | ₹ 132.4 Cr contribution to exchequers by way of taxes, among others |      | Reduced cost                                                     |
|                                                                                  |  | 42 Customers                                                        |      | Achieved operational efficiencies                                |
|                                                                                  |  | 545 Vendors                                                         |      | Strong Governance                                                |
|                                                                                  |  | 4,500+ Students educated                                            |      | 7 years of average relations with vendors                        |
|                                                                                  |  | 5,000+ Health outreach                                              |      | 25 years of average relations with customers                     |
|                                                                                  |  |                                                                     |      | Transparent communications                                       |
|                                                                                  |  |                                                                     |      | Uplifted communities                                             |

# RELATIONS

**Our relations support our ability to create value for our stakeholders. Engaging with people connected with us is crucial for our growth.**

Every segment of our business actively interacts with stakeholders, for they directly and indirectly impact our business. We invest in understanding our stakeholders' views and needs. We realise that the quality of these relationships determines the continued success of our business and our brand. It is what builds our reputation while creating value for our stakeholders.

## Stakeholders

## Needs and expectations

## The value we create for our stakeholders



### Customers

- Treating customers fairly
- Fair terms
- Transparency
- Exceeding customer expectations
- Quality
- Convenience of access to our products and services, increasingly through digital channels

We thrive to provide our customers with what we promise. With the help of cutting-edge manufacturing facilities, we serve our customers with zero defect products. Our established plants in the automotive belt of India, cater the needs of our customers in a timely manner. Further, with the help of our R&D centres, we manufacture and serve our customers with updated products.



### Our People

- Fair remuneration and incentives
- Job security
- Training and development to match new business requirements
- Career development opportunities

Through the service delivery to our customers, our employees create value for Lumax Auto Technologies. Various skill development workshops and trainings are organised to impart knowledge on the evolving business developments.



### Investors

- Ability to deliver on
  - Strategy
  - Profitability
- Balance sheet performance
- Appropriate risk provisioning
- Liquidity management

The financial capital provided by our equity and debt investors, together with our retained earnings, allow us to operate and grow our business. We report on our performance and progress through regular presentations and our annual report. Our announcements on website and stock exchanges keep investors updated on our performance.



## Regulators

- Compliance with all legal and regulatory requirements
- Effective governance
- Stability
- Responsible taxpayer

Regulation and good governance reduce systemic risk and contribute to a sound and stable functioning of the economy. The tax we pay contributes to the country's economic and social development. We regularly report on compliance through our legal teams for stability of our business and the effectiveness of our governance practices. We contribute to government through our tax contributions.



## Society

- Advancing lives
- Community investment

Through corporate social investment in education and sport, we aim to provide the children in our communities with the opportunity to excel in both areas.



## Business Partners

- Performance of partners in terms of agreement
- Mutual benefit and profitability

Aim is to create transparency and we try to deliver on mutually agreed expectations. We consider our partners as a part of our team and always strive to strengthen this partnership.



# REGROUP

**Good teams have three things in common**

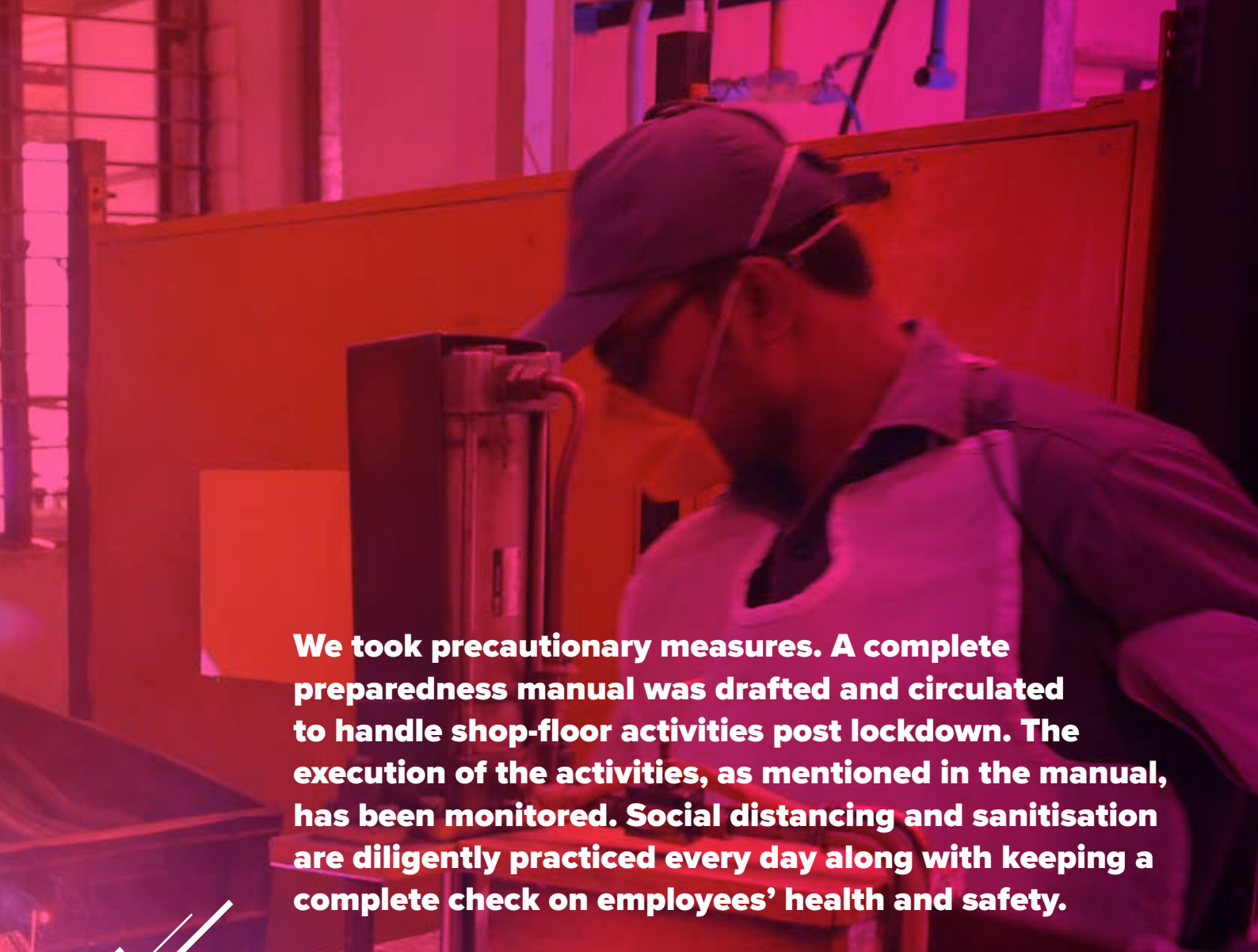
**right people,  
right place,  
and right spirit.**

**The correct mix of three can vibrate the tune of excellence and success.**

**Our workforce forms the biggest share of our asset class. Employees represent our Company's pride and form an integral part of our transformational journey. The recent outbreak of Covid-19 pandemic has helped us re-evaluate our operational strategies. We regrouped our workforce effectively to maintain social distancing norms. To offset the impact of Covid-19 on our functioning, we ensured:**

- ✿ Sanitisation and awareness on do's and don'ts while compassionate and positive communication by top management across levels
- ✿ Organised several training programs during the lockdown
- ✿ Employee engagement was key during this uncertain period so various initiatives such as quiz competitions, training programs were undertaken to hone their skills and knowledge
- ✿ Created awareness posters and AVs shared through EMP App and various other mediums
- ✿ Formulated guidelines and circulated precautions for pre and post Covid-19 period while also monitoring it





**We took precautionary measures. A complete preparedness manual was drafted and circulated to handle shop-floor activities post lockdown. The execution of the activities, as mentioned in the manual, has been monitored. Social distancing and sanitisation are diligently practiced every day along with keeping a complete check on employees' health and safety.**



# REASSESS

**Direction is much more important than speed because it determines the destination. Reassessment of direction ensures that we measure what matters and use the power of synergies to reach our true potential.**

OVER THE YEARS, LUMAX AUTO TECHNOLOGIES HAS WORKED HARD TO ENJOY THE INDUSTRY LEADERSHIP. WE ASPIRE TO CATER A WIDE RANGE OF DEMAND FOR THE EXISTING AND FUTURISTIC PRODUCTS IN THE AUTOMOTIVE INDUSTRY. IN THIS DIRECTION, OUR COLLABORATIONS WITH THE EXISTING AND POTENTIAL PARTNERS BRING IN THE SYNERGIES NEEDED TO MEET THE EVER-EVOLVING DEMAND OF THE OEMS. OUR COLLABORATIONS AND INTEGRATIONS WITH VARIOUS GLOBAL INDUSTRY LEADERS HAS ENABLED US TO CAPTURE THE EARLY MOVERS' ADVANTAGE. THE CONSTANT INNOVATION, EXPANSION OF PRODUCT PORTFOLIO AND ASSOCIATION WITH STRONG PARTNERS HAS HELPED US STAY AHEAD OF THE CURVE.

## 2007

Cornaglia, Italy

JV for Emission Systems

50% in Lumax Cornaglia Auto Technologies Pvt Limited

## 2008

Mannoh, Japan

JV for Gear Shifters

45% in Lumax Mannoh Allied Technologies Limited

## 2014

Alpine, Japan

Exclusive Distributorship Agreement

## 2017

FAE, Spain

JV for Oxygen Sensors

49% in Lumax FAE Technologies Pvt Limited





## 2017

Ituran, Israel

JV for Telematics  
Products and Services

50% in Lumax Ituran  
Telematics Pvt Limited

## 2019

JOPP, Germany

JV for Gear Shift  
Towers, AMT Kits  
& AGS

50% in Lumax  
JOPP Allied  
Technologies  
Private Limited

## 2020

Yokowo, Japan

JV for Antennas & other Vehicle  
Communication Products

50% in Lumax Yokowo  
Technologies Private Limited

# REDEFINE

**R&D is the lifeblood of business and it is important to keep redefining the evolving needs of customers to adapt accordingly.**

THE COMPANY BELIEVES IN POLLINATION OF IDEAS THAT EMERGE AS A PART OF ITS REDEFINING TECHNOLOGICAL STEWARDSHIP. LEVERAGING THE STRENGTHS AND CAPABILITIES OF ITS R&D TEAM, LUMAX AUTO TECHNOLOGIES HAS SUCCESSFULLY REDEFINED ITS PRODUCT PORTFOLIO.

- ❁ 2-Wheeler Lighting
- ❁ 2-Wheeler Chassis
- ❁ Gear Shifters
- ❁ Intake Systems
- ❁ Integrated Plastic Modules
- ❁ Oxygen Sensors
- ❁ Seat Structures
- ❁ Shift Tower
- ❁ Telematics Products and Services
- ❁ Aftermarket Division







# RECREATE

**For a business to flourish, it is integral to continuously innovate and create something new. Create and recreate must always follow each other in the cycle of business.**

WE, AT LUMAX AUTO TECHNOLOGIES, ARE CONSTANTLY WORKING ON EMBRACING TRENDS TO UPGRADE OUR TECHNOLOGY WHILE CO-CREATING AND COLLABORATING. KEEPING IN MIND, THE EVER-CHANGING BUSINESS LANDSCAPE AND ENVIRONMENT, WE INVOLVE AND ENGAGE OURSELVES ON PRODUCT DEVELOPMENT, PROCESS EFFICIENCY AND VALUE IMPROVEMENT. TO RESPOND TO THE DYNAMICS WITH AGILITY, OUR TEAMS ARE BRINGING IN INNOVATIVE TECHNOLOGIES AND PROCESSES REQUIRED TO DEVELOP SMARTER AND SAFER PRODUCTS. WE ARE SUPPORTING AUTOMOTIVE INDUSTRY IN INDIA TO LEAP TO BS VI WITH OUR PRODUCT CONTRIBUTION AS FOLLOWS:

## **Urea Tanks**

Designed as per new emission norms

Reduces a vehicle's nitrogen oxide (NOx) emissions

Reduces harmful pollution entering our airways

## **Oxygen Sensors**

Monitors a vehicular engine's gas emissions

Helps maintain the appropriate air-fuel mixture

Facilitates efficient engine functioning





## Telematics

The Indian telematics market is still in its development stage and is gradually emerging.

The automotive industry is expected to undergo a revolutionary change owing to increasing organised cab service providers, rising fleets, and to curb growing vehicle theft, rising crime against women, road accidents and increasing consumer awareness.

Telematics will help determine vehicle downtime, fleet monitoring to reduce unauthorised use of vehicles and check driver behaviour.

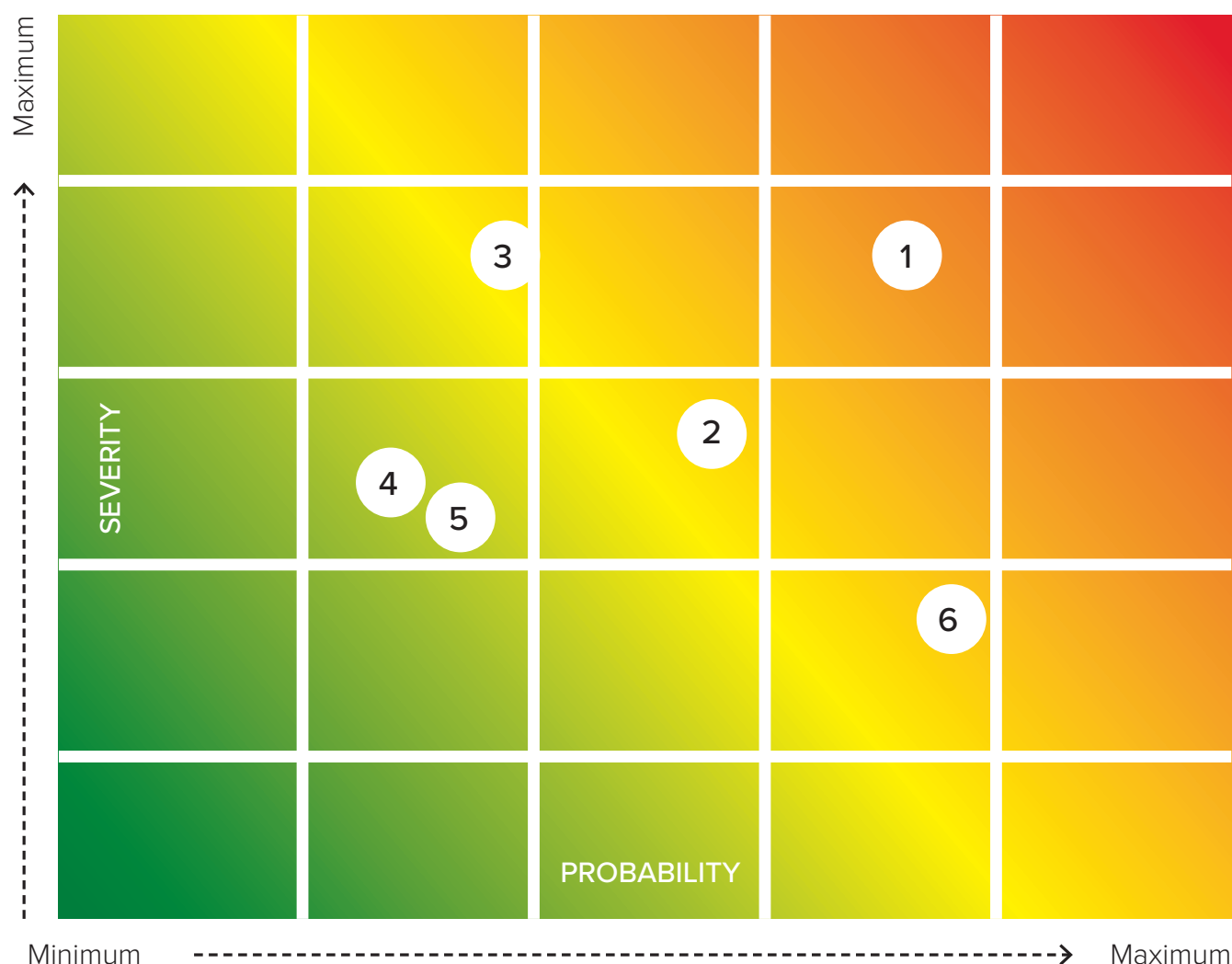
# RE-EVALUATE

**Proactiveness and prudence, when combined, help prepare a business face the uncertainties and even control it to some extent. It is the perfect stage to re-evaluate our course of action, keeping the desired outcome in mind.**

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

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

## Key enterprise risk



## 1. Economic situation

We are exposed to fluctuations in national economies; societal unrest and geopolitical uncertainty, evolving legislation, natural crises and so on. Automobiles are the core of our business and their demand is directly affected by any uncertainty caused in the economic situation. Therefore, economic recession and an ensuing decline in market demand can negatively impact the Company's performance and financial position.

To mitigate this, we continuously evaluate potential short-term market volatility and longer term socio-economic and political scenarios.

## 2. Epidemic

A pandemic has a potential to cause serious disruptions and cause devastating economic losses. It can severely damage the social, economic, and political scenario leading to great losses. Casting its shadow over several economies, the repercussions of Covid-19 are being felt more strongly with every passing day. Despite the unprecedented steps and cumulative efforts undertaken by governments, businesses, and individuals to stem its growth has caused loss of life and struck businesses across industries and verticals.

To effectively respond to these threats, we have adopted a two-pronged approach. We established preparedness strategies that cover emergency response, crisis management, and crisis communications. Secondly, we chalked out our business continuity plans while adopting to the new normal.

## 3. Competition

It is defined as probability of loss from decline in a firm's competitiveness on account of rivalry. The Company's market-leading position can be challenged by existing and potential competitors. Consolidation among competitors creates large-scale players.

We operate in a highly competitive market and expect competition to increase further in the future. We always strive to meet the challenges by satisfying our customers by offering wide range of products with the right quality at right time and with better services and after sales services.

## 4. Raw materials

Factors that can affect commodity prices include political and regulatory changes, seasonal variations, weather, technology, and market conditions. Being heavily dependent on raw materials for our desired outputs, sourcing raw materials at the right price becomes imperative for us. Any failure in procuring the right quality material could affect the quality of end product and brand's image.

We operate in a market where commodity/raw materials/finished goods prices fluctuate. We try to minimise this effect through vendor management programmes and hedging policies.

## 5. Dependence on major customers

Our business is dependent on certain major customers, with whom we do not have firm commitment agreements. The loss of such customers, a significant reduction in purchases by such customers, or a lack of commercial success of a particular vehicle model of which we are a significant supplier, could adversely affect our business, results of operations and financial condition.

Our healthy relations with our customers play an important role in this situation. Apart from this, our price competitiveness and diverse product, segment and customer portfolio help us to offset the potential risks.

## 6. Research and development

Changes in consumer preferences, regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, failure or delay in achieving the required level of technological sophistication or a gap in assessing market needs properly, can negatively impact the Company's performance and financial position.

Our global synergies and state-of-the-art research centres aid us in keeping up with the global trends and preferences. Our 3 research centres host experienced as well as indigenous designers that are constantly involved in new product development and upgradation of technological products.



# REMOULD

UNCERTAIN TIMES BRING MORE RESPONSIBILITY FOR SOCIETAL LEADERS TO SHOW THE RIGHT PATH TOWARDS A SUSTAINABLE FUTURE. THE ACTIONS THAT THE COMPANY MAKES TODAY WILL ENSURE THAT WE SUCCESSFULLY MOULD THE FUTURE OF THE INDIAN SOCIETY, MORE SPECIFICALLY ITS PEOPLE. THROUGH CSR, LUMAX AUTO TECHNOLOGIES HAS BEEN ENGAGING IN INITIATIVES THAT TRANSFORM THE LIVES OF THE MARGINALISED COMMUNITY IN A BETTER WAY. AS A CORPORATE CITIZEN, IT IS THE RESPONSIBILITY OF THE COMPANY TO LEAD ALL THE STAKEHOLDERS IN A SUSTAINABLE PATH. LUMAX CHARITABLE FOUNDATION (LCF) – THE CSR ARM OF LUMAX – HAS UNDERTAKEN INITIATIVES MAJORLY IN THE FIELD OF HEALTH AND EDUCATION FOR THE BETTERMENT OF THE MARGINALISED COMMUNITIES ACROSS ALL ITS PLANT LOCATIONS. WITH ITS SUCCESSFUL INITIATIVES, THE COMPANY HAS BEEN ABLE TO TRANSFORM THOUSANDS OF LIVES IN THE PAST FEW YEARS AND WILL CONTINUE DOING SO IN THE FUTURE.

## Education

Holistic development of children from the marginalised communities is necessary to bring down societal disparity. Focusing on the future, the Company undertook various initiatives towards education of the underprivileged. In the past year, the Company through LCF and other implementation partners, successfully engaged in initiatives such as career counselling, life skill sessions, celebrations of Indian festivals and infrastructure development at schools.

On an average, only 7% of the Indian students are aware about the available career opportunities after passing their 10th and 12th standard, leaving them clueless and confused. Under our Career Counselling program, LCF has successfully conducted aptitude tests and career orientation sessions in Haryana and Pune, Maharashtra. These activities are followed with individual career counselling sessions that guide the involved students in selecting the right career path, based on their areas of strengths and interests.

As the students belonging to the marginalised communities don't have access to basic learning aids, LCF provided stationery and other learning aids support, to underprivileged students and distributed books, uniform and stationery to the schools in Bengaluru. Stationery was also distributed to students from 2 schools in Pantnagar. Also, the Company associated with a school in Bengaluru to organise Sports Day as a part of the holistic development of children. LCF also engaged with students of several schools in Haryana for celebrating Indian festivals and organising educational excursion trips for them.

With implementation partners Monk.e.Wise and Sakshi (NGOs), LCF organised Life Skill sessions in Haryana in which the children of primary and secondary schools





were provided with sessions that included advantages of independent thinking, effective socialisation, interpersonal skills and decision making.

Apart from this, LCF also engaged in infrastructure development at schools in Bengaluru which included construction of toilets and drinking water facilities. LCF also supported construction of kitchen in one of schools in Haryana. It also provided financial aid for classroom desks for the students in Haryana. On similar lines, LCF collaborated with Buddy4Study (NGO) to provide scholarships to students from schools in Haryana. Bridging the gap between health and education, LCF, along with implementation partner Sakshi (NGO), engaged in distribution of sanitary pads to adolescent girls.



## Health

Healthcare has been another important focus area for Lumax Auto Technologies. The Company has been engaged in several health camps over the past few years. Similarly, last year the Company engaged in organising health camps in association with Hirabai Cowasji Jehangir Medical Research Institute in Pune. Through LCF, Lumax collaborated with Icare to organise Eye Screening camps and Cataract Surgeries in Haryana for people belonging to the marginalised communities. LCF also collaborated with the Indian Cancer Society for organising Cancer awareness and screening camps in Haryana over the past year.

Another important focus area in healthcare is Juvenile Diabetes. Due to lifestyle changes and the environment, cases of juvenile diabetes are on the rise. A lack of awareness and expensive medical treatment are resulting in children succumbing to this disease. The Company collaborated with Hirabai Cowasji Jehangir Medical Research Institute in Pune to financially support 30 juvenile diabetics afflicted children. The initiative was started as far back as 2014 and over the years the foundation has so far supported 180 children with Type-1 diabetes. In order to spread awareness regarding Type-1 diabetes, the Company through LCF organised health check-up camps in 10 schools in Pune.



# BOARD OF DIRECTORS



1

**Mrs. Diviya Chanana**  
Independent Director

2

**Mr. D K Jain**  
Chairman

(M) (M)

3

**Mr. Roop Salotra**  
Independent Director

(C) (M) (M)

4

**Mr. Avinash Parkash Gandhi**  
Independent Director

(M)

5

**Mr. Sanjay Mehta**  
Director

(M)

(C)

Chairman

(M)

Member





**6**  
**Mr. Deepak Jain**  
Director

C M M

**7**  
**Mr. Milap Jain**  
Independent Director

C M

**8**  
**Mr. Anmol Jain**  
Managing Director

M

**9**  
**Mr. Kanchan Kumar Gandhi**  
Independent Director

M

**10**  
**Mr. Arun Kumar Malhotra**  
Independent Director

C M

**Audit  
Committee**

**Nomination &  
Remuneration Committee**

**Share Transfer/Stakeholder  
Relationship Committee**

**Corporate Social  
Responsibility Committee**

# AWARDS

## Lumax Auto Technologies Limited



Won the Silver Award in Excellence in HSE (Health, Safety and Environment) at ACMA Technology Summit & Awards in November 2019, for the Pantnagar plant

## Lumax Gill-Austem Auto Technologies Pvt. Ltd



Won the Gold Award in Excellence in HSE (Health, Safety and Environment) at the ACMA Technology Summit & Awards in November 2019, for the Pune plant



Awarded for TPM Excellence Category A 2019, for the Bengaluru plant

## Lumax Mannoh Allied Technologies Limited



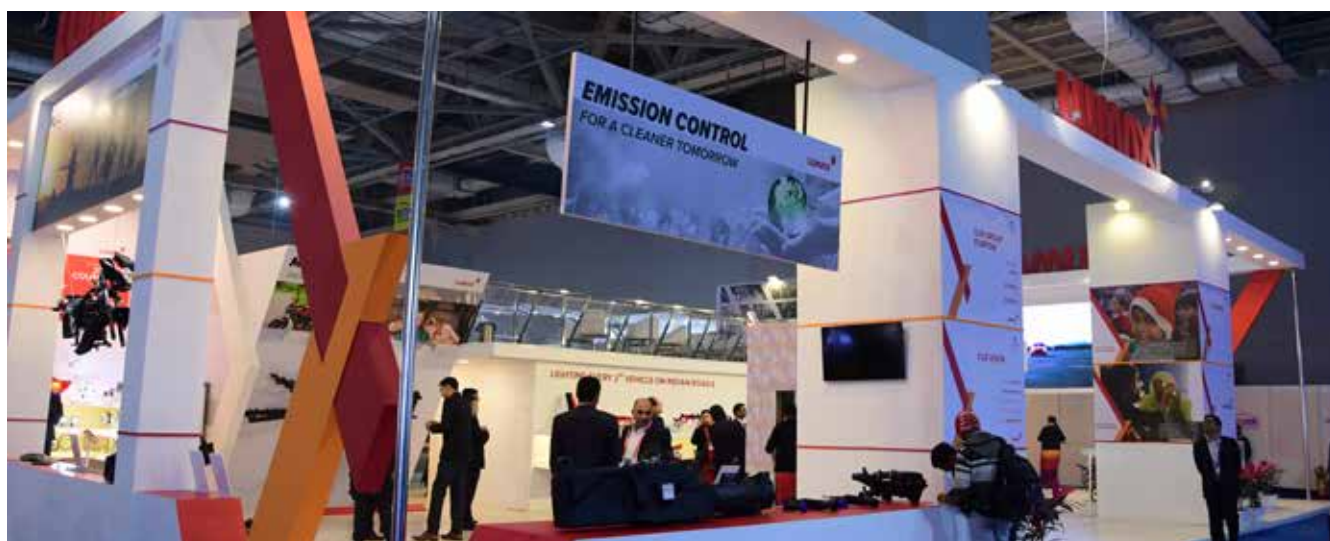
Won the Bronze Award in Excellence in HR at the ACMA Technology Summit & Awards in November 2019, for the Manesar plant



Bagged Silver Award at ICQCC 2019, held at Tokyo, Japan, in September 2019, for the Manesar plant



# PARTICIPATION IN AUTO EXPO



Corporate Overview

Statutory Reports

Financial Statements

# CORPORATE INFORMATION

## Board of Directors

**Mr. D K Jain**

Executive Chairman

**Mr. Anmol Jain**

Managing Director

**Mr. Deepak Jain**

Non-Executive Director

**Mr. Sanjay Mehta**

Non-Executive Director

**Mr. Arun Kumar Malhotra**

Independent Director

**Mr. Avinash Parkash Gandhi**

Independent Director

**Mr. Kanchan Kumar Gandhi**

Independent Director

**Mr. Milap Jain**

Independent Director

**Mr. Roop Salotra**

Independent Director

**Mrs. Diviya Chanana**

Independent Director

## Board Committees

### Audit Committee

**Mr. Arun Kumar Malhotra** – Chairman

**Mr. Roop Salotra** – Member

**Mr. Milap Jain** – Member

**Mr. Avinash Parkash Gandhi** – Member

**Mr. Anmol Jain** – Member

### Nomination & Remuneration Committee

**Mr. Milap Jain** – Chairman

**Mr. Roop Salotra** – Member

**Mr. Deepak Jain** – Member

**Mr. Sanjay Mehta** – Member

### Share Transfer/Stakeholder Relationship Committee

**Mr. Deepak Jain** – Chairman

**Mr. D K Jain** – Member

**Mr. Kanchan Kumar Gandhi** – Member

**Mr. Arun Kumar Malhotra** – Member

## Corporate Social Responsibility Committee

**Mr. Roop Salotra** – Chairman

**Mr. D K Jain** – Member

**Mr. Deepak Jain** – Member

## Chief Executive Officer

**Mr. Vikas Marwah**

## Chief Financial Officer

**Mr. Ashish Dubey**

## Company Secretary

**Mr. Anil Tyagi**

## Registrar & Share Transfer Agent

**Bigshare Services Pvt. Ltd.**

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis Apartments,

Makwana Road, Marol Andheri East,

Mumbai - 400059

E-mail: vinod.y@bigshareonline.com

## Registered Office

2nd Floor, Harbans Bhawan-II,

Commercial Complex, Nangal Raya,

New Delhi - 110046

E-mail: shares@lumaxmail.com

Website: www.lumaxworld.in/

lumaxautotech

## Corporate Identity Number

L31909DL1981PLC349793

## Bankers

Citibank NA

HDFC Bank Ltd

HSBC Bank

ICICI Bank Ltd

Kotak Mahindra Bank Ltd

State Bank of India

Syndicate Bank

IDBI Bank Limited

## Auditors

**M/s S.R. Batliboi & Co. LLP**

Chartered Accountants, New Delhi

## Works

❖ Shed No. 1, Plot No. 33/3, D - 2 Block, MIDC, Chinchwad, Pune, Maharashtra

❖ W-230-E, 'S' Block, M.I.D.C. Bhosari, Pune, Maharashtra

❖ Gat No. 156/1, Mahalunge, Chakan, Pune, Maharashtra

❖ K- 76, M.I.D.C., Waluj, Industrial Area Aurangabad, Maharashtra

❖ B - 14/3 , M.I.D.C., Waluj, Industrial Area, Aurangabad, Maharashtra

❖ Sy. No. 334, 366 & 367, Bellur Village, Narsapura Hobli, Kolar, Bengaluru, Karnataka

❖ Plot No. 164-165, Sector-5, IMT Manesar, Gurugram - 122050, Haryana

❖ Plot No. 12, Sector- 10, IIE Pantnagar, District - Udham Singh Nagar, Uttarakhand

❖ Plot No. 9, 10, 23-25, Gat No. 53, Sahajapur, Aurangabad, Maharashtra

## Marketing/ Trading Division

❖ Plot No. 2, Industrial Estate, Udyog Vihar, Phase IV, Gurugram, Haryana

❖ Khashra No. 25/12/2, 18, 23, 19, Revenue Estate, Vill. Khawasapur, Jamalpur, Main Pataudi Road, Gurugram - 122503, Haryana

# Boards' Report

Dear Members,

Your Directors with immense pleasure present the 39<sup>th</sup> Annual Report of Lumax Auto Technologies Limited ("Company") on the business and operations together with Audited Balance Sheet and Statement of Profit & Loss of your Company for the year ended March 31, 2020.

We have established our position in the industry as one of the prominent leaders and are the preferred supplier for all major OEMs. We have a diverse basket of products offering. The below mentioned performance itself speaks volumes of the initiatives Company has taken to strengthen the profitability.

The Key highlights of Financial Performance of your Company for the year along with previous year figures are as follows:

## I. FINANCIAL PERFORMANCE

|                                                                                       | Standalone         |                    | Consolidated       |                    |
|---------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                                       | For the year ended | For the year ended | For the year ended | For the year ended |
|                                                                                       | March 31, 2020     | March 31, 2019     | March 31, 2020     | March 31, 2019     |
| Revenue from Operations                                                               | 94,236.07          | 95,764.60          | 1,14,091.38        | 1,18,697.87        |
| Other Income                                                                          | 2,717.95           | 2,317.35           | 1,810.15           | 1,395.34           |
| <b>Total Income</b>                                                                   | <b>96,954.02</b>   | <b>98,081.95</b>   | <b>1,15,901.53</b> | <b>1,20,093.21</b> |
| <b>Total Expenses</b>                                                                 | <b>90,828.97</b>   | <b>90,889.51</b>   | <b>1,09,403.15</b> | <b>1,10,705.87</b> |
| <b>Profit before tax, share in net profit/(loss) of associates, exceptional items</b> | <b>6,125.05</b>    | <b>7,192.44</b>    | <b>6,498.38</b>    | <b>9,387.34</b>    |
| Profit / (loss) of associates                                                         | -                  | -                  | (30.10)            | (25.44)            |
| <b>Profit before exceptional items and tax</b>                                        | <b>6,125.05</b>    | <b>7,192.44</b>    | <b>6,468.28</b>    | <b>9,361.90</b>    |
| Exceptional items                                                                     | -                  | -                  | -                  | (603.11)           |
| <b>Profit before Tax</b>                                                              | <b>6,125.05</b>    | <b>7,192.44</b>    | <b>6,468.28</b>    | <b>8,758.79</b>    |
| Tax Expenses                                                                          | 997.67             | 2,500.97           | 1,367.84           | 3,135.74           |
| <b>Profit for the year (Before discontinued operations)</b>                           | <b>5,127.38</b>    | <b>4,691.47</b>    | <b>5,100.44</b>    | <b>5,623.05</b>    |
| <b>Discontinued operations (PCB Business)</b>                                         |                    |                    |                    |                    |
| Profit before tax for the period / year from Discontinued operations                  | 948.58             | 1,758.42           | 948.58             | 1,758.42           |
| Tax expense of Discontinued operations                                                | 123.29             | 492.42             | 123.29             | 492.42             |
| <b>Profit for the period / year from Discontinued operations</b>                      | <b>825.29</b>      | <b>1,266.00</b>    | <b>825.29</b>      | <b>1,266.00</b>    |
| <b>Profit for the year</b>                                                            | <b>5,952.67</b>    | <b>5,957.47</b>    | <b>5,925.73</b>    | <b>6,889.05</b>    |
| <b>Profit for the year attributable to -</b>                                          |                    |                    |                    |                    |
| a) Owners of Lumax Auto Technologies Limited                                          | 5,952.67           | 5,957.47           | 5,803.89           | 6,588.78           |
| b) Non- controlling interests                                                         | -                  | -                  | 121.84             | 300.27             |
| <b>Other Comprehensive Income</b>                                                     | <b>(5,105.30)</b>  | <b>(1,743.88)</b>  | <b>(5,086.53)</b>  | <b>(1,729.89)</b>  |
| <b>Other Comprehensive Income attributable to -</b>                                   |                    |                    |                    |                    |
| a) Owners of Lumax Auto Technologies Limited                                          | (5,105.30)         | (1,743.88)         | (5,093.40)         | (1,734.82)         |
| b) Non- controlling interests                                                         | -                  | -                  | 6.87               | 4.93               |
| <b>Total Comprehensive Income for the year</b>                                        | <b>847.37</b>      | <b>4,213.59</b>    | <b>839.20</b>      | <b>5,159.16</b>    |
| <b>Total Comprehensive Income for the year attributable to -</b>                      |                    |                    |                    |                    |
| a) Owners of Lumax Auto Technologies Limited                                          | 847.37             | 4,213.59           | 710.49             | 4,853.96           |
| b) Non- controlling interests                                                         | -                  | -                  | 128.71             | 305.20             |
| Paid-up Equity Share Capital (Equity shares of ₹ 2 each)                              | 1,363.15           | 1,363.15           | 1,363.15           | 1,363.15           |
| <b>Earnings Per Share Basic &amp; Diluted EPS (in ₹)</b>                              | <b>8.73</b>        | <b>8.74</b>        | <b>8.52</b>        | <b>9.67</b>        |



## Boards' Report (Contd.)

### A. COMPANY PERFORMANCE

#### STANDALONE:

On Standalone Basis, the Company achieved Revenue of ₹ 94,236.07 Lakhs for the Financial Year 2019-20 as compared to ₹ 95,764.60 Lakhs (from continued operations) in Financial Year 2018-19, a decline of 2%. The Profit before Tax (PBT) from continued operations stood at ₹ 6,125.05 Lakhs as against ₹ 7,192.44 Lakhs. Similarly, the Profit after Tax (PAT) was recorded at ₹ 5,127.38 Lakhs as against ₹ 4,691.47 Lakhs in previous year.

During the year Lumax DK Auto Industries Limited, a 100% subsidiary of the Company has been merged with the Company with effect from November 9, 2019 pursuant to the order of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi dated October 30, 2019 with appointed date April 1, 2018.

#### CONSOLIDATED:

On Consolidated Basis, the Company achieved Revenue of ₹ 1,14,091.38 Lakhs for the Financial Year 2019-20 as compared to ₹ 1,18,697.87 Lakhs (from continued operations) in Financial Year 2018-19, a decline of 4%. The Profit before Tax (PBT) and exceptional items from continued operations stood at ₹ 6,468.28 Lakhs as against ₹ 9,361.90 Lakhs. The Profit after Tax (PAT) and minority interest was recorded at ₹ 4,978.60 Lakhs as against ₹ 5,322.78 Lakhs in previous year.

#### DIVIDEND

During the year under review and based on the Company's performance, the Board of Directors at their meeting held on February 19, 2020, declared and paid an interim dividend of ₹ 2 per equity share (i.e. 100%) of face value of ₹ 2/- each and the same is being confirmed at the Annual General Meeting. Further, your Board of Directors have now recommended a Final Dividend @ ₹ 1 per equity share (i.e. 50%) of face value of ₹ 2/- each for the Financial Year 2019-20 which was considered by the Board in its meeting held on June 17, 2020 for the approval of shareholders in the ensuing Annual General Meeting ("AGM").

The Interim Dividend and proposed Final Dividend for Financial Year 2019-20, would result in appropriation of ₹ 2,285.58 Lakhs (including Corporate Dividend Tax of ₹ 240.85 Lakhs) as against ₹ 2,406.00 Lakhs (including Corporate Dividend Tax of ₹ 361.27 Lakhs) in previous Financial Year 2018-19.

The Register of Members and Share Transfer Books shall remain closed from Friday, the August 21, 2020 to Friday, the August 28, 2020 (both days inclusive). The Final Dividend as recommended by the Board of Directors, if approved by the shareholders at the ensuing AGM shall be paid to the eligible shareholders, whose names appear in the Register of Members as on Thursday, the August 20, 2020 within the stipulated time period. The Dividend pay-out ratio comes to 44.58 %.

### B. SUBSIDIARIES AND ASSOCIATE COMPANIES & CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), applicable provisions of the Companies Act, 2013 and Ind AS 110, the Audited Consolidated Financial Statements are provided in the Annual Report of the Company.

As on March 31, 2020, the Company has Ten (10) Subsidiaries (including 2 step down subsidiaries) and Two (2) Associate Companies. The performance highlights of these Companies are follows:

#### SUBSIDIARIES:

##### Lumax Management Services Private Limited (LMS)

LMS, a 100% subsidiary of the Company is a full-time service provider in form of Corporate Services to its Group Companies. The Revenue of the Company stood at ₹ 2,589.15 Lakhs for the Financial Year 2019-20.

##### Lumax Integrated Ventures Private Limited (LIVE)

LIVE, a 100% subsidiary of the Company was established for manufacturing of Non-Automotive Parts. LIVE has Two (2) Subsidiaries Lumax Energy Solutions Private Limited and Velomax Mobility Private Limited. The Consolidated turnover of the LIVE for the Financial Year 2019-20 stands for ₹ 33.20 Lakhs.

##### Lumax Mannoh Allied Technologies Limited (LMAT)

LMAT, a 55% subsidiary formed in collaboration with Mannoh Industrial Co., Limited, Japan. The entity manufactures gear shifters and enjoys a market leadership position in India. The Revenue of the Company stood at ₹ 12,510.20 Lakhs for the Financial Year 2019-20.



## Boards' Report (Contd.)

### **Lumax Cornaglia Auto Technologies Private Limited (LCAT)**

LCAT, a 50% subsidiary formed in collaboration with Cornaglia S.p.A. Italy. The entity manufactures air intake systems as well as other plastics injection blow moulded parts. The revenue of the Company stood at ₹ 4,716.35 Lakhs for the Financial Year 2019-20. The Pune Plant has started commercial production of urea tank in Q1 FY-2021 & Pantnagar plant is in process of commissioning.

### **Lumax Gill – Austem Auto Technologies Private Limited (LGAT)**

LGAT, 50% subsidiary formed in collaboration with Gill-Austem LLP, USA, for manufacturing of seat structures. The current year revenue stood at ₹ 2,546.01 Lakhs. The Board of Directors in its meeting held on February 11, 2020 has approved for the termination of the Joint Venture Agreement with Gill Austem, LLP, USA. Accordingly, the Company is negotiating with Gill Austem, LLP, USA for acquiring balance stake in LGAT.

### **Lumax FAE Technologies Private Limited (Lumax FAE)**

Lumax FAE, a 51% subsidiary between Lumax Auto Technologies Limited and FAE, Spain to manufacture Oxygen Sensors. The plant is under commissioning and the revised plan for start commercial production is expected in Q3 FY-2021.

### **Lumax Jopp Allied Technologies Private Limited (Lumax Jopp)**

Lumax Jopp, a 50% subsidiary between Lumax Auto Technologies Limited and JOPP, Germany to manufacture Gear Shift Towers, AMT Kits & AGS. The Company has started the commercial production in Q4 FY-2020.

### **Lumax Yokowo Technologies Private Limited (Lumax Yokowo)**

Lumax Yokowo is a 50:50 Joint Venture between Lumax Auto Technologies Limited and YOKOWO, Japan to manufacture Antennas & other Vehicle Communication Products. The Company was incorporated during the Financial Year as 100% subsidiary. During the year, the Company has generated business enquiries from OEM's for manufacturing of Antennas & other Vehicle Communication Products.

### **ASSOCIATES:**

#### **Lumax Ituran Telematics Private Limited (Lumax Ituran)**

Lumax Ituran is a 50:50 Joint Venture between Lumax Auto Technologies Limited and Ituran Location and Control Limited, Israel. During the year, the Company has generated business enquiries from OEM's to implement track & trace devices with additional features for future models.

#### **Sipal Engineering Private Limited (SEPL)**

SEPL is an Associate Company of Lumax Integrated Ventures Private Limited (LIVE). LIVE holds 45% equity in SEPL.

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 a report on performance and financial position of Subsidiaries, Associate Companies is presented in this Annual Report in the prescribed format Form AOC-1 as a part of Financial Statements.

Further, in accordance with the provisions of Section 136(1) of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information and audited accounts of subsidiaries and associates are available on the website of the Company i.e. [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) and the same shall also be made available for inspection at Registered Office of the Company during the working hours.

## **II. STATE OF COMPANY'S AFFAIRS**

During the year under review, the Company underwent a series of important developments and changes influencing its operations, business activities, corporate governance practices etc. However, it continued to reinforce its position in the market and derived sustainable benefit due to its strong foundation and its deeper integration with its subsidiaries and joint ventures.

The COVID-19 has impacted the normal business operations of the Group by way of interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities etc. during the lock-down period which started from March 23, 2020. However, production and supply of goods has commenced during the month of April and May 2020

## Boards' Report (Contd.)

on various dates at all the manufacturing locations of the Company. The Company is taking utmost care of its staff and work force by undertaking various precautionary measures to smoothly manage the operations, which also include work from home facility.

The Company has made detailed assessment of its liquidity position and it does not foresee any challenges in meeting its financial obligations. As the business situation is very dynamic, the Company is closely monitoring the same and taking required measures.

### A. CHANGE IN CAPITAL STRUCTURE

During the Financial Year 2019-20, the Authorised Share Capital was increased from 7,50,00,000 equity shares of ₹ 2/- each to 18,05,00,000 equity shares of ₹ 2/- each due to merger of Lumax DK Auto Industries Limited with the Company. As on March 31, 2020, the issued and paid-up share capital of the Company was ₹ 13,63,15,410 divided into 6,81,57,705 equity shares of ₹ 2/- each.

- Your Company has not issued shares with differential voting rights, not granted employee stock options, sweat equity or bonus shares. The Company does not have any Debentures, Preferential Shares as on March 31, 2020.
- Your company has not made any provisions of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.

### B. CAPACITY & FACILITY EXPANSION

During Financial Year 2019-20, the Company has upgraded its manufacturing facilities as per customer requirement.

### C. QUALITY INITIATIVES

Your Company strives to be a supplier of choice across all its customers and is always committed to develop and design new products, in line with its strategy towards delivering competitive advantage to the customers. In the said perspective, Total Productive Maintenance (TPM) has been successfully implemented across all plants of the Company to create a culture and environment which continuously improves quality, cost and delivery parameters.

The Bengaluru Plant of the Company has won the prestigious TPM Award for excellence in Category

A from Japan Institute of Plant Maintenance (JIPM). In addition, the various plants of the Company have received awards for Quality initiatives in various forums of Quality Circle Forum of India (QCFI) and BAVA / KAIZEN Competition, ACMA Kaizen Competition etc. Quality Control Circle (QCC) is an integral part ensuring quality across all processes. By implementing these various initiatives, improvement of Quality is willingly carried out by employees in true spirit, resulting in minimizing rejection and cost cutting.

### D. MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to the provisions of Regulation 34 of the Listing Regulations, Management Discussion & Analysis Report is annexed as part of this report separately as an **Annexure - A**.

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

There is no change in business.

### F. ACQUISITIONS

The Board of Directors of the Company at their meeting held on February 24, 2020 have approved the acquisition of roto moulded plastic Auto Component Business of OK Play Group.

Due to unprecedented pandemic situation and extended lockdowns disrupting business continuity, the proposed acquisition is being put on hold pending further review and appropriate decision in future.

## III. 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 the Listing Regulations is annexed and forms part of this Annual Report as an **Annexure - B**.

### B. DIRECTORS & KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

#### KEY MANAGERIAL PERSONNEL

As on March 31, 2020, Mr. D.K. Jain, Executive Chairman, Mr. Anmol Jain, Managing Director, Mr. Ashish Dubey, Chief Financial Officer and Mr. Anil Tyagi, Company Secretary are regarded as Key Managerial Personnel

## Boards' Report (Contd.)

(KMPs) as per the provisions of the Companies Act, 2013. Further, Mr. Vikas Marwah was appointed as Chief Executive Officer of the Company w.e.f. May 02, 2020 designated as KMP.

### APPOINTMENTS

On recommendation of the Nomination and Remuneration Committee and Board of Directors, Mr. Avinash Parkash Gandhi (DIN: 00161107) have been appointed as a Non- Executive Independent Director by the shareholders of the Company during the year.

On recommendation of the Nomination and Remuneration Committee, the Company in its Board Meeting held on May 18, 2019 has appointed Mr. Anil Tyagi (Membership No. A16825) as Company Secretary and Compliance Officer of the Company.

On recommendation of the Nomination and Remuneration Committee, the Company in its Board Meeting held on May 02, 2020 has appointed Mr. Vikas Marwah as Chief Executive Officer of the Company.

### RE - APPOINTMENTS

On recommendation of the Nomination and Remuneration Committee and Board of Directors, Mr. Milap Jain (DIN: 06738071) have been re-appointed as a Non-Executive Independent Director by the shareholders of the Company for the period of 5 years during the year.

On recommendation of the Nomination and Remuneration Committee and Board of Directors, Mr. Roop Salotra (DIN: 06650145) have been re-appointed as a Non-Executive Independent Director by the shareholders of the Company for the period of 5 years during the year.

In accordance with the Articles of Association of the Company and Section 152 of the Companies Act, 2013, Mr. Deepak Jain (DIN: 00004972), Director of the Company will retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment. The Nomination and Remuneration Committee and Board of Directors recommends his reappointment.

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

In compliance with the provisions of Section 149(6) of the Companies Act, 2013 requisite declarations have been

received from the Independent Directors regarding meeting the criteria of Independence.

### D. NUMBER OF BOARD MEETINGS AND COMMITTEES OF BOARD

The Board of Directors met six (6) times during the Financial Year under review viz. May 18, 2019, August 10, 2019, November 12, 2019, February 11, 2020, February 19, 2020 and February 24, 2020. The maximum gap between any 2 meetings did not exceed 120 days.

A separate Meeting of Independent Directors was also conducted on February 19, 2020, without the presence of Non-Independent Directors and Management. The details on Attendance during the Board Meetings and other Committee Meetings of the Board of Directors are provided in Corporate Governance Report which forms part of the Boards' Report.

### E. BOARD DIVERSITY AND POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds which is necessary for achieving sustainable and balanced development. The Board has adopted a policy on Nomination, Remuneration and Board Diversity which sets out the criteria for determining qualifications, positive attributes and independence of a Director.

The main features of the Policy are as follows:

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

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes,

## Boards' Report (Contd.)

independence of Directors and other related matters is enclosed to this Boards' Report as an **Annexure - C**.

### F. PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

In accordance with applicable provisions of the Act and Listing Regulations, the evaluation of the Board as a whole, committees and all the Directors was conducted, as per the internally designed evaluation process approved by the Board. The evaluation tested key areas of the Board's work including strategy, business performance, risk and governance processes. The evaluation considers the balance of skills, experience, independence and knowledge of the management and the Board, its overall diversity, and analysis of the Board and its Directors' functioning.

#### EVALUATION TECHNIQUE

- The evaluation methodology involves completion of questionnaires consisting of certain parameters such as Evaluation factor, Ratings and Comments, if any.
- The performance of entire Board is evaluated by all the Directors based on Board composition and quality, Board meetings and procedures, Board development, Board strategy and risk management etc.
- The performance of the Managing Director and Executive Directors is evaluated by all the Board Members based on factors such as leadership, strategy formulation, strategy execution, external relations etc.
- The performance of Non- Executive Director and Independent Directors is evaluated by other Board Members based on criteria like managing relationship, knowledge and skill, personal attributes etc.
- It also involves self-assessment by all the Directors and evaluation of Committees of Board based on knowledge, diligence and participation, leadership team and management relations, committee meetings and procedures respectively.
- Further, the assessment of Chairman's performance is done by each Board Members 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 the need arises. Comprehensive agendas are sent to all the Board Members well in advance to help them prepare and keep the meetings 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.

### G. RELATED PARTY TRANSACTION AND POLICY

All contracts/arrangements/transactions entered by the Company with related parties were in ordinary course of business and at arm's length basis.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions formulated by the Company. All Related



## Boards' Report (Contd.)

Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the provisions of the Companies Act, 2013 and Listing Regulations.

The details of the related party transactions as per IND AS - 24 are set out in Notes to the Financial Statements of the Company. The Company has formulated a policy on Related Party Transactions, which is available on the Company's website at <http://www.lumaxworld.in/lumaxautotech/relatedparty-transaction-policy.pdf>.

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.

Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the **Annexure - D** of Boards' report.

### H. COMPLIANCE MANAGEMENT FRAMEWORK

For monitoring and ensuring compliance with applicable laws by the Company and for establishing adequate management control over the compliances of all acts, laws, rules, regulations and regulatory requirements, the Company has adopted comprehensive Compliance Manual for structured control over applicable compliances by each of the units of the Company.

The Company has a practice of obtaining a Statutory Compliance Report on a monthly basis from various functional heads of respective units for compliance with laws applicable to the respective function. A consolidated report on compliance with applicable laws is presented to the Board every quarter. To take care of the continuously evolving compliance scenario, the Company is constantly striving to strengthen the reporting system.

A separate corporate compliance management team periodically reviews and monitors compliances by units and supports effective implementation of the 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.

### I. VIGIL MECHANISM-WHISTLE BLOWER POLICY

The Company has established a vigil mechanism named Whistle Blower Policy, for Directors, employees and business associates to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, in accordance with the provisions of the Companies Act, 2013 and Listing Regulations. The mechanism provides for adequate safeguards against unfair treatment of whistle blower who wishes to raise a concern and also provides for direct access to the Chairman of the Audit committee in appropriate/ exceptional cases.

The Whistle Blower Policy is uploaded on the website of the Company. To further strengthen this mechanism, the Company has launched an Employee App which is available for both android and iOS users to facilitate easy expression of their opinions/ suggestions/ complaints.

### J. SECRETARIAL STANDARDS

The Board of Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### K. DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the Financial Year ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures in the Auditor Report and Notes to Accounts;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

## Boards' Report (Contd.)

- (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.

### L. 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 **Annexure – E**. The information required pursuant to Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the members at the registered office of the Company during business hours on working days up to the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

### M. AUDIT COMMITTEE & COMPOSITION

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and having experience of Financial Management.

The Audit Committee comprises of Mr. Arun Kumar Malhotra as Chairman, Mr. Roop Salotra, Mr. Milap Jain, Mr. Avinash Parkash Gandhi and Mr. Anmol Jain as Members.

Mr. Anil Tyagi acted as Secretary to the Audit Committee w.e.f. May 18, 2019.

The Audit Committee of the Company reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control processes, financial reporting and vigil mechanism.

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

## IV. INTERNAL FINANCIAL CONTROLS AND ADEQUACY

### A. Adequacy of Internal Financial Control with Reference to Internal Financial Statement

The Company has a comprehensive internal control system to provide reasonable assurance about the achievement of its objective, reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, 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 are operating effectively.

The monitoring and reporting of financial transactions is supported by a web-based system SAP Hana which helps in obtaining accurate and complete accounting records and timely preparation of reliable financial disclosures at all levels of the organization.

### 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 Companies Act, 2013 and Listing Regulations. The Company has also constituted an internal 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. CODE OF CONDUCT

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company has revised its Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.

The said Code lays down guidelines, which advise Designated Persons 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. Your Company has also updated its

## Boards' Report (Contd.)

Code of practices and procedures of fair disclosures of unpublished price sensitive information by including a policy for determination of legitimate purposes. Further, your Company has put in place adequate & effective system of internal controls and standard processes have been set to ensure compliance with the requirements given in these regulations to prevent insider trading.

### D. AUDITORS

#### STATUTORY AUDITORS

The shareholders have approved the re-appointment of M/s S.R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005), Chartered Accountants as Statutory Auditors of the Company in the 38<sup>th</sup> Annual General Meeting held on August 23, 2019 to hold office till the conclusion of the 43<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2024.

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

#### COST AUDITORS

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

The Cost Audit Report for the Financial Year 2018-19 has been filed with the Central Government on September 11, 2019.

#### SECRETARIAL AUDITORS

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 (Membership No. 4982), Practicing Company Secretary as the Secretarial Auditor of the Company to undertake the Secretarial Audit for the Financial Year.

The Secretarial Audit Report of the Company and the Secretarial Auditor Report of Lumax Manno Allied Technologies Limited (Material Subsidiary of the Company) for the Financial Year 2019-20 in the prescribed Form MR-3 is annexed herewith as an **Annexure - F**. There has been no qualification,

reservation, adverse remark or disclaimer given by the Auditors in their Report.

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

Accordingly, the Company has complied with the above said provisions

#### INTERNAL AUDITORS

In compliance with the provisions of Section 138 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, your Company has appointed M/s Deloitte Touche Tohmatsu India LLP (Firm Registration No. AAE 8458) as Internal Auditors for the Financial Year 2019-20.

### E. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

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

### V. BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report ('BRR') has been prepared and forms part of the Annual Report as **Annexure - G**. The Report provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

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

Your Company is committed to grow and operate in a socially sustainable manner and continue to give back

## Boards' Report (Contd.)

to society. A well-outlined CSR program creates social and environmental value thus impacting and improving the lives of communities. The key focus areas of your Company have been Education and Healthcare for disadvantaged sections of the society. The Company's focus areas are largely covered under Schedule VII of the Companies Act, 2013. During the year, the Company continued its support to the existing schools by way of support on career counselling, integrating students in schools providing books and learning aids, meals enhancing holistic education opportunities. Under its healthcare initiatives, the Company is focusing on preventive healthcare by continuously organising health check-up camps, lending financial support to hospitals for juvenile diabetes, cataract operations.

The Company has constituted a CSR Committee of the Board and also developed & implemented a CSR Policy in accordance with the provisions of Companies Act, 2013. The Committee monitors and oversees various CSR initiatives and activities of the Company.

### CONSTITUTION OF CSR COMMITTEE

The CSR Committee of the Board of Directors comprises of Mr. Roop Salotra as Chairman, Mr. D.K. Jain and Mr. Deepak Jain as Members. Further, the Board of Directors have also adopted the CSR Policy of the Company as approved by the Corporate Social Responsibility Committee which is also available on the website of the Company at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech).

The contents of the said policy are as below:

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

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

## VII. OTHER STATUTORY DISCLOSURES AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

### Names of Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the Year.

During Financial Year 2019-20, Lumax DK Auto Industries Limited, subsidiary of the Company has been Merged with the Company in terms of the Hon'ble National Company Law Tribunal, Principal Bench order dated October 31, 2019.

Lumax Jopp Allied Technologies Private Limited has been incorporated w.e.f. June 25, 2019 and it is a 50% subsidiary of the Company as per the Joint Venture Agreement (50:50) signed between the Company and Jopp, Germany to manufacture Gear Shift Towers, AMT Kits & AGS.

Lumax Yokowo Technologies Private Limited has been incorporated w.e.f. February 20, 2020, and it is a 50% subsidiary of the Company as per the Joint Venture Agreement (50:50) signed between the Company and Yokowo, Japan to manufacture Antennas & other Vehicle Communication Products.

### A. EXTRACT OF ANNUAL RETURN

In accordance with the requirement of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the annual return in Form MGT - 9 is annexed as an **Annexure - I**.

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

#### Transfer of Unpaid Dividend

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven (7) years. Consequently, your Company has transferred ₹ 1,25,508/- during the year to the Investor Education and Protection Fund, lying with it for a period of seven years pertaining to the year 2011-12.



## Boards' Report (Contd.)

### Transfer of Shares underlying Unpaid Dividend

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, 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. During the year, your Company had transferred 1,230 shares to the Demat Account of the IEPF Authority on November 28, 2019 as per the requirement of IEPF Rules.

It may be noted that Unclaimed Dividend/Underlying shares for the Financial Year 2012-13 can be claimed by the Members by September 26, 2020. The Notice as stipulated pursuant to the provisions of Section 124 of the Companies Act, 2013 read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 will be published in the Newspaper inviting the attention of the Shareholders to claim their Dividends.

### B. FIXED DEPOSITS

During the year under review, the Company has not accepted any Deposit under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

It is further stated that the Company does not have any deposits.

### C. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements.

### D. MATERIAL CHANGES AND COMMITMENTS

During the Financial Year under review, there was no material changes and commitments except Merger of Lumax DK Auto Industries Limited with the Company.

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

Disclosure of information regarding Conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earning and Outgo etc. under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed as **Annexure - J**.

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

There were 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.

### G. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

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

During the year under review i.e. 2019-20, Fifteen (15) Meetings of ICC across all plant locations were held. Further, as per the applicable provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company continues to submit Annual Report to the District Officer consisting of details as stipulated under the said Act.

### H. ENVIRONMENT HEALTH & SAFETY

The Company focus 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 and investigation, capturing near miss accidents, safety communications and safety suggestions.

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

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

1. ST/ Duct cleaning for locations where paint material & chemicals are being used

## Boards' Report (Contd.)

2. Safety Gemba Audit and monitoring all critical Points
3. Regional Safety Meeting at all regions
4. KYT - Kiken Yochi Training (Identifying hazard and taking corrective measures with the help of actual users)
5. Hazards specific Safety training (Fire Fighting, First Aid, Electrical Safety, Chemical & Machine Safety, Risk Assessment & Evacuation Drill)
6. Prepared Safety manual for Standard Operating Procedures
7. Identified probable emergency and prepared Emergency Response Manual
8. Prepared standard KYT Manual
9. Performed Comprehensive Inspection of all chemical storage areas according to the check point and necessary display system
10. Comprehensive review / surveillance audit done as per ISO 14001 (Environment Management System) and ISO 18001 (Occupational Health & Management system)

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

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

### I. CONTRIBUTION TO EXCHEQUER

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

### ACKNOWLEDGEMENT

It is our belief that we have a leadership team with the right experience and skills to take us into the next decade of growth. We continue to build our skills and add appropriate resources, which will help the Company deliver solid results in the years to come. Your Directors place on record their appreciation for the continued co-operation and support extended to the Company by its highly valued customers, Joint Venture Partners, all the shareholders, financial institutions & Banks, various Government Agencies.

Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

For **and on behalf of the Board of Directors of**  
**Lumax Auto Technologies Limited**

**D.K. Jain**

Chairman

DIN: 00085848

Place: New Delhi

Dated: June 17, 2020

# Annexure - A

## Management Discussion and Analysis

### Economy

#### Global Economy

Following a robust growth of 3.6% in 2018, the global economy witnessed a tough 2019. Despite tender signs of improvement at the beginning of 2019: stabilization of manufacturing and service sectors, strengthening of financial conditions and improvement of monetary policies, the current expectation of global economic growth is being dragged down. This is due to the carryover of a weak quarter of the last fiscal year in several key economies, along with an unprecedented health crisis caused by Covid-19.

Despite headwinds, the growth in the pre-COVID-19 phase was expected to be 2.9% in 2019. However, the disruption led by the Coronavirus right from supply-chain, dip in commodity prices (specially oil), substantial dip in capital expenditures to decline in travel, automobile industry, hospitality and decline in durable purchase has further dragged the GDP estimates downwards for the near future.

The advanced economies were estimated to grow at 1.7% in 2019. However, along with the virus attack, various other challenges such as geopolitical tensions and significant fiscal challenges in selective economies also continued slowing the trade. Despite these, advanced economies are predicted to stabilize at 4.5% in 2021. Growth of Emerging Markets and Developing Economies (EMDE) are expected to remain subdued at -1.0% in 2020 and grow at 6.6% in 2021. In Emerging economies, China is forecasted to be further impacted by the ongoing Covid-19-related developments, leading to 1.2% growth for 2020 compared to 6.1% in 2019. India's 2020 GDP growth is revised down to 1.8% for 2020 compared to 4.2% in 2019, largely due to ongoing domestic challenges and a worsening external environment.

Factors such as improved global trade relations in combination with fiscal stimulus measures in China, Japan, Italy and other economies, as well as ongoing accommodative monetary policies will support the growth of the economies.

(Source: [cnbc.com](https://www.cnbc.com), Fitch ratings, IMF)

#### Indian Economy

According to IMF, the growth rate of Indian economy has moderated for past three consecutive years. The growth was estimated to be 5% in 2019-20 before coronavirus took over India. However, the growth has been drawn down to 1.8% due the fast spreading of this pandemic. The strong effect of COVID-19 has brought the economic activities to a

standstill and has impacted the major contributors of the GDP – consumption, investments and external trade.

COVID-19 pandemic has become a full-blown credit crisis for India. Corporates are finding difficult to stay afloat, banks are struggling with the balance sheet fallout, rising unemployment and loss of income may even lead to social unrest. On a positive note, RBI and GOI are taking steps for policy easing. Additionally, to revive consumption, Government has lowered the corporate taxes and RBI has reduced repo rate by 75 basis point, reverse repo rate by 25 basis point(bps)-now standing at 3.75% and CRR by 100 bps points.

#### Outlook

India's GDP is expected to contract by 4% in FY2020 before rebounding by 5% in FY2021. The growth would be supported by the reduced corporate tax cuts, implementation of various financial reforms, increase in private consumption, support measures to automobile industry and rise in food prices. This has shifted the terms of trade in favour of agriculture, supporting rural incomes. Further, easing of global trade uncertainties will encourage exports and spur investment activity. It will also help reduce lending rates and financial flows will spur both consumption and investment demand in the country.

(Source: [moneycontrol.com](https://moneycontrol.com), [economictimes.com](https://economictimes.com), [business-standard.com](https://business-standard.com), [cnbc.com](https://cnbc.com))

#### Automotive Industry Overview

##### Global Perspective

The global automotive industry is on the brink of a major transformation. While the trends suggest that the consumer interests in electric vehicles has accelerated, overall opinion for autonomous vehicles has stalled. Technology is driving this shift, shaped by demographic, regulatory and environmental factors. The market was expected to grow by and reach US\$ 8.75 billion in 2024. But the widespread of the Covid-19 has impacted the growth of the automobile sectors. The impact of Covid-19 has been so swift on this sector that it led to large scale disruption of manufacturing, adding intense pressure on supply chain.

Trends show the vehicle will grow smarter and more efficient, with high-efficiency engines, lighter materials and autonomous driving systems. The industry will evolve, with new competition from tech companies and suppliers capable of producing high-tech parts at low prices. In future, factors such as increase in demand for fuel-efficient, high-performance, technological advancements and low-

## Annexure - A (Contd.)

emission vehicles, along with stringent government rules and regulations toward vehicle emission, will supplement the growth of the electric vehicle market.

(Source : [statista.com](https://www.statista.com), [businesswire.com](https://www.businesswire.com), [prnewswire.com](https://www.prnewswire.com), [alliedmarketresearch.com](https://www.alliedmarketresearch.com))

### Indian Structure and Developments

#### Indian Automobile Industry

The Indian automobile is the pillar of the manufacturing sector. It contributes nearly 7.5% to the Indian GDP. Being an economic multiplier, it provides employment to a large pool of around 8 million people. Festival season was expected to contribute some alleviation, however it failed to attract buyers. New launches in the utility vehicle segment did bring in some buyers, but weaker consumer sentiments due to economic slowdown, liquidity crisis and increased ownership

cost of vehicle contributed to the overall slump. Just when the Government was taking steps to revive the industry demand, Covid-19 outbreak further aggravated the market. The pandemic made the production and dispatches come to a halt. Going forward, the industry players are anticipated to re-strategise the blueprint of their operations and activities related to sourcing of auto-components in future.

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

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

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

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

#### Auto-component Industry

The domestic auto-components industry is driven by strategic technological alliance and in-house R&D setup of the industry players. The automobile demand has led to advancement and introduction of innovative solutions enabling industry to grow into a massive one. The industry now contributes 2.3% to the total GDP. Despite weak turnover, the auto-components exports rose by 2.7% to \$7.5 billion in H1 2019-20 from the previous year. Wherein, Europe accounted for 32% of exports followed by the North America and Asia. The H2 2019-20 was expected to be smooth, but it suffered a demand shock both in domestic and overseas market. Majorly, this shock was caused by the Covid-19 outbreak across the globe in the Q4 of 2019-20.

The lockdown led to shutdown of factories and supply chain disruption. Given the current slowdown, auto-components makers are expected to be piled up with inventories for a couple of more quarters. However, in medium-term export opportunities, competencies and policy support is expected to be played in India's favour.

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

#### Outlook

Stringent emission and safety standards, coupled with growing digitalization in vehicles will make Electric Vehicles, connected cars and Autonomous Vehicles the key focus areas for automakers post Covid-19. However, demand for auto-components is expected to decline, given the production disruption and muted demand prospects. Volume demand from OEMs is estimated to decline 7% to 15% across asset classes. Export demand is expected to decline 15% in value terms, as over 50% of exports are to Europe and the US, and demand from those markets is expected to decline owing to Covid-19. Replacement demand is expected to log a modest growth of 3% (in value terms), as people refrain from buying new vehicles.

(Source: [business-standard.com](https://www.business-standard.com))



## Annexure - A (Contd.)

### Opportunities

#### Increase in emerging and middle-class segment

This segment is going to open new opportunities for businesses. The Indian Auto industry is likely to benefit from this growth. This is because a majority of the Indian middle-class population aspires to own a car. As the economic prosperity spreads across demographics, mobility will no longer be a luxury but a necessity for people.

#### Shifting industry landscape

As OEMs seek to develop alternative powertrain technologies, suppliers are likely to provide more of the value-added content per car. In addition, OEMs need to ensure that their suppliers' production footprints – especially in emerging markets – match future market demands and their own production plans.

#### Continued Government support

With regulatory updates coming up, India's emission standards will match global markets. The leap from BS IV to BS VI (corresponding to Euro VI) standards, will rapidly push down the acceptable emission limits for NOx and CO<sup>2</sup>. The Corporate Average Fuel Efficiency (CAFE) regulations have already been enforcing fuel efficiency. So far, they have clamped down CO<sup>2</sup> emissions and mandated the acceptable CO<sup>2</sup> limits to be 13% lower than 2017 levels by 2022. Since 2016, the Government has announced various steps to accelerate the adoption of safety features in vehicles. Some examples are pre-installed Fire Detection and Alarm Systems (FDAS) and Fire Detection and Suppression Systems (FDSS) in buses. Goods and passenger vehicles have implemented Electronic Stability Control Systems (ESCS) and Brake Assist Systems.

#### Electrification

Electrification has just started to take off in Indian automotive space. Factors such as declining prices of batteries and supportive policies from the government are stimulating the EV's growth. Reduction in emissions and less dependency on oil imports are clear advantages of electrification. People carriers like buses, two- and three-wheelers, luxury passenger vehicles and light commercial vehicles could see maximum penetration by 2030. This will be followed by other passenger vehicles, medium- and heavy-commercial vehicles and also construction equipment, which will take longer for EVs to penetrate.

### Connected vehicles

Connectivity is still in the early stages of adoption in India. A minuscule share of vehicles sold in India come with factory-fitted connectivity features. However, the mass adoption of smartphones, coupled with low data costs, could aid connectivity features to proliferate. There are several connectivity-linked applications that are picking up in India. Basic in-car entertainment, navigation and in-car connectivity have evolved rapidly over the last decade. More advanced telematics features that utilize car sensor data, driving behavior, and vehicle-health parameters are also evolving, particularly with aftermarket solutions.

### Threats

#### Complexity and cost pressure

The increase in regulations with respect to environmental and safety standards will raise costs and complexity. This is because they need to be managed apart from domestic markets. The growing number of different vehicle segments and markets, based on a single platform, also raise complexity. At the same time, OEMs will have to develop alternative powertrain technologies for lower-emission vehicles. This will require significant investment. Given all these pressures, plus flat net price development due to less budget available for new features, it will be more difficult for OEMs to differentiate themselves.

#### Digital demands

Consumers want more connectivity and are focused on active safety and ease of use. A growing number of consumers are increasingly using digital sources to make their purchase decisions. This might be an opportunity for OEMs, but it also means the potential threat of competition from online retailers. Hence putting pressure on the existing dealership structure. The growing role of digital also applies to the driving experience. Consumers want to combine mobility with communication.

#### Government Initiatives

The Government of India recently undertook initiatives and developments favouring the automotive industry. These initiatives can further boost the potential growth of the industry. Some of the initiatives are listed below:

## Annexure - A (Contd.)

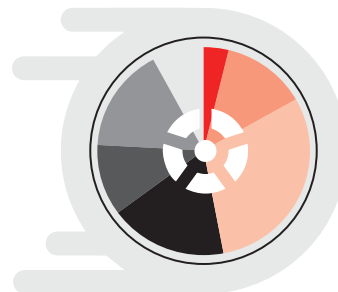
| Budget announcement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Likely implication                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Government increased Basic Custom Duty on electric vehicles in commercial and passenger segment for Complete Built Ups, Semi Knock Down and Completely Knock Down.                                                                                                                                                                                                                                                                                                                                                                                                                                     | This will help promote manufacturing in the country. It will also help in checking imports of electric vehicles, something which India is going to adopt in a major way. |
| The Government had earlier formulated a Partial Credit Guarantee scheme for the NBFCs, further supported by devising a mechanism.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | NBFCs are the major source of finance for auto loans. Credit guarantee for NBFCs will further ease liquidity for auto sector.                                            |
| <ul style="list-style-type: none"> <li>Introduction of BS-VI emission norms is a positive step to reduce emissions significantly, but the initiative would lead to an 8-10% increase in vehicle cost, leading to enhanced GST collections for the Government</li> <li>An incentive-based scrappage policy and an increase in re-registration charges of vehicles to discourage use of old vehicles</li> <li>Scrapping duty on import of lithium-ion battery cells so that battery packs can be manufactured locally and progressively cell manufacturing can also be established in the country</li> </ul> |                                                                                                                                                                          |

(Source: [businessstoday.in](https://www.bbusinesstoday.in))

### Business Overview

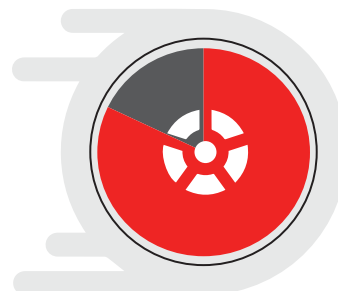
Founded in the year 1981, Lumax Auto Technologies Ltd is a part of the D.K. Jain Group of companies. It has carved a strong position in various automotive parts for two-wheeler and three-wheeler industry. With more than three decades of rich experience, LATL has emerged as a preferred supplier to leading OEMs. The Company's organic expansion has led it to manufacture a diverse range of products catering two-, three- and four-wheeler segments, along with its Subsidiaries and Associates.

### Product-wise revenue mix FY19



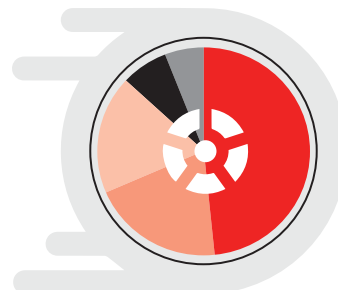
| Product                      | %  |
|------------------------------|----|
| ● Intake Systems             | 4  |
| ● Lighting                   | 13 |
| ● Integrated Plastic Modules | 30 |
| ● After Market               | 18 |
| ● Gear Shifters              | 11 |
| ● Chasis                     | 16 |
| ● Other Misc.                | 8  |

### Channel-wise revenue mix FY19



| Channel        | %  |
|----------------|----|
| ● OEM          | 82 |
| ● After Market | 18 |

### Segment-wise revenue mix FY19



| Segment         | %  |
|-----------------|----|
| ● 2/3-Wheeler   | 48 |
| ● Passenger Car | 20 |
| ● After Market  | 18 |
| ● CV            | 7  |
| ● Others        | 7  |

## Annexure - A (Contd.)

With its 15 state-of-art manufacturing facilities spread across 5 states, the Company excels in faster execution of the deliveries. Strong R&D capabilities, technological prowess, design skills and manufacturing abilities are some of the prime factors behind the Company's established leadership in gear shifters. The Company manufactures and supplies automotive lighting equipment and automotive components. Its product portfolio includes two-wheeler lighting, two-wheeler Chassis, three-wheeler Fabricated Parts, Electrical & Electronics Components, Gear Shift Lever, Gear Shift Tower, Intake System, Integrated Plastic Modules, Oxygen Sensors, Seat Structures, Telematics Products & Services and After Market.

### Financial Performance

The Company, on a consolidated basis and from continued operations, registered a revenue of ₹1140.91 Crores in 2019-20. This was declined by 3.88% against the consolidated revenue of ₹1186.98 Crores in 2018-19. The Company reported EBITDA of ₹108.75 Crores in 2019-20 as against ₹123.86 Crores in 2018-19. The Profit After Tax after Minority Interest stood at ₹49.79 Crores in the 2019-20 as against ₹53.23 Crores in 2018-19. EPS stood at ₹7.30 in 2019-20 as against ₹7.81 in 2018-19 on the face value of ₹2 per equity share.

| Debtors Turnover           | 2018-19* | 2019-20 | %change |
|----------------------------|----------|---------|---------|
| Based on year closing data | 5.05     | 6.98    | 38%     |

Reason: Better realization

| Inventory Turnover         | 2018-19* | 2019-20 | %change |
|----------------------------|----------|---------|---------|
| Based on year closing data | 13.82    | 11.99   | -13%    |

Reason: No significant change

| Creditors Turnover Ratio   | 2018-19* | 2019-20 | %change |
|----------------------------|----------|---------|---------|
| Based on year closing data | 3.97     | 5.79    | 46%     |

Reason: Early payment to creditors

| Interest Coverage Ratio    | 2018-19* | 2019-20 | %change |
|----------------------------|----------|---------|---------|
| Based on year closing data | 30.45    | 7.76    | -75%    |

Reason: Increase in working capital utilization

| Current Ratio              | 2018-19* | 2019-20 | %change |
|----------------------------|----------|---------|---------|
| Based on year closing data | 1.28     | 1.29    | 1%      |

Reason: No significant change

| Debt (Long Term) Equity Ratio | 2018-19* | 2019-20 | %change |
|-------------------------------|----------|---------|---------|
| Based on year closing data    | 0.03     | 0.05    | 85%     |

Reason: Increase in Term Loan

| Operating Profit Margin    | 2018-19* | 2019-20 | %change |
|----------------------------|----------|---------|---------|
| Based on year closing data | 8.15     | 6.51    | -20%    |

Reason: Lower Profitability in Subsidiaries

| Net Profit Margin          | 2018-19* | 2019-20 | %change |
|----------------------------|----------|---------|---------|
| Based on year closing data | 4.48     | 4.36    | -3%     |

Reason: No significant change

\*From Continued Operations

### Details for Changes in Return on Net Worth:

|                            | 2018-19* | 2019-20 | %change |
|----------------------------|----------|---------|---------|
| Based on year closing data | 11.09%   | 11.16%  | 1%      |

Reason: No significant change

\*From Continued Operations

### Risks and Mitigation

Lumax recognizes that management of risks is an important process. It empowers the Company with necessary tools for identifying potential risks. It then makes it easier to mitigate such business risks. This helps the Company achieve its strategic objectives and sustainable development. The Company follows a specific and well-defined risk management process. This system is integrated with its operations for identification, categorization and prioritization of operational, financial and strategic business risks.

**Competition risk:** The Company operates in a highly competitive environment. There are risks of pressure on pricing. Today, multinational OEMs are deeply entrenched in the Indian market across all vehicle segments. They have local development centers, a strong local supplier base along with good channel penetration.

## Annexure - A (Contd.)

**Mitigation:** The Company aims to maintain its competitive relevance and sustain leadership in the market. It continually invests in: new product development, technology upgrades, increasing channel reach and the focus on delivering customer-centric products, services and brand building.

**Customer concentration risk:** The Company's performance is majorly dependent on its key customers. Any decline in the demand for its final products by customers might adversely affect the Company's performance both, financially and operationally.

**Mitigation:** The Company has been offering a robust range of products while proactively looking for new clients. Additionally, the Company is also planning to gradually increase its client base by offering customised products to its existing customers. There are different customer-relationship-enhancing strategies also in place, to help retain existing clients while trying to gain prospective new ones.

**Economic risk:** Economic slowdown, adversely impacting the Indian economy, can affect the automobile markets as well. The Company's revenue stream may get affected from certain unfavourable macroeconomic slowdown across the globe.

**Mitigation:** With an efficient Government stimuli, India is expected to grow in the coming years. The Company's impressive portfolio with a wide range of products and a firm footprint across the country will help it survive such risks.

**Regulatory risk:** Due to changes in the international and domestic laws, tax regulations, technical standards and trade policies, the Company might face regulatory risk. This risk particularly comprises those related to more stringent vehicle safety and environmental norms.

**Mitigation:** LATL stringently follows all the due policy and regulatory requirements. The Company constantly monitors the changing regulatory scenario and makes necessary modifications as needed.

### Significant Development in Human Resources

At Lumax, people are our key differentiators. It is their determination, dedication and dependability that gives us a competitive advantage. We focus on bringing talented people on-board, sharpen their skills through training and motivate them to collaborate and innovate with experts to upgrade their skills. Our team is dynamic and diverse; and we value the suggestions of every individual.

Last year, we successfully rolled out key HR initiatives and talent management practices. These reinforced the principles to help employees realize their potential.

- Motivating workforce to deliver quality output
- Building a culture of participation that will enable us to relish our customers
- Promoting the culture of innovation and belonging to help make a difference

For the overall development of employees, training and skill development is very important. A comprehensive training structure is laid down for all employees. In addition to the induction training, regular training on job-related modules is also provided to help employees improve continually in the performance of their duties. Such initiatives help attract and retain best talent across the industry. The strength of the group thus lies in working and growing together as a team.

Quality Control Circles constitutes an essential part behind the growth of Lumax. It has helped in the overall development of numerous employees. The practice of Quality Control Circles connects people, processes and products to deliver noteworthy results. Kaizen, Quality Circles, Total Productivity Maintenance, Total Quality Management, 5-S, 6 sigma, 7-W and other international shop floor improvement initiatives are adopted and followed to enhance processes and productivity. In the financial year 2019-20, employee relations remained cordial and the total no. of employees stood at 926.

### Environment, Health, Safety

A safe and healthy workplace has always been one of the highest priorities of Lumax. The Company emphasises on the key factors of Environment, Health & Safety (EHS) and believes all three parameters are crucial for a safe and sound work environment. The 'Safety Management System' of the Company is designed to reduce the risk of incident and injuries. This system includes safety rules, safety procedures, safety training, hazard identification, correction, incident reporting and investigation, capturing near miss accidents, safety communications and safety suggestions.

During the year 2019-20, the Company undertook the following initiatives and activities to main EHS:

1. ST/ Duct cleaning for locations where paint material & chemicals are being used
2. Safety Gemba Audit and monitoring all critical Points
3. Regional Safety Meeting at all regions



## Annexure - A (Contd.)

4. KYT - Kiken Yochi Training (Identifying hazard and taking corrective measures with the help of actual users)
5. Hazards specific Safety training (Fire Fighting, First Aid, Electrical Safety, Chemical & Machine Safety, Risk Assessment & Evacuation Drill)
6. Prepared Safety manual for Standard Operating Procedures
7. Identified probable emergency and prepared Emergency Response Manual
8. Prepared standard KYT Manual
9. Performed Comprehensive Inspection of all chemical storage areas according to the check point and necessary display system
10. Comprehensive review / surveillance audit done as per ISO 14001 (Environment Management System) and ISO 18001 (Occupational Health & Management system)

Regular safety trainings and workshops are conducted by the organisation for all its employees. These trainings aim to educate the employees and raise awareness about the importance of their safety. They also inform the employees about various safety programs and policies of the organisation. Safety audits are carried out at regular intervals across all units.

### Internal Control Systems

The internal control structure is designed to operate as a well-integrated system. It comprises regular risk assessment, mitigation and monitoring. The Company first identifies key

business risks using its analysis and then takes mitigating steps towards the same. The Company's internal team and an independent internal audit firm keep a close eye on business operations. Deviations, if any, are immediately brought to the notice of the Management and Audit Committee for timely action and correction. 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 its 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, so as to control expenses. Any variance from budgetary allocations are promptly reported and corrected to ensure strict compliance.

### 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 on the basis of any subsequent development, information or events.

## Annexure - B

### Corporate Governance Report

In terms of Regulation 34(3) read with Section C of Schedule V to Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all the stakeholders. The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs.

The Company considers it absolutely essential to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate governance and be considered as a good corporate citizen of the Country.

As a corporate citizen, our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders. Achieving good governance is an on-going process of the Company.

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. It emphasizes wealth creation for society, protection & interest enhancement for all stakeholders, without compromising the environment and health of society at large. This helps the company to perform better thus culminating into higher productivity of the corporate resources.

The Corporate Governance philosophy of the Company is not only to adhere to the statutory requirements but also to enhance and retain investors' trust. The Company adheres to the highest ethical standards which are combined with an unwavering commitment to certain core values – transparency, fairness in all dealings, quality consciousness, customer satisfaction,

and ethical governance practices. All directors and employees are bound by a Code of Conduct that sets forth the Company's policies on important issues.

The Company has complied with the requirements of Corporate Governance as stipulated under the Listing Regulations, as applicable.

#### 2. BOARD OF DIRECTORS

The Board of Directors ("Board") strongly believes that effective and good Corporate Governance practices build strong foundation of trust and confidence which in turn enhances the stakeholder' value.

The Company has established an internal governance structure with defined roles and responsibilities of every constituent within the system. The Board plays a critical role in overseeing how the management serves the short-term and long-term interests of shareholders and other stakeholders.

The responsibility of the management, good governance, general affairs direction and performance of the Company is entrusted with the Board. All statutory and other matters of significance including information as mentioned in the Part A of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are complied with.

##### (a) Composition and Category of Directors:

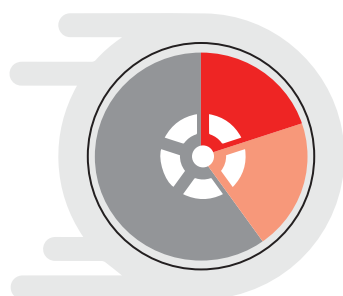
The Board has an optimum combination of Executive Directors, Non-Executive Directors and Independent Directors. The Board consisted of Ten (10) Directors. Out of these Ten (10) Directors, Two (2) Directors are Executive Director(s) including the Chairman, Two (2) Directors are Non- Executive Directors and Six (6) are Non-Executive Independent Director(s) including One (1) Woman Director. The Managing Director is assisted by Senior Managerial Personnel in overseeing the functional matters of the Company.

## Annexure - B (Contd.)

Above information as on March 31, 2020 is presented as below:

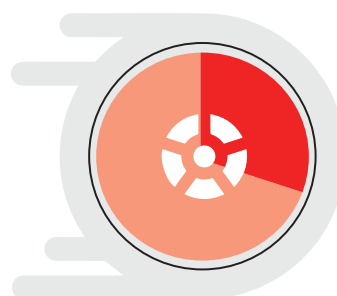
| S. No.                 | Name of Director           | Category               |
|------------------------|----------------------------|------------------------|
| <b>A. Promoter</b>     |                            |                        |
| 1                      | Mr. D.K. Jain              | Executive Chairman     |
| 2                      | Mr. Anmol Jain             | Managing Director      |
| 3                      | Mr. Deepak Jain            | Non-Executive Director |
| <b>B. Non-Promoter</b> |                            |                        |
| 4                      | Mr. Sanjay Mehta           | Non-Executive Director |
| 5                      | Mr. Avinash Parkash Gandhi | Independent Director   |
| 6                      | Mr. Arun Kumar Malhotra    | Independent Director   |
| 7                      | Mr. Kanchan Kumar Gandhi   | Independent Director   |
| 8                      | Mr. Roop Salotra           | Independent Director   |
| 9                      | Mr. Milap Jain             | Independent Director   |
| 10                     | Mrs. Diviya Chanana        | Independent Director   |

Category of Directors



| Category of Directors     | Share |
|---------------------------|-------|
| ● Non-Executive Directors | 2     |
| ● Executive Directors     | 2     |
| ● Independent Directors   | 6     |

Category of Directors



| Category of Directors | Share |
|-----------------------|-------|
| ● Promoters           | 3     |
| ● Non-Promoters       | 7     |

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

During the year the Financial Year 2019-20, the Board of Directors have met Six (6) times as tabulated below:

| S. No. | Name of the Director       | Board Meetings |                 |                   |                   |                   |                   | AGM             |
|--------|----------------------------|----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-----------------|
|        |                            | May 18, 2019   | August 10, 2019 | November 12, 2019 | February 11, 2020 | February 19, 2020 | February 24, 2020 | August 23, 2019 |
| 1      | Mr. D.K. Jain              | X              | ✓               | ✓                 | ✓                 | ✓                 | ✓                 | ✓               |
| 2      | Mr. Anmol Jain             | ✓              | ✓               | ✓                 | ✓                 | ✓                 | ✓                 | ✓               |
| 3      | Mr. Deepak Jain            | ✓              | ✓               | ✓                 | ✓                 | ✓                 | ✓                 | ✓               |
| 4      | Mr. Sanjay Mehta           | ✓              | ✓               | ✓                 | ✓                 | ✓                 | ✓                 | ✓               |
| 5      | Mr. Avinash Parkash Gandhi | ✓              | ✓               | ✓                 | ✓                 | ✓                 | ✓                 | ✓               |
| 6      | Mr. Arun Kumar Malhotra    | ✓              | ✓               | ✓                 | ✓                 | ✓                 | X                 | ✓               |
| 7      | Mr. Kanchan Kumar Gandhi   | ✓              | ✓               | ✓                 | ✓                 | ✓                 | ✓                 | ✓               |
| 8      | Mr. Roop Salotra           | ✓              | ✓               | ✓                 | ✓                 | ✓                 | ✓                 | X               |
| 9      | Mr. Milap Jain             | ✓              | ✓               | ✓                 | ✓                 | ✓                 | ✓                 | ✓               |
| 10     | Mrs. Diviya Chanana        | ✓              | ✓               | ✓                 | ✓                 | ✓                 | ✓                 | X               |

✓ Present X Absent

## Annexure - B (Contd.)

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

- i) The dates of Board Meeting are decided in advance for the next financial year and also published in the Annual Report for the information of the Shareholders.
- ii) Every year at least four Board Meetings are held to review the quarterly results and additional Board Meetings are held by whenever necessary.
- iii) The Company Secretary of the Company drafts and finalise the Agenda in consultation with the Chairman of the Company.
- iv) The information required to be placed before the Board includes :
  - General Notices of Interest of Directors.
  - Annual operating plans of business, Capital budgets and any updates.
  - Quarterly results for the Company and its operating divisions or business segments.
  - Dividend Declaration.
  - Minutes of Meetings of Audit Committee and other committees of the Board and resolutions passed by circulation.
  - The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
  - Show cause, demand, prosecution notices and penalty notices which are materially important.
  - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
  - Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
  - Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

- Internal Audit findings and Statutory Auditor Reports (through the Audit Committee).
- Details of any joint venture, acquisition of Companies or collaboration agreement, if any.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant Labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if Material.
- Non-compliance of any regulatory, statutory or listing requirements and Shareholders service such as non-payment of dividend, delay in share transfer (if any) etc.
- Brief on statutory developments, changes in Government policies etc. with impact thereof, Directors' responsibilities arising out of any such developments.

#### (i) Board Agenda

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

#### (ii) Recording Minutes of proceedings at Board Meetings

The Company Secretary records the Minutes of the proceedings of each Board and Committee



## Annexure - B (Contd.)

Meeting. Draft minutes are circulated to all the members of the Board / Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the Meeting.

### (iii) Post Meeting Follow-up Mechanism

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

### (iv) Role of the Company Secretary in Overall Governance Process

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

### (d) Number of other Directorships and Chairmanships/Memberships of Committees of each Director in various Companies for the year ending on March 31, 2020 (Including the Name of the Listed Entities and the Category of Directorship)

| S. No. | Name of the Director                     | Directorships in other Public Companies* | Committee positions held in other Public Companies# |        | Name of the Listed Entity and Category of Directorship                                                                                                                                                                         |
|--------|------------------------------------------|------------------------------------------|-----------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                          |                                          | Chairman                                            | Member |                                                                                                                                                                                                                                |
| 1      | Mr. D.K. Jain                            | 2                                        | -                                                   | -      | -                                                                                                                                                                                                                              |
| 2      | Mr. Anmol Jain                           | 2                                        | -                                                   | -      | • Lumax Industries Limited (Joint Managing Director)                                                                                                                                                                           |
| 3      | Mr. Deepak Jain                          | 5                                        | -                                                   | 2      | • Lumax Industries Limited (Chairman & Managing Director)<br>• RSWM Limited (Independent Director)                                                                                                                             |
| 4      | Mr. Sanjay Mehta                         | 1                                        | -                                                   | -      | -                                                                                                                                                                                                                              |
| 5      | Mr. Avinash Parkash Gandhi <sup>\$</sup> | 9                                        | 2                                                   | 9      | • Lumax Industries Limited (Independent Director)<br>• Schaeffler India Limited (Independent Director)<br>• Minda Corporation Limited (Independent Director)<br>• Action Construction Equipment Limited (Independent Director) |
| 6      | Mr. Arun Kumar Malhotra                  | -                                        | -                                                   | -      | -                                                                                                                                                                                                                              |
| 7      | Mr. Kanchan Kumar Gandhi                 | -                                        | -                                                   | -      | -                                                                                                                                                                                                                              |
| 8      | Mr. Roop Salotra                         | 2                                        | -                                                   | -      | -                                                                                                                                                                                                                              |
| 9      | Mr. Milap Jain                           | -                                        | -                                                   | -      | -                                                                                                                                                                                                                              |
| 10     | Mrs. Diviya Chanana                      | -                                        | -                                                   | -      | -                                                                                                                                                                                                                              |

Note: <sup>\$</sup>Mr. Avinash Parkash Gandhi resigned from Hyundai Motor India Limited (HMIL) w.e.f. 01.04.2020.

\*Excludes Directorship in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

#Chairmanships/Memberships of Committees are reported as prescribed under the Regulation 26 of the Listing Regulations.

## Annexure - B (Contd.)

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

The Board of Directors met Six (6) times during the Financial Year ended March 31, 2020. The intervening period between two Board Meetings was within the maximum time gap of 120 days, as prescribed under Listing Regulations. The details of Board Meetings held during the year are as under:-

| S. No. | Date of Board Meeting | Board's Strength | Number of Directors Present |
|--------|-----------------------|------------------|-----------------------------|
| 1      | May 18, 2019          | 10               | 9                           |
| 2      | August 10, 2019       | 10               | 10                          |
| 3      | November 12, 2019     | 10               | 10                          |
| 4      | February 11, 2020     | 10               | 10                          |
| 5      | February 19, 2020     | 10               | 10                          |
| 6      | February 24, 2020     | 10               | 9                           |

### (f) Disclosure of relationships between Directors inter-se

| S. No. | Name of the Directors      | Relationship Inter-se                                          |
|--------|----------------------------|----------------------------------------------------------------|
| 1      | Mr. D.K. Jain              | Related as Father to Mr. Deepak Jain and Mr. Anmol Jain        |
| 2      | Mr. Anmol Jain             | Related as Son to Mr. D.K. Jain and Brother to Mr. Deepak Jain |
| 3      | Mr. Deepak Jain            | Related as Son to Mr. D.K. Jain and Brother to Mr. Anmol Jain  |
| 4      | Mr. Sanjay Mehta           | Not related to any Director                                    |
| 5      | Mr. Avinash Parkash Gandhi | Not related to any Director                                    |
| 6      | Mr. Arun Kumar Malhotra    | Not related to any Director                                    |
| 7      | Mr. Kanchan Kumar Gandhi   | Not related to any Director                                    |
| 8      | Mr. Roop Salotra           | Not related to any Director                                    |
| 9      | Mr. Milap Jain             | Not related to any Director                                    |
| 10     | Mrs. Diviya Chanana        | Not related to any Director                                    |

### (g) Number of Shares and Convertible instruments held by Non-Executive Directors as on March 31, 2020

| S. No. | Name of the Directors | Number of Shares |
|--------|-----------------------|------------------|
| 1      | Mr. Deepak Jain       | 99,52,315        |
| 2      | Mr. Sanjay Mehta      | 1,525            |

### (h) Separate Meeting of Independent Director

Provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations has mandated that the Independent Directors of the Company shall hold at least one meeting during the financial year without the attendance of Non- Independent Directors.

The Separate Meeting of the Independent Director was held on February 19, 2020 to discuss the performance of Non-Independent Directors and the Board as a whole, performance evaluation of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and the evaluation of 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.)

### (i) Web link where details of Familiarisation Programmes imparted to Independent Directors is disclosed

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

In pursuit of this, the Board of Directors of the Company are updated on changes/ developments in the domestic/ global corporate and industry scenario including those pertaining to statutes/ legislations & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.

Any Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading, Policy of the Company. 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 the Familiarisation Programme imparted to Independent Directors is also made available on the website of the Company at <http://www.lumaxworld.in/lumaxautotech/downloads/familiarisation-program.pdf>

### (j) Skills/ Expertise/ Competence of the Board

The Board comprises qualified members who brings in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board Members follows and committed that the Company is in compliance with the highest standards of the Corporate Governance.

The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

|                                                                     |                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Industry Knowledge</b>                                           | Understanding of industry and organisations involved in design, development, manufacturing, marketing and selling of automobiles and auto components                                                                                                |
| <b>Finance &amp; Accounting</b>                                     | Understanding of Financial Statements, transactions, financial reporting process and financial controls and management of assets and liabilities                                                                                                    |
| <b>Understanding of Government legislation/ legislative process</b> | Awareness of general framework of principles within which the Government is expected to act and within which regulations are issued                                                                                                                 |
| <b>Corporate Laws and Governance</b>                                | Ability to understand and interpret the corporate laws, rules and regulations by which businesses are regulated and controlled                                                                                                                      |
| <b>Risk Management</b>                                              | Ability to identify, evaluate and prioritize risks followed by coordinated and economical application of resources to minimize, monitor and control the probability or impact of unfortunate events or to maximize the realization of opportunities |
| <b>Sales and Marketing</b>                                          | Building effective sales and marketing strategies to grow market share and experience of operations and activities in global front across various geographical markets and industry verticals                                                       |
| <b>Human Resource Management</b>                                    | Understands and is familiar with human resource legislation and issues. Experience in the field of performance evaluation and skill set development (For Directors and Senior Management)                                                           |
| <b>Information Technology</b>                                       | Management and strategy of the Information Technology function                                                                                                                                                                                      |
| <b>Strategy Development and Implementation</b>                      | Experience in developing corporate strategies for growth. Operates or has relevant industry experience in operating businesses                                                                                                                      |
| <b>Stakeholder Relationships</b>                                    | Experience in building and nurturing relationships with key stakeholders viz. shareholders, customers, employees, bankers, government/ semi-government authorities and fulfilment of commitment towards them                                        |
| <b>Production and Quality Assurance</b>                             | Familiar with products and services of the Company and understands quality issues of products/services                                                                                                                                              |

The Board has identified the names of Directors who possess the skills/ expertise/ competence as required in the context of the business(es) and sector(s) in which the Company perform its functions effectively in form of chart/ matrix:

## Annexure - B (Contd.)

Matrix setting out the Skills/ Expertise/ Competence of the Board of Directors

| Directors                                                    | Mr. D.K. Jain | Mr. Anmol Jain | Mr. Deepak Jain | Mr. Sanjay Mehta | Mr. Avinash Parkash Gandhi | Mr. Arun Kumar Malhotra | Mr. Kanchan Kumar Gandhi | Mr. Roop Salotra | Mr. Milap Jain | Mrs. Diviya Chanana |
|--------------------------------------------------------------|---------------|----------------|-----------------|------------------|----------------------------|-------------------------|--------------------------|------------------|----------------|---------------------|
| Industry Knowledge                                           | ✓             | ✓              | ✓               | ✓                | ✓                          | ✓                       | ✓                        | ✓                | X              | ✓                   |
| Finance & Accounting                                         | ✓             | ✓              | ✓               | ✓                | ✓                          | ✓                       | ✓                        | ✓                | ✓              | ✓                   |
| Understanding of Government legislation/ legislative process | ✓             | ✓              | ✓               | ✓                | ✓                          | ✓                       | ✓                        | ✓                | ✓              | X                   |
| Corporate Laws and Governance                                | ✓             | ✓              | ✓               | ✓                | ✓                          | ✓                       | ✓                        | ✓                | ✓              | X                   |
| Risk Management                                              | ✓             | ✓              | ✓               | ✓                | ✓                          | ✓                       | ✓                        | ✓                | X              | X                   |
| Sales and Marketing                                          | ✓             | ✓              | ✓               | ✓                | ✓                          | ✓                       | ✓                        | ✓                | X              | ✓                   |
| Human Resource Management                                    | ✓             | ✓              | ✓               | ✓                | ✓                          | ✓                       | ✓                        | ✓                | ✓              | ✓                   |
| Information Technology                                       | ✓             | ✓              | ✓               | ✓                | ✓                          | ✓                       | ✓                        | ✓                | ✓              | ✓                   |
| Strategy Development and Implementation                      | ✓             | ✓              | ✓               | ✓                | ✓                          | ✓                       | ✓                        | ✓                | X              | X                   |
| Stakeholder Relationships                                    | ✓             | ✓              | ✓               | ✓                | ✓                          | ✓                       | ✓                        | ✓                | ✓              | X                   |
| Production and Quality Assurance                             | ✓             | ✓              | ✓               | X                | ✓                          | ✓                       | ✓                        | X                | X              | ✓                   |
|                                                              |               |                |                 |                  |                            |                         |                          |                  | Yes            | ✓                   |
|                                                              |               |                |                 |                  |                            |                         |                          |                  | No             | X                   |

### (k) Confirmation from the Board

Based on the declarations received from the Independent Directors, the Board hereby certify that the Independent Directors fulfil the conditions as specified in the Companies Act, 2013 and Listing Regulations.

### (l) Detailed reasons for Resignation of Independent Directors who resigns before the expiry of his tenure along with a confirmation by such Director

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

## 3. COMMITTEES OF THE BOARD

The Board of Directors has constituted Four (4) Committees i.e. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer/ Stakeholder Relationship Committee. Every Committee has an important role to play within terms of its reference. The Committee Meetings are duly convened and held as considered appropriate from time to time. The process and procedure related to the Board Meetings are also applicable and followed in the Committee Meetings. The Committees' Chairperson provides a brief committee update during the Board Meetings.

### A. Audit Committee

The Company has duly constituted Audit Committee as per Section 177 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, with the powers and roles in accordance with the prevailing regulatory requirements. The Committee acts as a link amongst the Management, Auditors and the Board of Directors. The Company Secretary of the Company acts as Secretary to the Audit Committee.

#### i) Brief Description of Terms of Reference

The Terms of reference of the Audit Committee includes matters specified in the Companies Act, 2013 and Listing Regulations and those specified by the Board in writing.



## Annexure - B (Contd.)

The role of Audit Committee as mentioned 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;
- (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;

## Annexure - B (Contd.)

- (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 rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

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

- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of significant related party transactions (as defined by the audit committee) submitted by management;
- (iii) management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- (iv) internal audit reports relating to internal control weaknesses; and
- (v) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.
- (vi) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
- (vii) Any other matter with the specific permission of the Committee or referred by the Board.

### ii) Composition

The Audit Committee comprises of Four (4) Non-Executive Independent Directors and Managing Director. The Composition of the Audit Committee as on March 31, 2020 was as follows:

| S. No. | Name                       | Status   | Category of Membership             |
|--------|----------------------------|----------|------------------------------------|
| 1      | Mr. Arun Kumar Malhotra    | Chairman | Non-Executive Independent Director |
| 2      | Mr. Roop Salotra           | Member   | Non-Executive Independent Director |
| 3      | Mr. Avinash Parkash Gandhi | Member   | Non-Executive Independent Director |
| 4      | Mr. Milap Jain             | Member   | Non-Executive Independent Director |
| 5      | Mr. Anmol Jain             | Member   | Managing Director                  |

### iii) Meetings and Attendance

During the Financial Year 2019-20, Seven (7) Audit Committee Meetings were held and the details of the Meetings are as follows:

| S. No. | Name of the Director       | Details of Audit Committee Meetings |                 |                  |                   |                   |                   |                   | Number of Meetings Attended |
|--------|----------------------------|-------------------------------------|-----------------|------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|
|        |                            | May 18, 2019                        | August 10, 2019 | October 22, 2019 | November 12, 2019 | February 11, 2020 | February 19, 2020 | February 24, 2020 |                             |
| 1      | Mr. Arun Kumar Malhotra    | ✓                                   | ✓               | ✓                | ✓                 | ✓                 | ✓                 | x                 | 6                           |
| 2      | Mr. Avinash Parkash Gandhi | ✓                                   | ✓               | ✓                | ✓                 | ✓                 | ✓                 | ✓                 | 7                           |
| 3      | Mr. Anmol Jain             | ✓                                   | ✓               | ✓                | ✓                 | ✓                 | ✓                 | ✓                 | 7                           |
| 4      | Mr. Roop Salotra           | ✓                                   | ✓               | ✓                | ✓                 | ✓                 | ✓                 | ✓                 | 7                           |
| 5      | Mr. Milap Jain             | ✓                                   | ✓               | ✓                | ✓                 | ✓                 | ✓                 | ✓                 | 7                           |

✓ Present X Absent

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.

## Annexure - B (Contd.)

### iv) Subsidiary Company

Lumax Mannoh Allied Technologies Limited (LMAT) is a material non-listed Subsidiary Company in terms of Regulation 16(1)(c) of Listing Regulations. Further, as per Regulation 24 of the Listing Regulations, Mr. Avinash Parkash Gandhi and Mr. Roop Salotra, Directors of the Company are also on the Board of LMAT.

The Company monitors performance of LMAT, inter alia, by the following means:

- Financial Statements, in particular the investments made by LMAT are reviewed quarterly by the Audit Committee of the Company.
- Minutes of the Meetings of the Board of Directors of LMAT are placed before the Company's Board regularly.
- A statement containing all the significant transactions and arrangements entered into by the LMAT is placed before the Company's Board / Audit Committee.

The Company has formulated a policy for determining 'Material' subsidiaries and such policy has been disclosed on the Company's website [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) and the web link of the same is <https://www.lumaxworld.in/lumaxautotech/downloads/Material%20Subsidiary%20Policy-%20LATL.pdf>

### B. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

#### i) Brief Description of Terms of Reference

The brief description of the terms of reference of the Committee are given below:

- 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.
- Any other matters as may be prescribed by Board from time to time.

#### ii) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee (NRC) comprises of Four (4) Members, all being Non- Executive Directors and half of them are Independent Directors. The Chairman of the Committee is a Non- Executive Independent Director.

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

The Composition of the Nomination and Remuneration Committee Meeting during the Financial Year 2019-20 is as under:

| S. No. | Name             | Status   | Category of Membership             |
|--------|------------------|----------|------------------------------------|
| 1      | Mr. Milap Jain   | Chairman | Non-Executive Independent Director |
| 2      | Mr. Roop Salotra | Member   | Non-Executive Independent Director |
| 3      | Mr. Deepak Jain  | Member   | Non-Executive Director             |
| 4      | Mr. Sanjay Mehta | Member   | Non-Executive Director             |

## Annexure - B (Contd.)

### iii) Meetings and Attendance

During the Financial Year under review, the Committee has met Three (3) times and the Attendance Record of Directors of the Committee for the Financial Year are tabulated below:

| S. No. | Name of the Directors | Details of Nomination and Remuneration Committee Meetings |                 |                   | Number of Meetings Attended |
|--------|-----------------------|-----------------------------------------------------------|-----------------|-------------------|-----------------------------|
|        |                       | May 18, 2019                                              | August 10, 2019 | February 11, 2020 |                             |
| 1      | Mr. Milap Jain        | ✓                                                         | ✓               | ✓                 | 3                           |
| 2      | Mr. Roop Salotra      | ✓                                                         | ✓               | ✓                 | 3                           |
| 3      | Mr. Deepak Jain       | ✓                                                         | ✓               | ✓                 | 3                           |
| 4      | Mr. Sanjay Mehta      | ✓                                                         | ✓               | ✓                 | 3                           |

✓ Present X Absent

The Company Secretary of the Company acts as Secretary to the Committee.

### iv) Performance Evaluation Criteria for Independent Directors

Pursuant to the applicable provisions of the Companies Act, 2013 and Listing Regulations, the Board in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of the Board, Individual Directors including Managing Director, Non- Executive Directors and Chairman of the Board.

Performance Evaluation of Independent Directors, Board of Directors, Committees of the Board, Individual Directors including Managing Director, Non-Executive Directors and Chairman of the Board shall be done on annual basis. The evaluation is performed by the Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The Directors were requested to give the following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

## C. Share Transfer/Stakeholders Relationship Committee

In line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations, the Company has constituted a Share Transfer/Stakeholder Relationship Committee to oversee Investors grievances and redressal mechanism and recommends measures to improve the level of Investors' services and to look into and decide matters pertaining to share transfers, duplicate share certificates and related matters.

### i. Composition:

The Composition of Share Transfer/ Stakeholder Relationship Committee during the Financial Year 2019-20 is as under:

| S. No. | Name of Directors        | Status   | Category of Membership             |
|--------|--------------------------|----------|------------------------------------|
| 1      | Mr. Deepak Jain          | Chairman | Non-Executive Director             |
| 2      | Mr. D.K. Jain            | Member   | Executive Chairman                 |
| 3      | Mr. Arun Kumar Malhotra  | Member   | Non-Executive Independent Director |
| 4      | Mr. Kanchan Kumar Gandhi | Member   | Non-Executive Independent Director |

### ii. Name of Non-Executive Director heading the Committee:

The Committee is headed by Mr. Deepak Jain being the Non- Executive Director.



## Annexure - B (Contd.)

### iii. Name and Designation of Compliance Officer:

Mr. Anil Tyagi, Company Secretary was appointed as the Compliance Officer of the Company w.e.f. May 18, 2019. He acts as Secretary to the said Committee.

### iv. Terms of Reference

The terms of reference of Share Transfer/Shareholder Relationship Committee are as follows:

1. 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.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. 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.

### v. SEBI Complaints Redress System (SCORES)

The Investors can also raise complaints in a centralized web based complaints redress system called "Scores". The Company uploads the action taken report on the complaints raised by the Shareholders on "Scores", which can be viewed by the Shareholder. The complaints are closed to the satisfaction of the shareholders and SEBI.

### vi. Status of Investor Complaints received, pending and resolved during the Financial Year 2019-20

| S. No. | Particulars                   | Status |
|--------|-------------------------------|--------|
| 1      | Number of Complaints Received | 5      |
| 2      | Number of Complaints Resolved | 5      |
| 3      | Number of Complaints Pending  | 0      |

### vii. Meetings and Attendance

During the Financial Year under review, the Committee has met Four (4) times and the details of meetings held and attendances of Directors in those meetings are tabulated as follows:

| S. No. | Name of the Directors    | Details of Share Transfer/Stakeholders Relationship Committee |                 |                   |                   | Number of Meetings Attended |
|--------|--------------------------|---------------------------------------------------------------|-----------------|-------------------|-------------------|-----------------------------|
|        |                          | May 18, 2019                                                  | August 10, 2019 | November 12, 2019 | February 11, 2020 |                             |
| 1      | Mr. Deepak Jain          | ✓                                                             | ✓               | ✓                 | ✓                 | 4                           |
| 2      | Mr. D.K. Jain            | x                                                             | ✓               | ✓                 | ✓                 | 3                           |
| 3      | Mr. Arun Kumar Malhotra  | ✓                                                             | ✓               | ✓                 | ✓                 | 4                           |
| 4      | Mr. Kanchan Kumar Gandhi | ✓                                                             | ✓               | ✓                 | ✓                 | 4                           |

✓ Present X Absent

## D. Corporate Social Responsibility Committee (CSR)

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.

## Annexure - B (Contd.)

### i. Composition

The Committee comprises of Three (3) Directors including One Independent Directors which is as follows:

| S. No. | Name of Directors | Status   | Category of Membership             |
|--------|-------------------|----------|------------------------------------|
| 1      | Mr. Roop Salotra  | Chairman | Non-Executive Independent Director |
| 2      | Mr. D.K. Jain     | Member   | Executive Chairman                 |
| 3      | Mr. Deepak Jain   | Member   | Non-Executive Director             |

### ii. Meetings and Attendance

During the Financial Year 2019-20, One (1) Corporate Social Responsibility Committee Meeting was held on the following date:

| S. No. | Name of the Directors | Details of Corporate Social Responsibility Committee Meetings | Number of Meetings Attended |
|--------|-----------------------|---------------------------------------------------------------|-----------------------------|
|        |                       | May 18, 2019                                                  |                             |
| 1      | Mr. Roop Salotra      | ✓                                                             | 1                           |
| 2      | Mr. D.K. Jain         | x                                                             | 0                           |
| 3      | Mr. Deepak Jain       | ✓                                                             | 1                           |

✓ Present X Absent

## 4. REMUNERATION OF DIRECTORS

### A. All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors and Independent Directors during the Financial Year 2019-20 except for the Commission and Sitting Fees payable to them respectively as approved by the Board of Directors from time to time.

### B. Criteria of making payments to Non-Executive Directors:

The Criteria of making payments to Non-Executive Directors has been given on the Company's Website i.e. [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech).

While deciding the payments to be made to Non-Executive Directors various factors such as Director's participation in Board and Committee meeting during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, etc. were taken into consideration.

The Quantum of the said Commission will be apportioned amongst the Non- Executive Director(s) commensurate with their respective performance, which will be adjudged by the Remuneration Committee and Board of Directors.

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 shall not exceed ₹ 1 Lakh per Meeting of the Board or Committee.

Apart from sitting fees and commission referred to above and reimbursement of traveling expenses for attending the Board and Committee meetings, no payment by way of bonus, pension, incentives etc. is paid to any of the Non- Executive Directors.

### C. Details of Remuneration to Directors:

#### 1. Remuneration paid to Executive Directors for the Financial Year 2019-20:

| (₹ in Lakhs) |                       |                    |        |                          |            |        |
|--------------|-----------------------|--------------------|--------|--------------------------|------------|--------|
| S. No.       | Name of the Directors | Designation        | Salary | Perquisites & Allowances | Commission | Total  |
| 1            | Mr. D.K. Jain         | Executive Chairman | 120.00 | 46.12                    | 72.15      | 238.27 |
| 2            | Mr. Anmol Jain        | Managing Director  | 120.00 | 32.70                    | 110.02     | 262.72 |

## Annexure - B (Contd.)

### 2. Remuneration paid to Non – Executive Directors for the Financial Year 2019-20:

(₹ in Lakhs)

| S. No. | Name of the Directors      | Designation                          | Commission | Sitting Fees |
|--------|----------------------------|--------------------------------------|------------|--------------|
| 1      | Mr. Deepak Jain            | Non – Executive Director             | 59.73      | -            |
| 2      | Mr. Sanjay Mehta           | Non – Executive Director             | -          | -            |
| 3      | Mr. Avinash Parkash Gandhi | Non – Executive Independent Director | -          | 4.20         |
| 4      | Mr. Arun Kumar Malhotra    | Non – Executive Independent Director | -          | 3.60         |
| 5      | Mr. Roop Salotra           | Non – Executive Independent Director | -          | 5.00         |
| 6      | Mr. Kanchan Kumar Gandhi   | Non – Executive Independent Director | -          | 2.80         |
| 7      | Mr. Milap Jain             | Non – Executive Independent Director | -          | 4.80         |
| 8      | Mrs. Diviya Chanana        | Non – Executive Independent Director | -          | 2.80         |

#### D. Service Contracts, Notice Periods, Severance Fees

The service contracts, notice period and severance fees are not applicable to Executive Directors, Non-Executive or Independent Directors. The term and tenure of appointment of all the Directors are governed through Board Resolutions which are subject to Shareholders Approval in the Annual General Meetings of the Company.

#### E. Stock Options Details, if any:

No Stock Options have been granted to any Directors during the Financial Year 2019-20.

#### F. There are no Security/Instruments of the Company pending for conversion into Equity Shares.

### 5. GENERAL BODY MEETINGS

#### A. The details of Annual General Meeting (AGMs) held in the last three years are as follows:

| Financial Year | Date            | Time       | Location                                                                                          |
|----------------|-----------------|------------|---------------------------------------------------------------------------------------------------|
| 2016-17        | August 18, 2017 | 03:00 P.M. | Citrus Hotels, Opposite PCMC, Old Mumbai - Pune Highway Road, Pimpri, Pune – 411 018, Maharashtra |
| 2017-18        | August 21, 2018 | 03:00 P.M. | Citrus Hotels, Opposite PCMC, Old Mumbai - Pune Highway Road, Pimpri, Pune – 411 018, Maharashtra |
| 2018-19        | August 23, 2019 | 03:00 P.M. | Air Force Auditorium, Subroto Park, New Delhi-110010                                              |

#### B. Details of Special Resolutions passed in previous three Annual General Meetings (AGM):

##### I. AGM held on August 18, 2017

- There is no any Special Resolution proposed and passed in this AGM.

##### II. AGM held on August 21, 2018

- Re-appointment of Mr. D.K. Jain as an Executive Chairman of the Company for a period of 5 years.

##### III. AGM held on August 23, 2019

- No Special Resolution was passed.

## Annexure - B (Contd.)

### C. Special Resolution passed last year through Postal Ballot:

The details of Special Resolution passed last year through Postal Ballot:

I. Date of Notice of Postal Ballot: May 18, 2019

Voting Period: July 22, 2019 to August 20, 2019

Date of Approval: August 20, 2019

Date of Declaration of Results: August 21, 2019

#### Item No. 1: Re-appointment of Mr. Roop Salotra as Independent Director of the Company for a period of five years.

| Number of Votes Polled | Number of Votes in favour | Number of Votes against | % of Votes in favour on Votes Polled | % of Votes against on Votes Polled |
|------------------------|---------------------------|-------------------------|--------------------------------------|------------------------------------|
| 51077575               | 50746297                  | 331278                  | 99.351                               | 0.649                              |

#### Item No. 2: Re-appointment of Mr. Milap Jain as Independent Director of the Company for a period of five years.

| Number of Votes Polled | Number of Votes in favour | Number of Votes against | % of Votes in favour on Votes Polled | % of Votes against on Votes Polled |
|------------------------|---------------------------|-------------------------|--------------------------------------|------------------------------------|
| 51077575               | 51077533                  | 42                      | 99.999                               | 0.001                              |

#### Item No. 3: Continuation of directorship of Mr. Avinash Parkash Gandhi (Non-Executive Independent Director) for the Present Term.

| Number of Votes Polled | Number of Votes in favour | Number of Votes against | % of Votes in favour on Votes Polled | % of Votes against on Votes Polled |
|------------------------|---------------------------|-------------------------|--------------------------------------|------------------------------------|
| 51077575               | 51077550                  | 25                      | 99.999                               | 0.001                              |

#### Item No. 4: Ratification/Approval of Remuneration being paid to Mr. Deepak Jain, Non-Executive Director\*.

| Number of Votes Polled | Number of Votes in favour | Number of Votes against | % of Votes in favour on Votes Polled | % of Votes against on Votes Polled |
|------------------------|---------------------------|-------------------------|--------------------------------------|------------------------------------|
| 12992348               | 12661087                  | 331261                  | 97.450                               | 2.550                              |

\*The promoters being interested in the resolution, the voting by the Promoters were not considered.

II. Date of Notice of Postal Ballot: November 12, 2019

Voting Period: February 24, 2020 to March 24, 2020

Date of Approval: March 24, 2020

Date of Declaration of Results: March 25, 2020

#### Item No. 1: Approval of Material Related Party Transactions with Lumax Industries Limited\*

| Number of Votes Polled | Number of Votes in favour | Number of Votes against | % of Votes in favour on Votes Polled | % of Votes against on Votes Polled |
|------------------------|---------------------------|-------------------------|--------------------------------------|------------------------------------|
| 12958006               | 12958006                  | -                       | 100.00                               | -                                  |

\*The promoters being interested in the resolution, the voting by the Promoters were not considered.

### D. Person who conducted both the Postal Ballot exercises:

Mr. Maneesh Gupta, Practicing Company Secretary, (FCS No. 4982 & C.P. No. 2945) was appointed as the Scrutinizer for conducting the Postal Ballot/ remote e-voting process in accordance with the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 made thereunder in a fair and transparent manner.

### E. Special Resolution proposed to be conducted through Postal Ballot:

There are no Special Resolutions proposed to be conducted through Postal Ballot.



## Annexure - B (Contd.)

### F. 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 has completed the dispatch of Postal Ballot Notice along with the Postal Ballot Forms and self-addressed postage pre-paid Business Reply Envelopes to the Shareholders. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

The Company also provided the facility of remote e-voting to the Shareholders to cast their votes electronically, in accordance with Section 108 of the Act and Rule 20 of the Rules, and Regulation 44 of the Listing Regulations. The Company engaged the services of KFin Technologies 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.

The Scrutinizer submitted his report to the Chairman of the Company after completion of the scrutiny, and the results of the voting by means of Postal Ballot (including voting through electronic means) were announced at the Registered Office of the Company. The said results of postal ballot/ e-voting was published in the newspapers within 48 hours of the declaration and was also placed on the website of the Company at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech), besides being communicated to Stock Exchanges, Depository and its Registrar and Share Transfer Agent.

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

### 8. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Board Members and Senior Employees of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct on annual basis. The Annual Report contains a declaration to this effect signed by the Chief Executive Officer of the Company. The Code of Conduct is also available on the website of Company under the web link <https://www.lumaxworld.in/lumaxautotech/corporate-governance.html>.

### 9. MEANS OF COMMUNICATION

#### A. Quarterly Results

- Results: The Quarterly/ Half Yearly / Yearly Results of the Company are published in leading and widely circulated English dailies viz. (1) The Financial Express - All Editions (English) (2) Jansatta – New Delhi Edition (Hindi).
- Website: The Company's results are displayed on the Company's website at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) and the websites of BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

#### B. Investor Presentations / Press Releases

Detailed presentations are made to the investors of Company and the same is hosted on the Company's website at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) and are disseminated on the Stock Exchanges where Company's equity is listed.

#### C. Official News Releases/ Conference Calls

All official news releases, invitations and transcript of the Analyst/ Investor conference call is posted on the website of the Company at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) under Investors Tab.

#### D. Website

The Company's website is a comprehensive reference on Lumax's Management, Vision, Mission, Policies, Corporate Governance, updates and news.

#### E. Stock Exchange

The Company makes timely disclosure of necessary information to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

## Annexure - B (Contd.)

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

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

### NSE Electronic Application System (NEAPS)

The NEAPS is a web based application designed by NSE for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases, among others are filed electronically on NEAPS.

### F. Reminders/Correspondences with Investors

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

## 10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF THE DIRECTORS REPORT

## 11. GENERAL SHAREHOLDERS INFORMATION

|                                  |                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A. Annual General Meeting</b> | : The 39 <sup>th</sup> Annual General Meeting is scheduled as under<br>Day : Friday<br>Date : August 28, 2020<br>Time : 03:00 P.M.<br>Venue/ Mode: The Company is conducting meeting through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') pursuant to the MCA Circulars.<br>For details please refer to the Notice of AGM. |
| <b>B. Date of Book Closure</b>   | : Friday, August 21, 2020 to Friday, August 28, 2020                                                                                                                                                                                                                                                                                      |
| <b>C. Registered Office*</b>     | : Lumax Auto Technologies Limited<br>2 <sup>nd</sup> Floor, Harbans Bhawan-II, Commercial Complex,<br>Nangal Raya, New Delhi- 110046                                                                                                                                                                                                      |

*\*The Registered Office of the Company has been changed from Pune (Maharashtra) to New Delhi w.e.f. May 8, 2019.*

|                          |                        |
|--------------------------|------------------------|
| <b>D. Financial Year</b> | : April 01 to March 31 |
|--------------------------|------------------------|

### E. For the Financial Year 2019-20 results were announced on:

| Adoption of Quarterly Results Ended       | Date              |
|-------------------------------------------|-------------------|
| June 30, 2019                             | August 10, 2019   |
| September 30, 2019                        | November 12, 2019 |
| December 31, 2019                         | February 11, 2020 |
| March 31, 2020 (Audited Annual Accounts)* | June 17, 2020     |

*\*Board Meeting held as per relaxation given by SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020*

### F. Provisional Calendar for Financial Year 2020-21

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

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

## Annexure - B (Contd.)

### G. Dividend & Dividend Payment Date

A Final Dividend @150% which is ₹ 3/- per equity share of ₹ 2/- has been recommended by the Board in their Meeting held on June 17, 2020 for the Financial Year 2019-20 (including an Interim Dividend @100% which is ₹ 2/- per equity share of ₹ 2/- each, declared by the Board in their meeting held on February 19, 2020), which is subject to the approval of the Shareholders at the ensuing Annual General Meeting.

For Demat Shareholders and Physical Shareholders who have opted for NECS/ ECS, Dividend Amount of Re. 1/- per share will be credited directly to their respective bank accounts through NECS/ ECS, wherever such facilities are available, soon after the declaration of dividend in the AGM. For others, Dividend Warrants/Demand Drafts will be posted on or before September 14, 2020 (tentative).

### H. Name and Address of Stock Exchange where Company's Equity are listed:

| Stock Exchange                                                                                                                  | Scrip Code |
|---------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>BSE Limited (BSE)</b><br>Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.                                | 532796     |
| <b>National Stock Exchange of India Limited (NSE)</b><br>Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. | LUMAXTECH  |

The ISIN of the Company is INE872H01027.

### I. Listing Fees

The Listing Fees for the Financial Year 2019-20 has been paid to both BSE Limited and National Stock Exchange of India Limited within the prescribed time limits.

### J. Market price data – High and Low during each month in last Financial Year :

The monthly High and Low Prices of the Shares of the Company Listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are as follows:

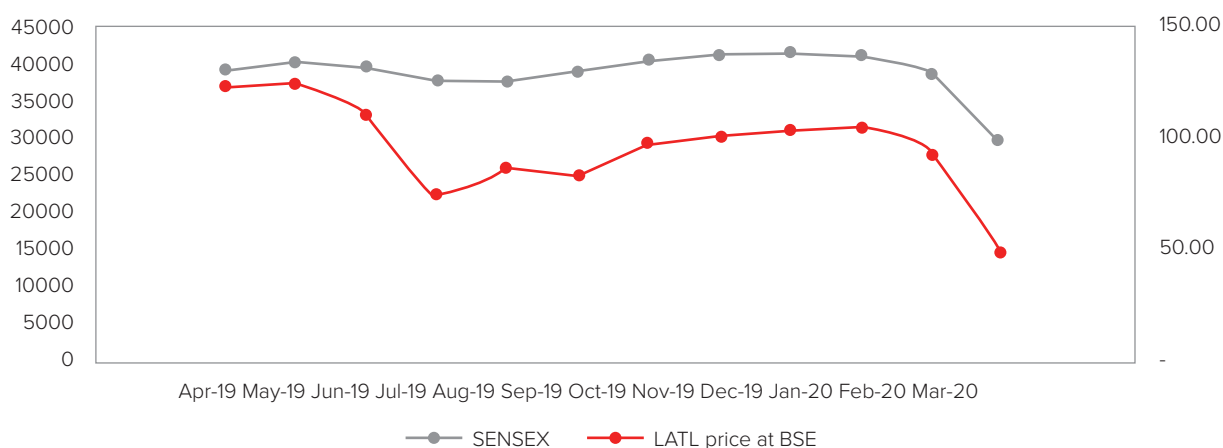
| Month          | BSE         |        | NSE         |        |
|----------------|-------------|--------|-------------|--------|
|                | Share Price |        | Share Price |        |
|                | High        | Low    | High        | Low    |
|                | (₹)         | (₹)    | (₹)         | (₹)    |
| April 2019     | 143.40      | 122.45 | 144.60      | 122.50 |
| May 2019       | 128.70      | 103.75 | 130.00      | 103.30 |
| June 2019      | 128.05      | 106.55 | 126.00      | 107.50 |
| July 2019      | 114.00      | 73.00  | 114.40      | 72.80  |
| August 2019    | 93.50       | 72.70  | 94.00       | 72.05  |
| September 2019 | 96.50       | 80.50  | 98.85       | 80.00  |
| October 2019   | 101.00      | 80.10  | 101.40      | 80.70  |
| November 2019  | 105.65      | 94.85  | 106.35      | 94.70  |
| December 2019  | 111.00      | 90.80  | 109.50      | 91.35  |
| January 2020   | 121.80      | 97.70  | 122.00      | 96.95  |
| February 2020  | 116.30      | 91.90  | 118.10      | 91.50  |
| March 2020     | 100.05      | 48.00  | 100.00      | 47.90  |

## Annexure - B (Contd.)

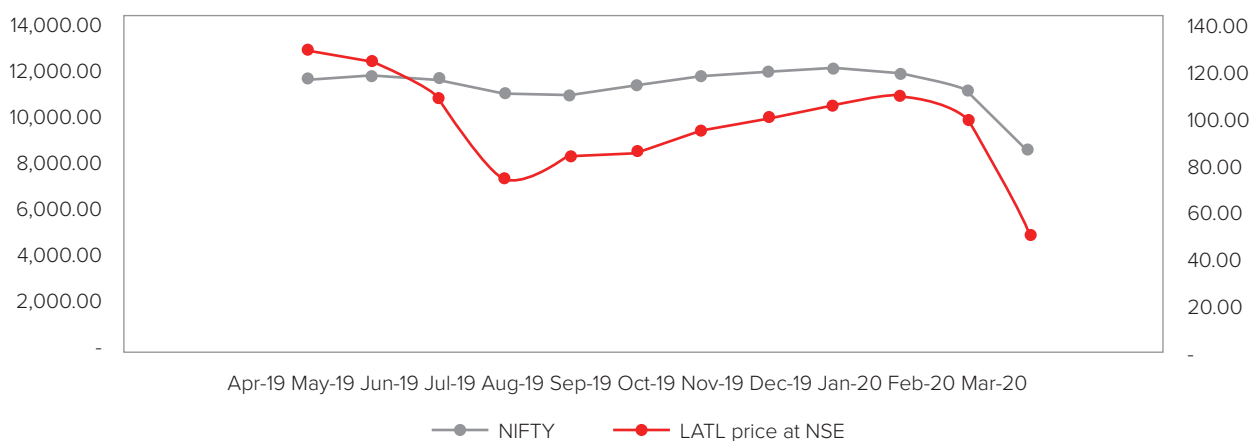
K. The details of the Stock Performance vis – a – vis S&P CNX Nifty in graphical manner and Monthly Closing Share Price on BSE & NSE from April 2019 to March 2020 is given below:

| MONTH          | LATL price at BSE | SENSEX   | LATL price at NSE | NIFTY    |
|----------------|-------------------|----------|-------------------|----------|
| April 2019     | 122.60            | 39031.55 | 130.25            | 11748.15 |
| May 2019       | 123.75            | 39714.20 | 125.00            | 11922.80 |
| June 2019      | 109.15            | 39394.64 | 108.75            | 11788.85 |
| July 2019      | 74.75             | 37481.12 | 74.00             | 11118.00 |
| August 2019    | 85.90             | 37332.79 | 83.25             | 11023.25 |
| September 2019 | 82.85             | 38667.33 | 86.10             | 11474.45 |
| October 2019   | 96.45             | 40129.05 | 94.65             | 11877.45 |
| November 2019  | 100.15            | 40793.81 | 100.85            | 12056.05 |
| December 2019  | 102.55            | 41253.74 | 105.55            | 12168.45 |
| January 2020   | 104.75            | 40723.49 | 110.75            | 11962.10 |
| February 2020  | 92.25             | 38297.29 | 99.45             | 11201.75 |
| March 2020     | 49.90             | 29468.49 | 50.05             | 8597.75  |

**LATL Price at BSE and SENSEX Movement**



**LATL Price at NSE and NIFTY Movement**



## Annexure - B (Contd.)

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

The trading in the equity shares of the Company was never suspended.

**M. Registrars and Share Transfer Agent** (For Physical as well as for Demat Segment)

|         |                                                                                                                                                                      |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Address | Bigshare Services Private Limited<br>1st Floor, Bharat Tin works building,<br>Opp. Vasant Oasis Apartments,<br>Makwana Road, Marol, Andheri East,<br>Mumbai -400059. |
| Tel     | +91-22-62638200                                                                                                                                                      |
| Fax     | +91-22-62638299                                                                                                                                                      |
| Email   | vinod.y@bigshareonline.com                                                                                                                                           |
| Website | www.bigshareonline.com                                                                                                                                               |

**N. Share Transfer System**

All work related to Share Registry, both in physical form and electronic form, is handled by the Company's Registrar and Share Transfer Agent. The Company has appointed M/s Bigshare Services Private Limited as the Registrar & Share Transfer Agent.

There were no shares transferred/transmitted during the Financial Year 2019-20.

**O. Reconciliation of Share Capital Audit**

As stipulated by SEBI, Reconciliation of Share Capital Audit was 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 by the Company in every quarter. 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).

**P. Distribution of Shareholding as on March 31, 2020**

| Range of Shares |          | No. of Shareholders | % of Shareholders | Amount              | % of total    |
|-----------------|----------|---------------------|-------------------|---------------------|---------------|
| 1               | 5,000    | 13,279              | 94.74             | 83,71,578           | 6.14          |
| 5,001           | 10,000   | 344                 | 2.45              | 25,99,832           | 1.91          |
| 10,001          | 20,000   | 185                 | 1.32              | 27,98,136           | 2.05          |
| 20,001          | 30,000   | 66                  | 0.47              | 16,62,708           | 1.22          |
| 30,001          | 40,000   | 40                  | 0.29              | 13,98,634           | 1.03          |
| 40,001          | 50,000   | 24                  | 0.17              | 11,16,384           | 0.82          |
| 50,001          | 1,00,000 | 38                  | 0.27              | 27,15,356           | 1.99          |
| 1,00,001        | & above  | 41                  | 0.29              | 11,56,52,782        | 84.84         |
| <b>Total</b>    |          | <b>14,017</b>       | <b>100.00</b>     | <b>13,63,15,410</b> | <b>100.00</b> |

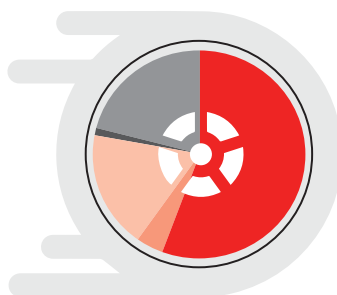


## Annexure - B (Contd.)

### Q. Shareholding Pattern of the Company as on March 31, 2020

| Category                                                                                                              | Number of shares held | % age of shareholding |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>A. Promoters' holding</b>                                                                                          |                       |                       |
| <b>1. Promoters</b>                                                                                                   |                       |                       |
| i Indian Promoters                                                                                                    | 3,81,47,830           | 55.97                 |
| ii Foreign Promoters                                                                                                  | -                     | -                     |
| <b>2. Persons acting in concert</b>                                                                                   | -                     | -                     |
| <b>SUB – TOTAL (A)</b>                                                                                                | <b>3,81,47,830</b>    | <b>55.97</b>          |
| <b>B. Non-Promoters Holding</b>                                                                                       |                       |                       |
| <b>3. Institutional Investors</b>                                                                                     |                       |                       |
| i Mutual Funds                                                                                                        | 26,15,078             | 3.84                  |
| ii Banks, Financial Institutions, Insurance Companies, Central/State Govt. Institutions/ Non-Government Institutions. | 39,179                | 0.06                  |
| iii FIIs / FPIs                                                                                                       | 1,22,35,221           | 17.95                 |
| iv Alternate Investment Funds                                                                                         | 9,51,724              | 1.40                  |
| <b>SUB – TOTAL (B3)</b>                                                                                               | <b>1,58,41,202</b>    | <b>23.25</b>          |
| <b>4. Others</b>                                                                                                      |                       |                       |
| i Bodies Corporate & Clearing Member                                                                                  | 19,81,482             | 2.90                  |
| ii Indian Public                                                                                                      | 1,06,03,269           | 15.55                 |
| iii NRIs                                                                                                              | 9,30,699              | 1.37                  |
| iv IEPF                                                                                                               | 7,235                 | 0.01                  |
| v HUF                                                                                                                 | 645,988               | 0.95                  |
| <b>SUB – TOTAL (B4)</b>                                                                                               | <b>1,41,68,673</b>    | <b>20.78</b>          |
| <b>SUB – TOTAL (B) [B3 + B4]</b>                                                                                      | <b>3,00,09,875</b>    | <b>44.03</b>          |
| <b>GRAND TOTAL (A+B)</b>                                                                                              | <b>6,81,57,705</b>    | <b>100.00</b>         |

### Shareholding Pattern as on March 31, 2020



| Category of Directors          | Share |
|--------------------------------|-------|
| ● Indian Promoters             | 56%   |
| ● Mutual Funds                 | 4%    |
| ● FIIs / FPIs                  | 18%   |
| ● Alternative Investment Funds | 1%    |
| ● Others                       | 21%   |

## Annexure - B (Contd.)

### R. Dematerialization of Shares

The Company's shares of the Company are available for trading in the Dematerialised Form under both the Depository Systems in India - 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.

The Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in Dematerialised form.

For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar & Share Transfer Agents.
- Registrar & Share Transfer Agents will process the DRF and confirm or reject the request to DP.
- Upon confirmation of request, the Shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

#### Status of Dematerialization and Liquidity as on March 31, 2020

##### Dematerialization:

| Category                       | Number of Shares   |
|--------------------------------|--------------------|
| Shares in Demat mode with NSDL | 6,21,63,039        |
| Shares in Demat mode with CDSL | 59,94,651          |
| Shares in Physical mode        | 15                 |
| <b>Total</b>                   | <b>6,81,57,705</b> |

##### Liquidity:

The Number of Shares of the Company traded in the Stock Exchanges for the Financial Year 2019-2020 is given below:

| Particulars             | BSE      | NSE       | Total     |
|-------------------------|----------|-----------|-----------|
| Number of Shares Traded | 7,75,517 | 85,69,823 | 93,45,340 |
| % of Total Equity       | 1.14     | 12.57     | 13.71     |

### S. Outstanding GDR's/ADR's/Warrants or any convertible Instrument, Conversion Date and Likely impact on Equity

There are no convertible instruments which could result in increasing the equity capital of the Company and the Company has not issued any GDR/ADR/FCCB etc.

### T. 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 same is reviewed by the management during the year at appropriate time and placed before Board of Directors. The intent of this mechanism is to minimise the Financial Statement impact of fluctuating Foreign Currency Exchange Rates. During the COVID-19 period, it deliberated across the team to mitigate the forex loss and cope with commodity price risk.

## Annexure - B (Contd.)

### U. Plant Locations of the Company as on March 31, 2020

The Company has following manufacturing units:

| S. No.                             | Plant Locations                                                                                                        |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| 1                                  | Shed No. 1, Plot No. 33/3, D - 2 Block, MIDC, Chinchwad, Pune, Maharashtra                                             |
| 2                                  | W-230-E, 'S' Block, M.I.D.C. Bhosari, Pune, Maharashtra                                                                |
| 3                                  | Gat No. 156/1, Mahalunge, Chakan, Pune, Maharashtra                                                                    |
| 4                                  | K- 76, M.I.D.C., Waluj, Industrial Area Aurangabad, Maharashtra                                                        |
| 5                                  | B - 14/3 , M.I.D.C., Waluj, Industrial Area, Aurangabad, Maharashtra                                                   |
| 6                                  | Sy. No. 334, 366 & 367, Bellur Village, Narsapura Hobli, Kolar, Bengaluru, Karnataka                                   |
| 7                                  | Plot No. 164-165, Sector-5, IMT Manesar, Gurugram- 122050, Haryana                                                     |
| 8                                  | Plot No. 12, Sector- 10, IIE Pantnagar, Distt.- Udham Singh Nagar, Uttarakhand                                         |
| 9                                  | Plot No. 9, 10, 23-25, Gat No. 53, Sahajapur, Aurangabad, Maharashtra                                                  |
| <b>Marketing/ Trading Division</b> |                                                                                                                        |
| 10                                 | Plot No. 2, Industrial Estate, Udyog Vihar, Phase IV, Gurugram, Haryana                                                |
| 11                                 | Khashra No. 25/12/2,18,23,19, Revenue Estate , Vill. Khawaspur, Jamalpur, Main Pataudi Road, Gurugram- 122503, Haryana |

### V. Address for Investors Correspondence

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

#### The Registrar and Share Transfer Agent

|         |                                                                                                                                                                                  |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Address | Bigshare Services Private Limited<br>1 <sup>st</sup> Floor, Bharat Tin works building,<br>Opp. Vasant Oasis Apartments,<br>Makwana Road, Marol, Andheri East,<br>Mumbai -400059. |
| Tel     | +91-22-62638200                                                                                                                                                                  |
| Fax     | +91-22-62638299                                                                                                                                                                  |
| Email   | vinod.y@bigshareonline.com                                                                                                                                                       |
| Website | www.bigshareonline.com                                                                                                                                                           |

#### The Company

|         |                                                                                                                                     |
|---------|-------------------------------------------------------------------------------------------------------------------------------------|
| Address | Lumax Auto Technologies Limited<br>2 <sup>nd</sup> Floor, Harbans Bhawan- II, Commercial Complex,<br>Nangal Raya, New Delhi- 110046 |
| Tel     | +91-11-49857832                                                                                                                     |
| Email   | shares@lumaxmail.com                                                                                                                |
| Website | www.lumaxworld.in/lumaxautotech                                                                                                     |

## Annexure - B (Contd.)

**W. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**

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

1. Long Term Rating - CRISIL A+/Positive
2. Commercial Paper - CRISIL A1+

The Company does not have any fixed deposit programme or any scheme or proposal involving mobilisation of Funds in India or abroad. There were no revision / changes in the aforesaid ratings issued by CRISIL.

**X. Unclaimed/Unpaid Dividends and Shares:**

Pursuant to the provisions of Section 124 & 125 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Dividend which remains unclaimed/unpaid for a period of Seven (7) years from the date of transfer shall be transferred to Investor Education and Protection Fund (IEPF) Authority. Further, all corresponding shares in respect of above-mentioned shares shall also be transferred to the demat account of IEPF Authority. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form IEPF – 5 after complying with the procedure prescribed under the IEPF Rules.

The Company had sent notices to all Shareholders whose shares were due to be transferred to IEPF and the newspaper advertisement with respect to same was also published. During the Financial Year 2019-20, ₹ 1,25,508/- of unpaid/unclaimed dividend and 1,230 shares were transferred to the IEPF Authority.

Further, the Unclaimed Dividend for the Financial Year 2012-13 shall become transferable to the Investor Education and Protection Fund (IEPF) by September 27, 2020. The Company has been writing periodical reminders to all the shareholders as a part of sending Notice of the Annual General Meeting, who's Dividends are lying unpaid in the Unpaid Dividend Account. Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website. The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed.

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

### 12. OTHER DISCLOSURES:

**A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

- There were no transaction of significant material nature by Company that have a potential conflict with the interest of Company at large.
- During the Financial Year 2019-20, all the transactions entered into were in the normal course of business and at arms' length basis. The said transactions are reported as the Related Party Transactions in the Annual Accounts.
- However, as per Regulation 23 of Listing Regulations, the Related Party Transactions which fall under the definition of 'Materiality' have been disclosed in the **Annexure - D** i.e. **AOC-2**.

The Audit Committee is briefed with all Related Party Transactions (material & non-material) undertaken by the Company on quarterly basis.

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

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

## Annexure - B (Contd.)

### **C. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee**

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

The Company has a robust Whistle Blower Policy to enable its Directors and Employees to report to the Management their concerns about unethical 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.

During the year, the Vigil Mechanism/ Whistle Blower Policy was amended in line with Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the same has been updated on the website of the Company at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech).

### **D. Details of compliance with mandatory requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

### **E. Web link where policy for determining 'material' subsidiaries is disclosed**

The web link for policy determining 'material' subsidiaries is disclosed on the website of the Company at the web link [https:// www.lumaxworld.in/lumaxautotech/policies.html](https://www.lumaxworld.in/lumaxautotech/policies.html).

### **F. Web link where policy on dealing with related party transactions**

The Board approved policy on related party transactions can be accessed on [www.lumaxworld.in/lumaxautotech/pdf/related-party-transaction-policy.pdf](http://www.lumaxworld.in/lumaxautotech/pdf/related-party-transaction-policy.pdf).

### **G. Commodity price risk or foreign exchange risk and hedging activities:**

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.

### **H. 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 March 31, 2020.

### **I. A 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 is enclosed with this report.**

### **J. 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 Committees of the Company during the year under review.



## Annexure - B (Contd.)

- K.** Details of all the Fees for all the services paid to M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company i.e. LATL and Lumax Cornaglia Auto Technologies Private Limited ("LCAT") i.e. Subsidiary of the Company on a Consolidated basis during the Financial Year ended March 31, 2020

(₹ in Lakhs)

| S. No. | Particulars            | Fees Paid    |             |              |
|--------|------------------------|--------------|-------------|--------------|
|        |                        | LATL         | LCAT        | Total        |
| 1      | Statutory Audit        | 35.75        | 2.50        | 38.25        |
| 2      | Limited Review         | 9.00         | -           | 9.00         |
| 3      | Tax Audit              | 1.75         | 1.00        | 2.75         |
| 4      | Out of Pocket Expenses | 2.18         | -           | 2.18         |
| 5      | Other Services         | -            | -           | -            |
|        | <b>Total</b>           | <b>48.68</b> | <b>3.50</b> | <b>52.18</b> |

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

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

- 13. 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.

- 14. 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 (except 4th Quarter FY20, due to exemption) 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 Deloitte Touche Tohmatsu 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.

- 15. 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 20 and 22 to 27;
- Clauses (b) to (i) of sub-regulation (2) of Regulation 46; and
- Para C, D and E of Schedule V

## Annexure - B (Contd.)

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

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

A declaration to that effect, signed by the Chief Executive Officer is attached and forms part of this Report.

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

### 17. 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 an integral part of this Report.

### 18. CEO AND CFO CERTIFICATE

The Chief Executive Officer and the Chief Financial Officer 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. 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                                                                                                   | Number of Shareholders | Number of Shares |
|---------------------------------------------------------------------------------------------------------------|------------------------|------------------|
| Aggregate number of shareholders and outstanding shares at the beginning of the year i.e. as on April 1, 2019 | Nil                    | Nil              |
| Number of shareholders who approached for issue/transfer of Shares during the year 2019-20                    | Nil                    | Nil              |
| Number of shareholders to whom shares were issued/ transferred                                                | Nil                    | Nil              |
| Transfer to IEPF                                                                                              | Nil                    | Nil              |
| Aggregate number of shareholders and the Outstanding shares lying at the end of the year i.e. March 31, 2020  | Nil                    | Nil              |

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

### 20. IMPORTANT INFORMATION FOR SHAREHOLDERS

#### A. Nomination Facility

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

#### B. Updation of Shareholders Information

Shareholders holding shares in physical form are requested to notify the changes to the Company/ its RTA, promptly by a written and duly signed request and Shareholders holding shares in electronic form are requested to send their instructions directly to their Depository Participants (DPs).

## Annexure - B (Contd.)

### C. Mandatory Requirement for Dematerialisation of Shares

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, the requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the Dematerialised Form with the depositories. Therefore, the Shareholders are requested to immediately take action to dematerialize their Equity Shares of the Company.

### D. Permanent Account Number (PAN)

Attention is drawn that the Shareholders holding shares in the physical form are mandatorily required to furnish copy of PAN Card in the following cases:

- i) Legal heirs' / Nominees' PAN Cards for transmission of shares,
- ii) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
- iii) Joint holders' PAN Cards for transposition of shares

### E. 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 April 1, 2019. Any investor who is desirous of transferring shares (which are held in physical form) after April 1, 2019 can do so only after the shares are dematerialized. However, the said amendment is not applicable for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

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

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

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

1. Those shareholders who have registered/not registered their mail address and mobile no.s including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited in case the shares held in physical form.
2. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced may temporarily get their email address and mobile number registered with the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited, by sending the email at [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com).
3. Shareholders may also requested to visit the website of the company [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) for downloading the Annual Report and Notice of the e-AGM.
4. Alternatively member may send an e-mail request at the email id [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com) or [shares@lumaxmail.com](mailto:shares@lumaxmail.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of e-AGM and the e-voting instructions.

## Annexure - B (Contd.)

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

I, Vikas Marwah, Chief Executive Officer of the Company hereby certify that the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct of the Company for the Financial Year 2019-20.

Place: New Delhi  
Date: June 17, 2020

**Vikas Marwah**  
Chief Executive Officer

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

**(ASHISH DUBEY)**  
CHIEF FINANCIAL OFFICER

Place: New Delhi  
Date: June 17, 2020

**(VIKAS MARWAH)**  
CHIEF EXECUTIVE OFFICER

## 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 Auto Technologies Limited

2<sup>nd</sup> 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 Auto Technologies Limited having CIN L31909DL1981PLC349793 and having Registered Office at 2<sup>nd</sup> 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Place: New Delhi  
Date: June 16, 2020  
UDIN: F004982B000347192

Signature  
**Maneesh Gupta**  
FCS No.: 4982  
CP No.: 2945



## Annexure - B (Contd.)

### Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of  
Lumax Auto Technologies Limited  
2<sup>nd</sup> Floor, Harbans Bhawan- II,  
Commercial Complex, Nangal Raya,  
New Delhi- 110046.

1. The Corporate Governance Report prepared by Lumax Auto Technologies Limited (hereinafter the "the Company"), contains details as specified in regulation 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock Exchange.

#### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the Auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Read and understand the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t Executive and Non- Executive Directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2020 and verified that atleast one Women Director was on the Board during the year;
  - iv. Obtained and read the minutes of the following Meetings held April 01, 2019 to March 31, 2020:
    - (a) Board of Directors Meeting;
    - (b) Audit committee;

## Annexure - B (Contd.)

- (c) Annual General meeting;
  - (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Independent Directors Meeting; and
  - (g) Corporate Social Responsibility Committee
- v. Verified the fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - vi. Obtained necessary declarations from Directors of the Company.
  - vii. Obtained and read the policy adopted by the Company for related party transactions.
  - viii. Obtained the Schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the Financial Statements of the Company taken as a whole.

### Opinion

9. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2020, referred to in paragraph 4 above.

### Other matters and Restriction on Use

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the Statutory Auditors 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 20094421AAAACT7960

Place: New Delhi

Date: 17<sup>th</sup> June 2020

## Annexure - C

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

#### 1. INTRODUCTION AND REGULATORY FRAMEWORK

This Nomination and Remuneration Policy ("Policy") of Lumax Auto Technologies 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 of the Company.

#### 2. OBJECTIVE

The objective of this Policy are as follows:

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

#### 3. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

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

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

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

| S. No. | Name             | Category                                       |
|--------|------------------|------------------------------------------------|
| 1.     | Mr. Milap Jain   | Chairman (Non- Executive Independent Director) |
| 2.     | Mr. Roop Salotra | Member (Non- Executive Independent Director)   |
| 3.     | Mr. Deepak Jain  | Member (Non- Executive Director)               |
| 4.     | Mr. Sanjay Mehta | Member (Non- Executive Director)               |

## Annexure - C (Contd.)

### 4. ROLE OF NOMINATION AND REMUNERATION COMMITTEE

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

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- devising a policy on diversity of Board of Directors;
- identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- recommend to the Board, all remuneration, in whatever form, payable to senior management.
- specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

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

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

### 5. APPOINTMENT/ NOMINATION OF DIRECTORS

#### General Criteria

- a) The Board shall comprise of optimum number of Directors as is necessary to effectively manage the affairs of the Company. Subject to a minimum of 3 and maximum of 15, the Board shall have an appropriate combination of Executive, Non-Executive, Independent and Woman Directors.
- b) The Nomination and Remuneration Committee shall be responsible for identifying suitable candidate for appointment as Director of the Company. While evaluating a person for appointment / re- appointment as Director, the Committee shall consider and evaluate including but not limited to background and qualifications, knowledge, skills, abilities, professional experience and functional expertise, personal accomplishment, age, experience of automobile/auto component industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.
- c) The proposed candidate shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research and development, technical operations, corporate governance or such other areas related to the Company's business as determined by the Nomination and Remuneration Committee.
- d) The proposed candidate shall not be discriminated against on the basis of race, religion, nationality, sex, disability, or any other basis prohibited by law.

## Annexure - C (Contd.)

- e) 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 of Directors:

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

## 6. REMUNERATION OF DIRECTORS

The Company shall strive to have a remuneration structure which should be reasonable and sufficient in order to justify the position and responsibility and to retain the Directors. The relationship of remuneration to performance should be clear and should meet appropriate performance benchmarks.

The Committee shall be responsible for reviewing and making recommendations to the Board on Remuneration of Executive Directors and Non- Executive/ Independent Directors which shall be done in accordance with applicable law and amendments thereof.

### Managing Directors or Whole Time Directors

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



## Annexure - C (Contd.)

### Non- Executive Directors/ Independent Director:

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

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

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

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

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

- the Chief Executive Officer or the Managing Director or the Manager;
- the Whole-Time Director;
- the Chief Financial Officer;
- the Company Secretary;
- such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and
- 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:

- The Nomination and Remuneration Committee shall be responsible for identifying suitable candidate for the position of Key Managerial Personnel i.e. Chief Financial Officer, Company Secretary, and other Senior Management Personnel;
- The appointment of Key Managerial Personnel and Senior Management Personnel shall be approved by the Board on recommendation of the Nomination and Remuneration Committee;
- While evaluating a person for appointment / re-appointment in a senior management position, the management shall considers 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;
- 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.

## Annexure - C (Contd.)

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

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

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

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

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

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

### 9. APPOINTMENT AND REMUNERATION OF OTHER EMPLOYEES

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

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

### 10. TERM / TENURE

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

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive/ Whole- time Director for a term not exceeding five years at a time. No 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 at this initial stage of implementation.

### 12. FREQUENCY OF BOARD EVALUATION

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

The Company may undertake annual evaluation either in accordance with calendar year or financial year, as there is no clarity on this. Ideally, the same should be as per financial year.

### 13. DISCLOSURE

The policy shall be disclosed in the Board Report, Annual Report, website and such other places as may be required by the Act and rules framed thereunder, Equity Listing Agreement entered into with the stock exchanges (including any statutory modification(s) or 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 Chief Compliance Officer & the Company Secretary at the Corporate Office of the Company.

## Annexure - D

### FORM AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### 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                                                                                            | NA |
| b. Nature of contracts/arrangements/transactions                                                                                                      |    |
| c. Duration of the contracts/arrangements/transactions                                                                                                |    |
| d. Salient terms of the contracts or arrangements or transactions including the value, if any                                                         |    |
| e. Justification for entering into such contracts or arrangements or transactions                                                                     |    |
| f. Date(s) of approval by the Board                                                                                                                   |    |
| g. Amount paid as advances, if any                                                                                                                    |    |
| h. Date on which (a) the requisite resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013 |    |

#### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

|                                                                                               |                                                                                                                                 |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| a. Name(s) of the related party and nature of relationship                                    | Lumax Industries 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                                       | April 01, 2019 to March 31, 2020                                                                                                |
| d. Salient terms of the contracts or arrangements or transactions including the value, if any | ₹ 19,753.00 Lakhs                                                                                                               |
| e. Date(s) of approval by the Board, if any                                                   | November 12, 2019                                                                                                               |
| f. Amount paid as advances, if any                                                            | Nil                                                                                                                             |

All related party transactions are in the ordinary course of business and on arm's length basis which are approved by Audit Committee of the Company.

For and on behalf of the Board of Directors of  
Lumax Auto Technologies Limited

**D.K. Jain**

Chairman

DIN: 00085848

Place: New Delhi  
Dated: June 17, 2020

## Annexure - E

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

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

| S. No. | Name of Directors & Key Managerial Personnel | Designation             | Ratio of Remuneration to Median Remuneration of all employees | % increase/ (decrease) in Remuneration during the Financial Year 2019-20 |
|--------|----------------------------------------------|-------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------|
| 1      | Mr. D. K. Jain                               | Executive Chairman      | 63.28                                                         | (26.96)                                                                  |
| 2      | Mr. Anmol Jain                               | Managing Director       | 69.77                                                         | (26.66)                                                                  |
| 3      | Mr. Ashish Dubey                             | Chief Financial Officer | NA                                                            | 3.50                                                                     |
| 4      | Mr. Anil Tyagi®                              | Company Secretary       | NA                                                            | -                                                                        |

®Mr. Anil Tyagi has been appointed as Company Secretary w.e.f. May 18, 2019.

- B. The percentage increase in the Median Remuneration of Employees for the Financial Year 2019-20 was 3.18%.
- C. The number of Permanent Employees on the rolls of the Company as on March 31, 2020 was 926.
- D. The Average Percentage increase in the salaries of the employees other than the Managerial Personnel for the Financial Year was 5.12% whereas there was decrease in the Managerial Remuneration by 26.80%.
- E. Affirmation that the remuneration is as per the remuneration policy of the Company:  
The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.
- F. The details of Top Ten Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as an Exhibit to this Annexure.
- G. There were no employees who being employed throughout Financial Year were in receipt of remuneration not less than Rupees One Crore and Two Lakhs except Mr. D.K. Jain, Mr. Anmol Jain, Mr. Sanjay Bhagat and Mr. Vivek Jakhmola and the details are provided in the Exhibit to this Annexure.
- H. There were no employees who being employed for a part of Financial Year were in receipt of remuneration not less than Rupees Eight Lakhs and Fifty Thousand per month except Mrs. Shivani Jain and Mrs. Poysha Goyal Jain and the details are provided in the Exhibit to this Annexure.
- I. The Statement containing particulars of Employees who if employed throughout the year or part thereof, were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Executive Chairman and Managing Director or CEO or Whole time Director and holds by himself or along with his spouse and dependent children, not less than two percent of the Equity Shares of the company - Not Applicable.



# Annexure - E (Contd.)

## Exhibit to Annexure - E

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

| S. No. | Name of the Employee | Designation        | Remuneration received | Nature of Employment whether Contractual or otherwise | Qualifications and Experience of the Employee       | Date of Commencement of Employment | Age | Last employment held by such Employee | The percentage of equity shares held by the employee in the Company | Whether any such employee is a relative of any Director or manager of the Company |
|--------|----------------------|--------------------|-----------------------|-------------------------------------------------------|-----------------------------------------------------|------------------------------------|-----|---------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 1      | D. K. Jain           | Executive Chairman | 2,38,26,615           | Permanent                                             | MBA<br>Exp: 55 years                                | 07-08-2013                         | 78  | -                                     | Nil                                                                 | Father of Mr. Anmol Jain                                                          |
| 2      | Anmol Jain           | Managing Director  | 2,62,72,194           | Permanent                                             | MBA (FINANCE)<br>Exp: 20 years                      | 07-08-2013                         | 41  | GHSP, U.S.A.                          | 14.60% (99,49,380 shares)                                           | Son of Mr. D. K. Jain                                                             |
| 3      | Sanjay Bhagat        | EVP                | 1,30,33,842           | Permanent                                             | PGDM<br>Exp: 31 years                               | 01-06-2017                         | 54  | Minda Automotive Solutions Ltd        | Nil                                                                 | Nil                                                                               |
| 4      | Vivek Jakhmola       | SR. VP             | 1,06,72,104           | Permanent                                             | PGDBA<br>Exp: 21 years                              | 04-09-2006                         | 44  | Wipe Private Ltd.                     | 0.0012 % (850 shares)                                               | Nil                                                                               |
| 5      | Rajesh Dubbawar      | SR. VP             | 77,34,126             | Permanent                                             | DME, MMS<br>Exp: 31 years                           | 02-04-2007                         | 53  | Grauer & Weil (I) Ltd.                | 0.0002 % (125 shares)                                               | Nil                                                                               |
| 6      | Shivani Jain*        | SR. EVP            | 74,02,143             | Permanent                                             | MBA<br>Exp: 16 years                                | 10-11-2019                         | 42  | Lumax DK Auto Industries Limited      | Nil                                                                 | Spouse of Mr. Anmol Jain                                                          |
| 7      | Poysha Goyal Jain*   | SR. EVP            | 74,02,143             | Permanent                                             | BCOM<br>Exp: 17 years                               | 10-11-2019                         | 40  | Lumax DK Auto Industries Limited      | Nil                                                                 | Spouse of Mr. Deepak Jain                                                         |
| 8      | Ashish Dubey         | SR. GM             | 63,70,404             | Permanent                                             | MBA FINANCE<br>Exp: 31 years                        | 01-04-2009                         | 53  | Lumax Industries Ltd.                 | 0.0003% (215 shares)                                                | Nil                                                                               |
| 9      | Rakesh Kumar Arora   | SR. GM             | 50,22,192             | Permanent                                             | B.SC, PGDBA (MKT. & FOREIGN TRADE)<br>Exp: 28 years | 30-04-2016                         | 50  | ASK Automotive Private Ltd.           | Nil                                                                 | Nil                                                                               |
| 10     | Amit Sen Makhija     | SR. GM             | 46,46,772             | Permanent                                             | AMIE, SMP<br>Exp: 24 years                          | 03-11-2016                         | 47  | Minda Automotive Solutions Ltd        | Nil                                                                 | Nil                                                                               |

\* Employed for a part of Financial Year pursuant to Merger of erstwhile Lumax DK Auto Industries Limited with the Company and were in receipt of remuneration more than Rupees Eight Lakh and Fifty Thousand per month.

# Annexure - F

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,

The Members,

#### Lumax Auto Technologies Limited

2nd Floor, Harbans Bhawan-II,

Commercial Complex,

Nangal Raya, New Delhi-110 046

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

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

#### Management's Responsibility for Secretarial Compliances

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

#### Auditors Responsibility

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

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

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

The secretarial audit report is neither an assurance to the future viability of the company nor of the efficacy or

effectiveness with which the management has conducted the affairs of the Company.

#### Opinion

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company during the year under review;**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – **Not applicable to the Company during the year under review;**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable to the Company during the year under review;**

## Annexure - F (Contd.)

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable to the Company;**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable to the Company during the year under review;** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable to the Company during the year under review;**
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) 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 March 31, 2020, complied with the aforesaid laws, material compliances are listed in the Annexure attached to this report.

Based on information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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,

Place: New Delhi  
Date: June 16, 2020  
UDIN: F004982B000347051

Signature  
**Maneesh Gupta**  
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 August 23, 2019 and holding of the meeting on that date;
18. Minutes of General meeting;
19. Approval of Members, Board of Directors, Committee of Directors and government authorities, wherever required;
20. Form of Balance Sheet as at March 31, 2019 as prescribed under the Companies Act, 2013;
21. Report of the Board of Directors for the financial year ended March 31, 2019;
22. Borrowings and registration of charges;

Place: New Delhi  
Date: June 16, 2020  
UDIN: F004982B000347051

Signature  
**Maneesh Gupta**  
FCS No. 4982  
C P No. 2945

Corporate Overview

Statutory Reports

Financial Statements

## Annexure - F (Contd.)

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(For the Financial Year ended March 31, 2020)**

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

To,  
The Members

**Lumax Mannoh Allied Technologies Limited**

CIN: U35912DL2013PLC255694

02<sup>nd</sup> Floor, Harbans Bhawan-II, Commercial

Complex, Nangal Raya, New Delhi- 110046.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Lumax Mannoh Allied Technologies Limited** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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 authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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<sup>st</sup> March, 2020 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the Rules made there under read with notifications, exemptions and clarifications thereto;
  2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
  4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings
- [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment];**
5. 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; (are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review);
    - (b) The Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulations, 2015 are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review);
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (are not applicable as the Company have not issued any further Share Capital during the financial year under the review);
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (are not applicable as the Company have not issued any further Share Capital during the financial year under the review);
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review);
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Company and



## Annexure - F (Contd.)

dealing with clients; (are not applicable as the Company is not registered as a Registrar to issue and Share Transfer Agent during the financial year under the review)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (are not applicable as the Company is not registered as a Registrar to issue and Share Transfer Agent during the financial year under the review) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (are not applicable as the Company is not registered as a Registrar to issue and Share Transfer Agent during the financial year under the review)
- (i) Other laws applicable to the Company as per representations made by the Company.

6. The Management has identified and confirmed the following laws as specifically applicable to the Company:

- (a) The Motor Vehicles Act, 1988 and rules made thereunder applicable specifically to the Company.
- (b) The Central Motor Vehicles Rules 1989.
- (c) The Maternity Benefits Act, 1961;
- (d) The Payment of Wages Act, 1936, and rules made thereunder;
- (e) The Minimum Wages Act, 1948, and rules made thereunder;
- (f) The Employees' State Insurance Act, 1948, and rules made thereunder;
- (g) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder;
- (h) The Payment of Bonus Act, 1965, and rules made thereunder;
- (i) The Payment of Gratuity Act, 1972, and rules made thereunder;

- (j) The Contract Labour (Regulation & Abolition) Act, 1970; and
- (k) The Prevention of Money Laundering Act, 2002.

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

- (a) The Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### We further report that:

- 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 year under review were carried out in compliance with the provisions of the Act.
- 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.
- All the decisions of the Board and Committees thereof were carried out with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion

## Annexure - F (Contd.)

that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines: -

- As informed, the Company has responded appropriately to notices received from various statutory /regulatory authorities including initiating

actions for corrective measures, wherever found necessary.

- We further report that during the audit period there were no following specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **VAPN & Associates**  
Practicing Company Secretaries  
Firm Registration No.: P2015DE045500

**Prabhakar Kumar**  
Partner  
Membership No.: F5781  
CP. No.: 10630  
UDIN: F005781B000342227

Place: New Delhi  
Date: 15th June, 2020

## Annexure - F (Contd.)

To,

The Members

**Lumax Mannoh Allied Technologies Limited**

CIN: U35912DL2013PLC255694

02<sup>nd</sup> Floor, Harbans Bhawan-II,

Commercial Complex, Nangal Raya,

New Delhi- 110046.

Our Secretarial Audit Report for the Financial Year 2019-20 is to be read along with this letter.

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. 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.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For **VAPN & Associates**  
Practicing Company Secretaries  
Firm Registration No.: P2015DE045500

**Prabhakar Kumar**  
Partner  
Membership No.: F5781  
CP. No.: 10630  
UDIN: F005781B000342227

Place: New Delhi  
Date: 15th June, 2020

## Annexure - G

### BUSINESS RESPONSIBILITY REPORT

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

|    |                                                                          |                                                                                                |
|----|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| 1. | Corporate Identity Number (CIN) of the Company                           | : L31909DL1981PLC349793                                                                        |
| 2. | Name of the Company                                                      | : LUMAX AUTO TECHNOLOGIES LIMITED                                                              |
| 3. | Registered Address                                                       | : 2 <sup>nd</sup> Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi- 110046 |
| 4. | Website                                                                  | : www.lumaxworld.in/lumaxautotech                                                              |
| 5. | E-mail id                                                                | : shares@lumaxmail.com                                                                         |
| 6. | Financial Year reported                                                  | : 2019-20                                                                                      |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | :                                                                                              |

| Sr. No. | Name and Description of Main Products & Services | NIC Code of the Product/Service | % to Total Turnover of the Company |
|---------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1.      | Automotive Lamps                                 | 2740                            | 26.13%                             |
| 2.      | Plastic Moulded Parts                            | 22207                           | 19.56%                             |
| 3.      | Frame Chassis                                    | 29103                           | 13.11%                             |

List three key products/services that the Company manufactures/provides (as in balance sheet) : Automotive Lamps, Moulded Parts and Frame Chassis

|    |                                                                                               |
|----|-----------------------------------------------------------------------------------------------|
| 8. | Total number of locations where business activity is undertaken by the Company:               |
|    | (a) Number of International Locations NIL                                                     |
|    | (Provide details of major 5)                                                                  |
|    | (b) Number of National Locations the Company has 9 manufacturing plants in below locations:   |
|    | 1 Chinchwad, Pune, Maharashtra                                                                |
|    | 2 Bhosari, Pune, Maharashtra                                                                  |
|    | 3 Chakan, Pune, Maharashtra                                                                   |
|    | 4 K- 76, Aurangabad, Maharashtra                                                              |
|    | 5 B - 14, Aurangabad, Maharashtra                                                             |
|    | 6 Narsapura, Bengaluru, Karnataka                                                             |
|    | 7 Manesar, Gurugram, Haryana                                                                  |
|    | 8 Pantnagar, Udham Singh Nagar, Uttarakhand                                                   |
|    | 9 Sahajapur, Aurangabad, Maharashtra                                                          |
|    | <b>In addition to above the Company has the following Marketing/Trading Divisions:</b>        |
|    | 1 Gurugram, Haryana                                                                           |
|    | 2 Jamalpur, Gurugram, Haryana                                                                 |
| 9. | Markets served by the Company – Local/State/National/International : National & International |

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital : ₹ 1,363.15 Lakhs
- Total Turnover : ₹ 94,236.07 Lakhs
- Total profit after taxes (continued operations) : ₹ 5,127.38 Lakhs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax 2.08 %
- List of activities in which expenditure in 4 above has been incurred :-
  - Education
  - Health

#### SECTION C: OTHER DETAILS

##### 1. Does the Company have any Subsidiary Company/ Companies?

Yes. We have 10 subsidiaries (including 2 step down subsidiary) and 2 Associates. Details of the same have been provided in another section of the Annual Report.

## Annexure - G (Contd.)

### 2. Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

The Subsidiary Companies are not required to comply with the Business Responsibility/Corporate Social Responsibility initiatives as per the laws applicable to them.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company actively engages with its suppliers through its Business Responsibility initiatives. However, the Company does not track the actual participation.

## SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN Number : 00004993  
Name : Anmol Jain  
Designation : Managing Director

(b) Details of the BR head

| S. No. | Particulars                | Details                       |
|--------|----------------------------|-------------------------------|
| 1.     | DIN Number (if applicable) | NA                            |
| 2.     | Name                       | Vikas Marwah                  |
| 3.     | Designation                | Chief Executive Officer (CEO) |
| 4.     | Telephone Number           | 0124-4760000                  |
| 5.     | Email ID                   | vikas.marwah@lumaxmail.com    |

### 2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policies

|                  |                                                                                                                                                            |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Principle 1 (P1) | : Business should conduct and govern themselves with transparency and accountability                                                                       |
| Principle 2 (P2) | : Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.                                   |
| Principle 3 (P3) | : Business should promote the wellbeing of all employees                                                                                                   |
| Principle 4 (P4) | : Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised |
| Principle 5 (P5) | : Business should respect and promote Human Rights                                                                                                         |
| Principle 6 (P6) | : Business should respect, protect and make Efforts to restore the environment                                                                             |
| Principle 7 (P7) | : Business when engaged in influencing Public and Regulatory Policy, should do so in a responsible manner                                                  |
| Principle 8 (P8) | : Business should support inclusive growth and equitable development                                                                                       |
| Principle 9 (P9) | : Business should engage with and provide value to their customers and consumers in a responsible manner                                                   |

(a) Details of compliance (Reply in Y/N)

| S. No. | Questions                                                                       | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|---------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|----|
| 1.     | Do you have a policy/ policies for                                              | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2.     | Has the policy being formulated in consultation with the relevant stakeholders? | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |



## Annexure - G (Contd.)

| S. No. | Questions                                                                                                                                                  | P1                                                                                                                        | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|
| 3.     | Does the policy conform to any national / international standards? If yes, specify? (50 words)*                                                            | Y                                                                                                                         | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 4.     | Has the policy being approved by the Board?<br>Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?                                   | Y                                                                                                                         | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 5.     | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**                                | Y                                                                                                                         | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 6.     | Indicate the link for the policy to be viewed online?                                                                                                      | <a href="https://www.lumaxworld.in/lumaxautotech/policies.html">https://www.lumaxworld.in/lumaxautotech/policies.html</a> |    |    |    |    |    |    |    |    |
| 7.     | Has the policy been formally communicated to all relevant internal and external stakeholders?                                                              | Y                                                                                                                         | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 8.     | Does the company have in-house structure to implement the policy/ policies.                                                                                | Y                                                                                                                         | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 9.     | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y                                                                                                                         | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 10.    | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                 | Y                                                                                                                         | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |

- The Whistle Blower Policy, Code of Conduct, Prevention of Sexual Harassment Policy and Corporate Social Responsibility Policy are framed as per the requirements of the respective legislations of India. Environment policy conforms to ISO - 14001 which is an international standard released by International Standards Organization (ISO).

\*\* The Whistle Blower Policy and Code of Conduct are overseen by the Audit Committee of the Board of Directors of the Company and Corporate Social Responsibility Policy is overseen by the Corporate Social Responsibility Committee of the Board of Directors of the Company. Prevention of Sexual Harassment Policy is being overseen by Internal Complaints Committee (ICC) constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The grievance, if any, arising out of Whistle Blower Policy, Code of Conduct and Prevention of Sexual Harassment Policy is being redressed by the respective committees which oversee them.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| S. No. | Questions                                                                                                                         | P1             | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|-----------------------------------------------------------------------------------------------------------------------------------|----------------|----|----|----|----|----|----|----|----|
| 1.     | The Company has not understood the Principles                                                                                     | Not Applicable |    |    |    |    |    |    |    |    |
| 2.     | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles |                |    |    |    |    |    |    |    |    |
| 3.     | The Company does not have financial or manpower resources available for the task                                                  |                |    |    |    |    |    |    |    |    |
| 4.     | It is planned to be done within next 6 months                                                                                     |                |    |    |    |    |    |    |    |    |
| 5.     | It is planned to be done within the next 1 year                                                                                   |                |    |    |    |    |    |    |    |    |
| 6.     | Any other reason (please specify)                                                                                                 |                |    |    |    |    |    |    |    |    |

## Annexure - G (Contd.)

### 3. Governance related to Business Responsibility

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The management regularly monitors the Business Responsibility initiatives and a complete assessment is done on need based and annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is first Business Responsibility Report and is published annually as part of the annual report. The same can be accessed at our website.

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company?

Yes/No.

No.

Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs Others?

Yes, it is applicable to Subsidiaries, Joint Ventures, suppliers and contractors. The company plans to extend the applicability of the same on the other entities going forward.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words.

5 shareholders complaints were received and resolved in Financial Year 2019-20.

#### PRINCIPLE 2: BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in the manufacturing of Automotive Lamps, Plastic moulded Parts and Frame Chassis. Although, these products have insignificant social or environmental concern or risk, the Company follows strict adherence processes in compliance with the statutory norms.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain.

Not Applicable.

- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company always take efforts for optimum utilization of natural resources.

## Annexure - G (Contd.)

### 3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

It is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total inputs due to different kind of materials being used by the Company. Our sourcing strategy takes into consideration the environmental, social and ethical factors besides economic factors. The Company has an environment policy and safety policy.

Yes, the Company has a procurement policy in place for purchase of goods and raw material. The Company has identified the regional vendors for different components/materials based on QCDDS (Quality, Cost, Development, Deliver & Services) criteria.

It is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total inputs due to different kind of materials being used by the Company. Our sourcing strategy takes into consideration the environmental, social and ethical factors besides economic factors. The Company has an environment policy and safety policy.

### 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company has dedicated Supplier Quality Assurance (SQA) and Safety team who hand hold, mentoring to all supplier partners and evaluate their performance periodically. The team visits their facilities, analyze quality related aspects, safety measures and create action plans jointly with the suppliers, for necessary improvement.

### 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

The nature of the Company's business is such that there are no significant emissions or process wastes. The Company recycle materials (< 2%) wherever possible else disposed off in compliance with applicable statutory provisions.

### PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

- Please indicate the Total number of employees. On roll- 926, Casuals/Contractual- 1590
- Please indicate the Total number of employees hired on temporary/contractual/casual basis. 1590
- Please indicate the Number of permanent women employees. 40
- Please indicate the Number of permanent employees with disabilities. 1
- Do you have an employee association that is recognized by management. Yes
- What percentage of your permanent employees is members of this recognized employee association? 22%
- Please indicate the number of complaints relating to child labour, forced labour, in voluntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| S. No. | Category                                        | No. of complaints received during the financial year | No. of complaints pending as on 31 March 2020 |
|--------|-------------------------------------------------|------------------------------------------------------|-----------------------------------------------|
| 1      | Child labour/ forced labour/ involuntary labour | Nil                                                  | Nil                                           |
| 2      | Sexual harassment                               | Nil                                                  | Nil                                           |
| 3      | Discriminatory employment                       | Nil                                                  | Nil                                           |

- What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

| S. No. | Category                               | % Employees that were given safety training | % Employees that were given skill upgradation training |
|--------|----------------------------------------|---------------------------------------------|--------------------------------------------------------|
| A      | Permanent Employees                    | 29%                                         | 30%                                                    |
| B      | Permanent Women Employees              | 30%                                         | 40%                                                    |
| C      | Casual/Temporary/Contractual Employees | 98%                                         | 88%                                                    |
| D      | Employees with Disabilities            | 100%                                        | 100%                                                   |

## Annexure - G (Contd.)

### 1. Has the Company mapped its internal and external stakeholders? Yes/ No

Yes.

Our stakeholders both internal and external, play a significant role in expressing our values, carrying out our mission, developing strategies, implementing processes and fostering long-term relationships. Internal and external stakeholders include Employees, Shareholders, Investors, Customers, Regulatory bodies, Supply chain partners, CSR beneficiaries, Governments.

### 2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes.

### 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, the Company has identified the disadvantaged, vulnerable & Marginalized stakeholders viz. unemployed & unskilled youth, people having limited or no access to basic education. The Company has taken initiatives to engage with the disadvantaged, vulnerable, marginalized stakeholders as per its CSR policy.

## PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### 1. Does the Policy of the Company on human rights cover only the Company or extend to the group/ joint venture/ suppliers/ contractors / NGOs/ others?

The Company respect the dignity of all individuals and communities and adhere to the principles of Human Rights. The Company has adopted Code of Conduct and whistle blower policy. These policies are applicable to employees of Group including the Company and its Subsidiaries & Joint Ventures. The underlining principles are communicated to all the vendors, suppliers and distributors and other key business associates of the Company, which they are expected to adhere to while dealing with the Company.

### 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

| Stakeholder       | Complaints Received during Financial Year 2019-20 | Complaints Resolved during Financial Year 2019-20 | Complaints Resolved (%) |
|-------------------|---------------------------------------------------|---------------------------------------------------|-------------------------|
| Whistle Blower    | Nil                                               | NA                                                | NA                      |
| Sexual Harassment | Nil                                               | Nil                                               | Nil                     |

## PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

### 1. Does the Policy related to Principle 6 covers only the Company or extends to the group/ joint ventures/ suppliers/ contractors / NGOs/ others?

The Environment Policy is applicable to the Company across all its Plants situated in India. The vendors are governed by their respective policies. Adherence to environmental laws and regulations is one of the pre-requisites for awarding a contract to any vendor.

### 2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc. Y/N. If yes, please give hyperlink for webpage etc.

The Company has been undertaking various initiatives to address environmental issues. The emissions or waste generated by the Company are within the permissible limits specified by the Central Pollution Control Board (CPCB) and/or specific State Pollution Control Board (SPCB). Company's Certain plants are certified under ISO 14001 Standards for Environment Management Systems (EMS).

### 3. Does the Company identify and assess potential environmental risks

Yes, the Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

## Annexure - G (Contd.)

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The Company continues to work towards development and implementation of climate change mitigation mainly through energy saving projects (including generation of power through wind mills and solar) across the Company. However, we do not have any registration of CDM projects.

- 5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewal energy etc. if yes, please give hyperlink for webpage etc.**

The measures introduced by the Company for conservation of energy at its plant locations are contained in the Report on Conservation of Energy and Technology Absorption which forms part of the Board's Report.

- 6. Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes.

- 7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There is no pendency for any show cause/legal notice received.

### PRINCIPLE 7: BUSINESS WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

- 1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

The Company is a member of several leading Industry Associations, including:

- ACMA- Automotive Component Manufactures Association
- SIAM- Society of Indian Automobile Manufactures
- CII- Confederation of Indian Industries

- 2. Have you advocated /lobbied through above associations for the advancement or improvement of public good? Yes/ No, if yes specify the broad areas**

The Company is taking up various suggestions / issues related to trade to the relevant authorities through these associations.

### PRINCIPLE 8: BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

- 1. Does the Company have specified programmes/ initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Lumax is committed to support various programs under India's identified Sustainable Development Goals (SDGs). In line with the SDGs, Lumax supports – Quality education & Good Health. Education as a means to uplift the level of the future generation and make them capable citizens of the country. Today, the Group is involved in providing and supporting career counselling, life-skills & soft-skills programs as also provide scholarships to bridge the education gap and limit drop out ration of senior school students. These programs are undertaken in communities and schools in the vicinity of our plants, after assessing the needs in the community as also the schools.

- 2. Are the programmes/projects undertaken through in house team/ own foundation/ external NGO/ government structures/ any other organization**

The Programmes are undertaken through the Corporate Social Responsibility arm of the Company namely Lumax Charitable Foundation team and implementation partners.

- 3. Have you done any impact assessment for your initiative?**

The CSR Committee reviews the progress of the initiatives for all the projects and programmes to assess the desired outcome on the society. Since most of the projects have been done for less than 3 years, the impact study is yet not done.

## Annexure - G (Contd.)

### 4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

For details on Company's contribution to its CSR projects and programmes, please refer 'Annexure – H Annual Report on CSR activities', to the Board's report for FY 2019-20.

### 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Our initiatives are in the schools to bring about changes in the lives of the students and indirectly impacting the communities in terms of social changes and economic improvement in future. Also support preventive and curative health initiatives to ensure good health of the communities, these are able to sensitise and generate awareness amongst communities to take care of their health and make lifestyle changes.

Yes, the Company regularly monitors CSR initiatives to ensure that they are properly implemented and sustain within communities beyond our interactions.

## PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

### 1. What percentages of customer complaints/ consumer cases are pending as on the end of the financial year?

The Company caters to two, three, four-wheeler, commercial vehicle and off-road vehicle Original Equipment Manufacturers ("OEMs"). There is a strong mechanism defined in the Company to deal with issues and complaints reported by OEMs. OEMs communicate issues through their quality rating shared via e-mail communications, during their visits to plants or at meetings for which the corrective actions are planned to resolve and eliminate the problem(s) witnessed.

The Company also caters to retail market through its aftermarket division. The Complaints for the products sold in aftermarket can be raised through any or all of the following mode:

- Communicate the complaint at the customer care desk at local representative/ distributor.

There is no complaint which is pending attention and requisite action at Company's end.

### 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ NA / Remarks (additional information)?

Yes.

The Company's product are OEM specific and as per OEM requirements, the Company display product requirement of OEM. The typical information displayed on product includes details of manufacturing date, manufacturing shift and customer part number. The details other than above which are mandatory as per applicable motor vehicle law are mentioned at specified locations.

### 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial? If so, provide details thereof, in about 50 words or so.

No.

### 4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes. The Company do take the feedback from the customers with the endeavour achieve the highest level of satisfaction and perform their operations accordingly. The Company has received various awards from different customers for meeting and exceeding their targets, which are mentioned in the annual report.



## Annexure - H

### Annual Report on CSR

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) 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 plants location.

CSR activities of Lumax Auto Technologies Limited are carried out through, Lumax Charitable Foundation.

Lumax Charitable Foundation, the CSR wing of Lumax, has been facilitating social initiatives over the years focusing on Health, Education, Girl child empowerment, and life enrichment programmes. The Vision of the Foundation focusses on its endeavor to transform lives of children, youth and the elderly to have a better future and eternal hope.

The mission translates to - Provide education, life skills and health in communities around our plant locations for a better and healthy life. Some of the major highlights over the years are:

- Transforming youth through Career Counselling.
- Working towards Junior and Senior Life Skills sessions.
- Indulging with children for celebration of Independence Day and sports day.

At a fundamental level, Lumax believes it is important to provide education to ensure that people have the baseline skills – literacy, numeracy - to survive in the world. Education also gives them the ability to communicate, complete tasks and work along with others. It is a powerful tool that empower individuals who in turn build better communities.

Lumax Charitable Foundation has been working with schools in Haryana, Maharashtra and Karnataka catering to the needs of the low-income groups and communities. The foundation has envisioned to upgrade and improve the quality of Education and Infrastructure at schools so as to provide holistic education. Infrastructure support through constructing classrooms, providing DG sets for uninterrupted power supply, water sanitation facilities, providing Smart classes & e-learning opportunities, giving science education a thrust through setting-up Science labs and Computer labs.

In order to further strengthen the education programmes, the foundation has undertaken capacity building for the teachers on teaching methodologies, providing learning aids, school starter kits, material for co-scholastic activities, exposure /excursion trips, facilitating the educational requirements of the children in these schools is an integral part of the foundations scope.

In the area of health, the foundation has several programmes namely, Cataract surgeries, addressing Juvenile Diabetes, health check-up at schools. In continuation with its endeavor to provide good health to the underprivileged, vision and eyesight was the direct extension of its business, therefore the foundation decided to partner with I-Care to help improve the vision of the underprivileged in rural areas who are affected by Cataract. Further, the foundation organizes Health check-up for the children in schools where the foundation is also engaged to create awareness and support underprivileged children with medical support to address their needs on Juvenile Diabetes. Meanwhile, the foundation, through Akshaypatra also provides free nutritious mid-day meals to various children in government schools.

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/lumaxautotech/downloads/CSR-policy-latl.pdf>

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

| S. No. | Name             | Category               | Designation |
|--------|------------------|------------------------|-------------|
| 1      | Mr. Roop Salotra | Independent Director   | Chairman    |
| 2      | Mr. D.K. Jain    | Executive Chairman     | Member      |
| 3      | Mr. Deepak Jain  | Non-Executive Director | Member      |

## Annexure - H (Contd.)

**3. Average net profit of the Company for last three financial years** : ₹ 5,661.00 Lakhs

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)** : ₹ 113.21 Lakhs\*

**5. Details of CSR spent during the financial year**

(a) Total amount spent for the financial year : ₹ 117.49 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 Sub heads: 1. Direct expenditure on projects or programs. 2. Overheads | Cumulative expenditure upto to the reporting period | Amount spent: Direct or through implementing agency                                                                                           |
|--------|---------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| (1)    | (2)                                         | (3)                                    | (4)                                                                                                                     | (5)                                             | (6)                                                                                                             | (7)                                                 | (8)                                                                                                                                           |
| 1      | Education and Healthcare to underprivileged | a) Education                           | Manufacturing sites of the Company                                                                                      | 86.97                                           | 80.46                                                                                                           | 308.69                                              | Spent through the CSR arm of the Company namely Lumax Charitable Foundation and implementing agencies managed by Lumax Charitable Foundation. |
|        |                                             | b) Health                              | 1. Gurugram, Manesar, Haryana                                                                                           | 26.74                                           | 37.03                                                                                                           |                                                     |                                                                                                                                               |
|        |                                             | c) Overheads                           | 2. Pune, Aurangabad, Maharashtra                                                                                        |                                                 |                                                                                                                 |                                                     |                                                                                                                                               |
|        |                                             |                                        | 1. Bengaluru, Karnataka                                                                                                 |                                                 |                                                                                                                 |                                                     |                                                                                                                                               |
|        |                                             |                                        | 2. Pantnagar                                                                                                            |                                                 |                                                                                                                 |                                                     |                                                                                                                                               |
|        | <b>Total</b>                                |                                        |                                                                                                                         | <b>113.71</b>                                   | <b>117.49</b>                                                                                                   | <b>308.69</b>                                       |                                                                                                                                               |

\* Includes corresponding figures of erstwhile Lumax DK Auto Industries Limited since merged with the Company.

**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.**

**Anmol Jain**

Managing Director  
DIN: 00004993

Place: New Delhi  
Date: June 17, 2020

**Roop Salotra**

Chairman-CSR Committee  
DIN: 06650145

Place: New Delhi  
Date: June 17, 2020

# Annexure - I

Form No. MGT- 9

## EXTRACT OF ANNUAL RETURN

For the Financial Year ended on March 31, 2020

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

### I. REGISTRATION AND OTHER DETAILS:

|                                                                                |                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) CIN                                                                         | L31909DL1981PLC349793                                                                                                                                                                                                                          |
| ii) Registration Date                                                          | October 30, 1981                                                                                                                                                                                                                               |
| iii) Name of the Company                                                       | Lumax Auto Technologies Limited                                                                                                                                                                                                                |
| iv) Category/sub-category of the Company                                       | Company Limited by Share / Non-govt. Company                                                                                                                                                                                                   |
| v) Address of the Registered office and contact details                        | 2 <sup>nd</sup> Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi- 110046<br>Email : shares@lumaxmail.com<br>Phone : + 91 11 49857832                                                                                       |
| vi) Whether listed company                                                     | Yes                                                                                                                                                                                                                                            |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s Bigshare Services Private Limited<br>Bharat Tin Works Building, 1 <sup>st</sup> Floor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri- East, Mumbai- 400059, Maharashtra<br>E-mail : vinod.y@bigshareonline.com<br>Phone : 022 – 62638200 |

### 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:-

| Sr. No. | Name and Description of Main Products & Services | NIC Code of the Product/Service | % to Total Turnover of the Company |
|---------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1.      | Automotive Lamps                                 | 2740                            | 26.13%                             |
| 2.      | Plastic Moulded Parts                            | 22207                           | 19.56%                             |
| 3.      | Frame Chassis                                    | 29103                           | 13.11%                             |

\*As per National Industrial Classification List 2008- Ministry of Statistics and Programme implementation.

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company                     | CIN                   | Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|-----------------------------------------------------|-----------------------|-----------------------|------------------|--------------------|
| 1       | Lumax Integrated Ventures Private Limited           | U74899DL1991PTC044328 | Subsidiary            | 100 %            | 2(87)              |
| 2       | Lumax Management Services Private Limited           | U74140DL2015PTC275088 | Subsidiary            | 100 %            | 2(87)              |
| 3       | Lumax Mannoh Allied Technologies Limited            | U35912DL2013PLC255694 | Subsidiary            | 55 %             | 2(87)              |
| 4       | Lumax Energy Solutions Private Limited              | U31401DL2003PTC122446 | Step-down Subsidiary  | 100%             | 2(87)              |
| 5       | Velomax Mobility Private Limited                    | U74999DL2016PTC305208 | Step-down Subsidiary  | 100%             | 2(87)              |
| 6       | Lumax Cornaglia Auto Technologies Private Limited   | U31908DL2007PTC164757 | Subsidiary            | 50%              | 2(87)              |
| 7       | Lumax Gill-Austem Auto Technologies Private Limited | U35999DL2013PTC261221 | Subsidiary            | 50%              | 2(87)              |
| 8       | Sipal Engineering Private Limited                   | U74900DL2016PTC290469 | Associate             | 45%              | 2(6)               |
| 9       | Lumax FAE Technologies Private Limited              | U35999DL2017PTC321495 | Subsidiary            | 51%              | 2(87)              |

## Annexure - I (Contd.)

| Sr. No. | Name and Address of the Company                | CIN                   | Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|------------------------------------------------|-----------------------|-----------------------|------------------|--------------------|
| 10      | Lumax Ituran Telematics Private Limited        | U63030DL2017PTC322081 | Associate             | 50%              | 2(6)               |
| 11      | Lumax Jopp Allied Technologies Private Limited | U34300DL2019PTC351802 | Subsidiary            | 50%              | 2(87)              |
| 12      | Lumax Yokowo Technologies Private Limited      | U35990DL2020PTC362151 | Subsidiary            | 100%             | 2(87)              |

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

#### i) Category-wise Share Holding

| S. No.     | Category of Shareholder                                                     | Number of shares held at the beginning of the year<br>(As on April 1, 2019) |          |                    |                   | Number of shares held at the end of the year<br>(As on March 31, 2020) |          |                    |                   | % Change during the year |
|------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------|--------------------|-------------------|------------------------------------------------------------------------|----------|--------------------|-------------------|--------------------------|
|            |                                                                             | Demat                                                                       | Physical | Total              | % of total shares | Demat                                                                  | Physical | Total              | % of total shares |                          |
| <b>(A)</b> | <b>Promoters</b>                                                            |                                                                             |          |                    |                   |                                                                        |          |                    |                   |                          |
| <b>1</b>   | <b>Indian</b>                                                               |                                                                             |          |                    |                   |                                                                        |          |                    |                   |                          |
| (a)        | Individuals/ Hindu Undivided Family                                         | 2,58,13,110                                                                 | -        | 2,58,13,110        | 37.87             | 2,60,36,510                                                            | -        | 2,60,36,510        | 38.20             | 0.33                     |
| (b)        | Central Government/ State Government(s)                                     | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (c)        | Bodies Corporate                                                            | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (d)        | Financial Institutions/ Banks                                               | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (e)        | Any Others (Specify)                                                        | 1,21,11,320                                                                 | -        | 1,21,11,320        | 17.77             | 1,21,11,320                                                            | -        | 1,21,11,320        | 17.77             | 0.00                     |
|            | Sub Total(A)(1)                                                             | 3,79,24,430                                                                 | -        | 3,79,24,430        | 55.64             | 3,81,47,830                                                            | -        | 3,81,47,830        | 55.97             | 0.33                     |
| <b>2</b>   | <b>Foreign</b>                                                              |                                                                             |          |                    |                   |                                                                        |          |                    |                   |                          |
| (a)        | Individuals (Non-Residents Individuals/ Foreign Individuals)                | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (b)        | Bodies Corporate                                                            | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (c)        | Institutions                                                                | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (d)        | Qualified Foreign Investor                                                  | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (e)        | Any Others (Specify)                                                        | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
|            | Sub Total (A)(2)                                                            | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
|            | <b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b> | <b>3,79,24,430</b>                                                          | <b>-</b> | <b>3,79,24,430</b> | <b>55.64</b>      | <b>3,81,47,830</b>                                                     | <b>-</b> | <b>3,81,47,830</b> | <b>55.97</b>      | <b>0.33</b>              |
| <b>(B)</b> | <b>Public shareholding</b>                                                  |                                                                             |          |                    |                   |                                                                        |          |                    |                   |                          |
| <b>1</b>   | <b>Institutions</b>                                                         |                                                                             |          |                    |                   |                                                                        |          |                    |                   |                          |
| (a)        | Mutual Funds                                                                | 26,15,078                                                                   | -        | 26,15,078          | 3.84              | 26,15,078                                                              | -        | 26,15,078          | 3.84              | 0.00                     |
| (b)        | Financial Institutions / Banks                                              | 13,491                                                                      | -        | 13,491             | 0.02              | 39,179                                                                 | -        | 39,179             | 0.06              | 0.04                     |
| (c)        | Central Government/ State Government(s)                                     | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (d)        | Venture Capital Funds                                                       | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (e)        | Insurance Companies                                                         | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (f)        | Foreign Institutional Investors                                             | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (g)        | Foreign Venture Capital Investors                                           | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (h)        | Qualified Foreign Investor                                                  | -                                                                           | -        | -                  | -                 | -                                                                      | -        | -                  | -                 | -                        |
| (i)        | Alternate Investment Funds                                                  | 10,11,167                                                                   | -        | 10,11,167          | 1.49              | 951,724                                                                | -        | 9,51,724           | 1.40              | (0.09)                   |
| (j)        | Any Other - Foreign Portfolio Investor                                      | 1,22,11,813                                                                 | -        | 1,22,11,813        | 17.92             | 1,22,35,221                                                            | -        | 1,22,35,221        | 17.95             | 0.03                     |
|            | Sub-Total (B)(1)                                                            | <b>1,58,51,549</b>                                                          | <b>-</b> | <b>1,58,51,549</b> | <b>23.26</b>      | <b>1,58,41,202</b>                                                     | <b>-</b> | <b>1,58,41,202</b> | <b>23.25</b>      | <b>0.02</b>              |

## Annexure - I (Contd.)

| S. No. | Category of Shareholder                                                                  | Number of shares held at the beginning of the year<br>(As on April 1, 2019) |           |                    |                   | Number of shares held at the end of the year<br>(As on March 31, 2020) |           |                    |                   | % Change during the year |
|--------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------|--------------------|-------------------|------------------------------------------------------------------------|-----------|--------------------|-------------------|--------------------------|
|        |                                                                                          | Demat                                                                       | Physical  | Total              | % of total shares | Demat                                                                  | Physical  | Total              | % of total shares |                          |
| 2      | <b>Non-institutions</b>                                                                  |                                                                             |           |                    |                   |                                                                        |           |                    |                   |                          |
| (a)    | Bodies Corporate                                                                         | 21,61,639                                                                   | -         | 21,61,639          | 3.17              | 15,91,818                                                              | -         | 15,91,818          | 2.33              | (0.84)                   |
| (b)    | Individuals                                                                              |                                                                             |           |                    |                   |                                                                        |           |                    |                   |                          |
| (i)    | Individuals -<br>i. Individual shareholders holding nominal share capital up to ₹ 2 lakh | 86,71,305                                                                   | 15        | 86,71,320          | 12.72             | 84,94,566                                                              | 15        | 84,94,581          | 12.46             | (0.26)                   |
| (ii)   | ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.         | 18,23,047                                                                   | -         | 18,23,047          | 2.67              | 21,08,688                                                              | 0         | 21,08,688          | 3.09              | 0.42                     |
| (d)    | Any Other (specify)                                                                      |                                                                             |           |                    |                   |                                                                        |           |                    |                   |                          |
|        | Clearing Member                                                                          | 3,40,640                                                                    | -         | 3,40,640           | 0.50              | 3,89,664                                                               | -         | 3,89,664           | 0.57              | 0.07                     |
|        | HUF                                                                                      | 4,10,255                                                                    | -         | 4,10,255           | 0.60              | 6,45,988                                                               | -         | 6,45,988           | 0.95              | 0.35                     |
|        | NRI                                                                                      | 9,68,820                                                                    | -         | 9,68,820           | 1.42              | 9,30,699                                                               | -         | 9,30,699           | 1.37              | (0.05)                   |
|        | Trusts                                                                                   | -                                                                           | -         | -                  | -                 | -                                                                      | -         | -                  | -                 | -                        |
|        | NBFCs registered with RBI                                                                | -                                                                           | -         | -                  | -                 | -                                                                      | -         | -                  | -                 | -                        |
|        | Investor Education and Protection Fund (IEPF) Authority*                                 | 6,005                                                                       | -         | 6,005              | 0.01              | 7,235                                                                  | -         | 7,235              | 0.01              | 0.00                     |
|        | <b>Sub-Total (B)(2)</b>                                                                  | <b>1,43,81,711</b>                                                          | <b>15</b> | <b>1,43,81,726</b> | <b>21.10</b>      | <b>1,41,68,658</b>                                                     | <b>15</b> | <b>1,41,68,673</b> | <b>20.78</b>      | <b>(0.31)</b>            |
|        | <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                      | <b>3,02,33,260</b>                                                          | <b>15</b> | <b>3,02,33,275</b> | <b>44.36</b>      | <b>3,00,09,860</b>                                                     | <b>15</b> | <b>3,00,09,875</b> | <b>44.03</b>      | <b>(0.33)</b>            |
| C      | Shares held by Custodians for ADR & GDR                                                  | -                                                                           | -         | -                  | -                 | -                                                                      | -         | -                  | -                 | -                        |
|        | <b>Sub-Total (C)</b>                                                                     | <b>-</b>                                                                    | <b>-</b>  | <b>-</b>           | <b>-</b>          | <b>-</b>                                                               | <b>-</b>  | <b>-</b>           | <b>-</b>          | <b>-</b>                 |
|        | <b>GRAND TOTAL (A)+(B)+(C)</b>                                                           | <b>6,81,57,690</b>                                                          | <b>15</b> | <b>6,81,57,705</b> | <b>100.00</b>     | <b>6,81,57,690</b>                                                     | <b>15</b> | <b>6,81,57,705</b> | <b>100.00</b>     | <b>-</b>                 |

\*The voting rights on these shares shall remain frozen till the rightful owner claims the shares.

### ii) Shareholding of Promoters

| Sr. No. | Name of the Shareholder       | Shareholding at the beginning of the year<br>(As on April 1, 2019) |                                  |                                                 | Shareholding at the end of the year<br>(As on March 31, 2020) |                                  |                                                 | % of change in Shareholding during the year |
|---------|-------------------------------|--------------------------------------------------------------------|----------------------------------|-------------------------------------------------|---------------------------------------------------------------|----------------------------------|-------------------------------------------------|---------------------------------------------|
|         |                               | Number of shares                                                   | % of total shares of the Company | % of shares Pledged/ Encumbered to total shares | Number of shares                                              | % of total shares of the Company | % of shares Pledged/ Encumbered to total shares |                                             |
| 1       | Lumax Finance Private Limited | 1,21,11,320                                                        | 17.77                            | -                                               | 1,21,11,320                                                   | 17.77                            | -                                               | -                                           |
| 2       | Mr. D. K. Jain                | 1,05,94,845                                                        | 15.54                            | -                                               | 0                                                             | -                                | -                                               | (15.54)                                     |
| 3       | D. K. Jain (HUF)              | 59,04,855                                                          | 8.66                             | -                                               | 59,30,865                                                     | 8.70                             | -                                               | 0.04                                        |
| 4       | Mr. Deepak Jain               | 45,73,260                                                          | 6.71                             | -                                               | 99,52,315                                                     | 14.60                            | -                                               | 7.89                                        |
| 5       | Mr. Anmol Jain                | 43,11,200                                                          | 6.33                             | -                                               | 99,49,380                                                     | 14.60                            | -                                               | 8.27                                        |
| 6       | Mrs. Shivani Jain             | 2,25,000                                                           | 0.33                             | -                                               | -                                                             | -                                | -                                               | (0.33)                                      |
| 7       | D. K. Jain (Family Trust)     | 203,950                                                            | 0.30                             | -                                               | 203,950                                                       | 0.30                             | -                                               | -                                           |
|         | <b>TOTAL</b>                  | <b>3,79,24,430</b>                                                 | <b>55.64</b>                     | <b>-</b>                                        | <b>3,81,47,830</b>                                            | <b>55.97</b>                     | <b>-</b>                                        | <b>0.33</b>                                 |

## Annexure - I (Contd.)

### iii) Change in Promoters Shareholding

| S. No.   | Particulars                                       | Date                  | Nature of Transaction | Shareholding at the beginning of the year<br>(As on April 01, 2019) |                   | Cumulative Shareholding during the Financial Year 2019-20 |                   |
|----------|---------------------------------------------------|-----------------------|-----------------------|---------------------------------------------------------------------|-------------------|-----------------------------------------------------------|-------------------|
|          |                                                   |                       |                       | Number of Shares                                                    | % of Total Shares | Number of Shares                                          | % of Total Shares |
| <b>1</b> | <b>Mr. D. K. Jain</b>                             |                       |                       |                                                                     |                   |                                                           |                   |
|          | <b>At the beginning of the year</b>               | <b>April 01, 2019</b> |                       | <b>1,05,94,845</b>                                                  | <b>15.54</b>      |                                                           |                   |
|          | Increase/Decrease in Shareholding during the year | June 28, 2019         | Inter-se Transfer     | (1,05,94,845)                                                       | (15.54)           |                                                           |                   |
|          | <b>At the end of the year</b>                     |                       |                       |                                                                     |                   | <b>0</b>                                                  | <b>0.00</b>       |
| <b>2</b> | <b>Mr. Deepak Jain</b>                            |                       |                       |                                                                     |                   |                                                           |                   |
|          | <b>At the beginning of the year</b>               | <b>April 01, 2019</b> |                       | <b>45,73,260</b>                                                    | <b>6.71</b>       |                                                           |                   |
|          | Increase/Decrease in Shareholding during the year | June 14, 2019         | Buy                   | 54,514                                                              | 0.08              | 46,27,774                                                 | 6.79              |
|          |                                                   | June 21, 2019         | Buy                   | 7,004                                                               | 0.01              | 46,34,778                                                 | 6.80              |
|          |                                                   | June 28, 2019         | Inter-se Transfer     | 5,278,892                                                           | 7.75              | 99,13,670                                                 | 14.55             |
|          |                                                   | August 23, 2019       | Buy                   | 1,021                                                               | 0.00              | 99,14,691                                                 | 14.55             |
|          |                                                   | September 6, 2019     | Buy                   | 2,597                                                               | 0.00              | 99,17,288                                                 | 14.55             |
|          |                                                   | March 13, 2020        | Buy                   | 6,853                                                               | 0.01              | 99,24,141                                                 | 14.56             |
|          |                                                   | March 20, 2020        | Buy                   | 6,291                                                               | 0.01              | 99,30,432                                                 | 14.57             |
|          |                                                   | March 27, 2020        | Buy                   | 21,883                                                              | 0.03              | 99,52,315                                                 | 14.60             |
|          | <b>At the end of the year</b>                     | <b>March 31, 2020</b> |                       |                                                                     |                   | <b>99,52,315</b>                                          | <b>14.60</b>      |
| <b>3</b> | <b>Mr. Anmol Jain</b>                             |                       |                       |                                                                     |                   |                                                           |                   |
|          | <b>At the beginning of the year</b>               | <b>April 01, 2019</b> |                       | <b>43,11,200</b>                                                    | <b>6.33</b>       |                                                           |                   |
|          | Increase/Decrease in Shareholding during the year | June 07, 2019         | Buy                   | 38,955                                                              | 0.06              | 43,50,155                                                 | 6.38              |
|          |                                                   | June 14, 2019         | Buy                   | 34,314                                                              | 0.05              | 43,84,469                                                 | 6.43              |
|          |                                                   | June 28, 2019         | Inter-se Transfer     | 5,540,953                                                           | 8.13              | 99,25,422                                                 | 14.56             |
|          |                                                   | March 27, 2020        | Buy                   | 23,914                                                              | 0.04              | 99,49,336                                                 | 14.60             |
|          |                                                   | March 31, 2020        | Buy                   | 44                                                                  | 0.00              | 99,49,380                                                 | 14.60             |
|          | <b>At the end of the year</b>                     | <b>March 31, 2020</b> |                       |                                                                     |                   | <b>99,49,380</b>                                          | <b>14.60</b>      |
| <b>4</b> | <b>D. K. Jain (HUF)</b>                           |                       |                       |                                                                     |                   |                                                           |                   |
|          | <b>At the beginning of the year</b>               | <b>April 01, 2019</b> |                       | <b>59,04,855</b>                                                    | <b>8.66</b>       |                                                           |                   |
|          | Increase/Decrease in Shareholding during the year | June 14, 2019         | Buy                   | 26,010                                                              | 0.04              | 59,30,865                                                 | 8.70              |
|          | <b>At the end of the year</b>                     | <b>March 31, 2020</b> |                       |                                                                     |                   | <b>59,30,865</b>                                          | <b>8.70</b>       |
| <b>5</b> | <b>Mrs. Shivani Jain</b>                          |                       |                       |                                                                     |                   |                                                           |                   |
|          | <b>At the beginning of the year</b>               | <b>April 01, 2019</b> |                       | <b>2,25,000</b>                                                     | <b>0.33</b>       |                                                           |                   |
|          | Increase/Decrease in Shareholding during the year | June 28, 2019         | Sell                  | (2,25,000)                                                          | (0.33)            | 0                                                         | 0.00              |
|          | <b>At the end of the year</b>                     | <b>March 31, 2020</b> |                       |                                                                     |                   | <b>0</b>                                                  | <b>0.00</b>       |
| <b>6</b> | <b>D. K. Jain (Family Trust)</b>                  |                       |                       |                                                                     |                   |                                                           |                   |
|          | <b>At the beginning of the year</b>               | <b>April 01, 2019</b> |                       | <b>2,03,950</b>                                                     | <b>0.30</b>       |                                                           |                   |
|          | Increase/Decrease in Shareholding during the year |                       |                       | 0                                                                   | 0                 | 0                                                         | 0                 |
|          | <b>At the end of the year</b>                     | <b>March 31, 2020</b> |                       |                                                                     |                   | <b>2,03,950</b>                                           | <b>0.30</b>       |
| <b>7</b> | <b>Lumax Finance Private Limited</b>              |                       |                       |                                                                     |                   |                                                           |                   |
|          | <b>At the beginning of the year</b>               | <b>April 01, 2019</b> |                       | <b>1,21,11,320</b>                                                  | <b>17.77</b>      |                                                           |                   |
|          | Increase/Decrease in Shareholding during the year |                       |                       | 0                                                                   | 0.00              | 0                                                         | 0.00              |
|          | <b>At the end of the year</b>                     | <b>March 31, 2020</b> |                       |                                                                     |                   | <b>1,21,11,320</b>                                        | <b>17.77</b>      |



## Annexure - I (Contd.)

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. No. | Name of the Shareholder                                   | Date           | Reason | Shareholding at the beginning of the year<br>(As on April 1, 2019) |                                         | Cumulative Shareholding during the F.Y. 2019-20 |                                         |
|---------|-----------------------------------------------------------|----------------|--------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------|-----------------------------------------|
|         |                                                           |                |        | No. of shares                                                      | % of total share capital of the Company | No. of Shares                                   | % of total share Capital of the Company |
| 1       | <b>Albula Investment Fund Ltd</b>                         |                |        |                                                                    |                                         |                                                 |                                         |
|         | At the beginning of the year                              | April 01, 2019 |        | 61,58,135                                                          | 9.04                                    |                                                 |                                         |
|         | Increase/Decrease in Shareholding during the year         |                |        | 0                                                                  | 0                                       |                                                 |                                         |
|         | At the end of the year                                    | March 31, 2020 |        | 61,58,135                                                          | 9.04                                    | 61,58,135                                       | 9.04                                    |
| 2       | <b>Asia Investment Corporation (Mauritius) Ltd</b>        |                |        |                                                                    |                                         |                                                 |                                         |
|         | At the beginning of the year                              | April 01, 2019 |        | 32,50,000                                                          | 4.77                                    |                                                 |                                         |
|         | Increase/Decrease in Shareholding during the year         |                |        | 0                                                                  | 0                                       |                                                 |                                         |
|         | At the end of the year                                    | March 31, 2020 |        | 32,50,000                                                          | 4.77                                    | 32,50,000                                       | 4.77                                    |
| 3       | <b>DSP Small Cap Fund*</b>                                |                |        |                                                                    |                                         |                                                 |                                         |
|         | At the beginning of the year                              | April 01, 2019 |        | 26,15,078                                                          | 3.84                                    |                                                 |                                         |
|         | Increase/Decrease in Shareholding during the year         |                |        | 0                                                                  | 0                                       |                                                 |                                         |
|         | At the end of the year                                    | March 31, 2020 |        | 26,15,078                                                          | 3.84                                    | 26,15,078                                       | 3.84                                    |
| 4       | <b>India Acorn Fund Ltd</b>                               |                |        |                                                                    |                                         |                                                 |                                         |
|         | At the beginning of the year                              | April 01, 2019 |        | 10,06,000                                                          | 1.48                                    |                                                 |                                         |
|         | Increase/Decrease in Shareholding during the year         |                |        | 0                                                                  | 0                                       |                                                 |                                         |
|         | At the end of the year                                    | March 31, 2020 |        | 10,06,000                                                          | 1.48                                    | 10,06,000                                       | 1.48                                    |
| 5       | <b>White Oak India Equity Fund</b>                        |                |        |                                                                    |                                         |                                                 |                                         |
|         | At the beginning of the year                              | April 01, 2019 |        | 9,51,724                                                           | 1.40                                    |                                                 |                                         |
|         | Increase/Decrease in Shareholding during the year         |                |        | 0                                                                  | 0                                       |                                                 |                                         |
|         | At the end of the year                                    | March 31, 2020 |        | 9,51,724                                                           | 1.40                                    | 9,51,724                                        | 1.40                                    |
| 6       | <b>AL Mehwar Commercial Investments LLC –(WHITING)</b>    |                |        |                                                                    |                                         |                                                 |                                         |
|         | At the beginning of the year                              | April 01, 2019 |        | 6,45,862                                                           | 0.95                                    |                                                 |                                         |
|         | Increase/Decrease in Shareholding during the year         |                |        | 0                                                                  | 0                                       |                                                 |                                         |
|         | At the end of the year                                    | March 31, 2020 |        | 6,45,862                                                           | 0.95                                    | 6,45,862                                        | 0.95                                    |
| 7       | <b>First State Indian Subcontinent Fund</b>               |                |        |                                                                    |                                         |                                                 |                                         |
|         | At the beginning of the year                              | April 01, 2019 |        | 5,19,035                                                           | 0.76                                    |                                                 |                                         |
|         | Increase/Decrease in Shareholding during the year         | May 17, 2019   | Buy    | 3,965                                                              | 0.00                                    | 5,23,000                                        | 0.76                                    |
|         |                                                           | May 24, 2019   | Buy    | 11,988                                                             | 0.02                                    | 5,34,988                                        | 0.78                                    |
|         |                                                           | July 12, 2019  | Buy    | 73,469                                                             | 0.11                                    | 6,08,457                                        | 0.89                                    |
|         |                                                           | July 19, 2019  | Buy    | 8,988                                                              | 0.02                                    | 6,17,445                                        | 0.91                                    |
|         | At the end of the year                                    | March 31, 2020 |        | 6,17,445                                                           | 0.91                                    | 6,17,445                                        | 0.91                                    |
| 8       | <b>Vibgyor Investors &amp; Developers Private Limited</b> |                |        |                                                                    |                                         |                                                 |                                         |
|         | At the beginning of the year                              | April 01, 2019 |        | 5,00,000                                                           | 0.73                                    |                                                 |                                         |

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| Sr. No.   | Name of the Shareholder                                                                     | Date                  | Reason | Shareholding at the beginning of the year<br>(As on April 1, 2019) |                                         | Cumulative Shareholding during the F.Y. 2019-20 |                                         |
|-----------|---------------------------------------------------------------------------------------------|-----------------------|--------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------|-----------------------------------------|
|           |                                                                                             |                       |        | No. of shares                                                      | % of total share capital of the Company | No. of Shares                                   | % of total share Capital of the Company |
|           | Increase/Decrease in Shareholding during the year                                           | March 13, 2020        | Sell   | (60,004)                                                           | (0.08)                                  | 4,39,996                                        | 0.65                                    |
|           |                                                                                             | March 20, 2020        | Sell   | (39,996)                                                           | (0.06)                                  | 4,00,000                                        | 0.59                                    |
|           | <b>At the end of the year</b>                                                               | <b>March 31, 2020</b> |        | <b>4,00,000</b>                                                    | <b>0.59</b>                             | <b>4,00,000</b>                                 | <b>0.59</b>                             |
| <b>9</b>  | <b>D Srimathi</b>                                                                           |                       |        |                                                                    |                                         |                                                 |                                         |
|           | <b>At the beginning of the year</b>                                                         | <b>April 01, 2019</b> |        | <b>4,58,573</b>                                                    | <b>0.67</b>                             |                                                 |                                         |
|           | Increase/Decrease in Shareholding during the year                                           |                       |        | 0                                                                  | 0                                       |                                                 |                                         |
|           | <b>At the end of the year</b>                                                               | <b>March 31, 2020</b> |        | <b>4,58,573</b>                                                    | <b>0.67</b>                             | <b>4,58,573</b>                                 | <b>0.67</b>                             |
| <b>10</b> | <b>William Van Buren</b>                                                                    |                       |        |                                                                    |                                         |                                                 |                                         |
|           | <b>At the beginning of the year</b>                                                         | <b>April 01, 2019</b> |        | <b>3,71,050</b>                                                    | <b>0.54</b>                             |                                                 |                                         |
|           | Increase/Decrease in Shareholding during the year                                           |                       |        | 0                                                                  | 0                                       |                                                 |                                         |
|           | <b>At the end of the year</b>                                                               | <b>March 31, 2020</b> |        | <b>3,71,050</b>                                                    | <b>0.54</b>                             | <b>3,71,050</b>                                 | <b>0.54</b>                             |
| <b>11</b> | <b>Caisse De Depot Et Placement Du Quebec-First State Investments International Limited</b> |                       |        |                                                                    |                                         |                                                 |                                         |
|           | <b>At the beginning of the year</b>                                                         | <b>April 01, 2019</b> |        | <b>2,40,171</b>                                                    | <b>0.35</b>                             |                                                 |                                         |
|           | Increase/Decrease in Shareholding during the year                                           | May 17, 2019          | Buy    | 1,894                                                              | 0.00                                    | 2,42,065                                        | 0.35                                    |
|           |                                                                                             | May 24, 2019          | Buy    | 6,446                                                              | 0.01                                    | 2,48,511                                        | 0.36                                    |
|           |                                                                                             | July 12, 2019         | Buy    | 39,508                                                             | 0.06                                    | 2,88,019                                        | 0.42                                    |
|           |                                                                                             | July 19, 2019         | Buy    | 4,834                                                              | 0.01                                    | 2,92,853                                        | 0.43                                    |
|           | <b>At the end of the year</b>                                                               | <b>March 31, 2020</b> |        | <b>2,92,853</b>                                                    | <b>0.43</b>                             | <b>2,92,853</b>                                 | <b>0.43</b>                             |

### v) Shareholding of Directors and Key Managerial Personnel

| S. No.   | Name of the Director                                     | Shareholding at the beginning of the year<br>(As on April 01, 2019) |                                         | Cumulative Shareholding during the F.Y. 2019-20 |                                         |
|----------|----------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------|-----------------------------------------|
|          |                                                          | Number of shares                                                    | % of total share capital of the Company | Number of Shares                                | % of total share Capital of the Company |
| <b>A</b> | <b>Directors</b>                                         |                                                                     |                                         |                                                 |                                         |
| <b>1</b> | <b>Mr. D. K. Jain</b>                                    |                                                                     |                                         |                                                 |                                         |
|          | <b>At the beginning of the year</b>                      | <b>1,05,94,845</b>                                                  | <b>15.54</b>                            |                                                 |                                         |
|          | Increase/Decrease in Shareholding during the year        |                                                                     |                                         |                                                 |                                         |
|          | June 28, 2019                                            | (1,05,94,845)                                                       | (15.54)                                 |                                                 |                                         |
|          | <b>At the end of the year</b>                            |                                                                     |                                         | <b>0</b>                                        | <b>0.00</b>                             |
| <b>2</b> | <b>Mr. Deepak Jain</b>                                   |                                                                     |                                         |                                                 |                                         |
|          | <b>At the beginning of the year</b>                      | <b>45,73,260</b>                                                    | <b>6.71</b>                             |                                                 |                                         |
|          | <b>Increase/Decrease in Shareholding during the year</b> |                                                                     |                                         |                                                 |                                         |
|          | June 14, 2019                                            | 54,514                                                              | 0.08                                    | 46,27,774                                       | 6.79                                    |
|          | June 21, 2019                                            | 7,004                                                               | 0.01                                    | 46,34,778                                       | 6.80                                    |
|          | June 28, 2019                                            | 52,78,892                                                           | 7.75                                    | 99,13,670                                       | 14.55                                   |
|          | August 23, 2019                                          | 1,021                                                               | 0.00                                    | 99,14,691                                       | 14.55                                   |
|          | September 06, 2019                                       | 2,597                                                               | 0.00                                    | 99,17,288                                       | 14.55                                   |
|          | March 13, 2020                                           | 6,853                                                               | 0.01                                    | 99,24,141                                       | 14.56                                   |
|          | March 20, 2020                                           | 6,291                                                               | 0.01                                    | 99,30,432                                       | 14.57                                   |
|          | March 27, 2020                                           | 21,883                                                              | 0.03                                    | 99,52,315                                       | 14.60                                   |
|          | <b>At the end of the year</b>                            |                                                                     |                                         | <b>99,52,315</b>                                | <b>14.60</b>                            |

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| S. No.   | Name of the Director                              | Shareholding at the beginning of the year<br>(As on April 01, 2019) |                                         | Cumulative Shareholding during the F.Y. 2019-20 |                                         |
|----------|---------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------|-----------------------------------------|
|          |                                                   | Number of shares                                                    | % of total share capital of the Company | Number of Shares                                | % of total share Capital of the Company |
| <b>3</b> | <b>Mr. Anmol Jain</b>                             |                                                                     |                                         |                                                 |                                         |
|          | <b>At the beginning of the year</b>               | <b>43,11,200</b>                                                    | <b>6.33</b>                             |                                                 |                                         |
|          | Increase/Decrease in Shareholding during the year |                                                                     |                                         |                                                 |                                         |
|          | June 07, 2019                                     | 38,955                                                              | 0.06                                    | 43,50,155                                       | 6.38                                    |
|          | June 14, 2019                                     | 34,314                                                              | 0.05                                    | 43,84,469                                       | 6.43                                    |
|          | June 28, 2019                                     | 55,40,953                                                           | 8.13                                    | 99,25,422                                       | 14.56                                   |
|          | March 27, 2020                                    | 23,914                                                              | 0.04                                    | 99,49,336                                       | 14.60                                   |
|          | March 31, 2020                                    | 44                                                                  | 0.00                                    | 99,49,380                                       | 14.60                                   |
|          | <b>At the end of the year</b>                     |                                                                     |                                         | <b>99,49,380</b>                                | <b>14.60</b>                            |
| <b>4</b> | <b>Mr. Sanjay Mehta</b>                           |                                                                     |                                         |                                                 |                                         |
|          | <b>At the beginning of the year</b>               | <b>1,525</b>                                                        | <b>0.00</b>                             |                                                 |                                         |
|          | Increase/Decrease in Shareholding during the year |                                                                     |                                         |                                                 |                                         |
|          | <b>At the end of the year</b>                     |                                                                     |                                         | <b>1,525</b>                                    | <b>0.00</b>                             |
| <b>B</b> | <b>Key Managerial Personnel</b>                   |                                                                     |                                         |                                                 |                                         |
| <b>5</b> | <b>Mr. Ashish Dubey</b>                           |                                                                     |                                         |                                                 |                                         |
|          | <b>At the beginning of the year</b>               | <b>215</b>                                                          | <b>0.00</b>                             |                                                 |                                         |
|          | Increase/Decrease in Shareholding during the year | 0                                                                   | 0.00                                    |                                                 |                                         |
|          | <b>At the end of the year</b>                     |                                                                     |                                         | <b>215</b>                                      | <b>0.00</b>                             |

Note: Independent Directors - Mr. Avinash Parkash Gandhi, Mr. Arun Kumar Malhotra, Mr. Kanchan Kumar Gandhi, Mr. Milap Jain, Mr. Roop Salotra, Mrs. Diviya Chanana and Mr. Anil Tyagi, Company Secretary did not hold any shares of the Company during the Financial Year 2019-20.

### 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                                 | 5,092.97                         | -               | -        | 5,092.97           |
| ii) Interest due but not paid                       | 1.38                             | -               | -        | 1.38               |
| iii) Interest accrued but not due                   | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                             | <b>5,094.35</b>                  | <b>-</b>        | <b>-</b> | <b>5,094.35</b>    |
| Change in Indebtedness during the financial year    |                                  |                 |          |                    |
| - Addition                                          | 1,74,287.57                      | -               | -        | 1,74,287.57        |
| - Reduction                                         | 1,72,842.15                      | -               | -        | 1,72,842.15        |
| <b>Net Change</b>                                   | <b>1,445.42</b>                  | <b>-</b>        | <b>-</b> | <b>1,445.42</b>    |
| Indebtedness at the end of the financial year       |                                  |                 |          |                    |
| i) Principal Amount                                 | 6,539.77                         | -               | -        | 6,539.77           |
| ii) Interest due but not paid                       | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                   | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                             | <b>6,539.77</b>                  | <b>-</b>        | <b>-</b> | <b>6,539.77</b>    |

## Annexure - I (Contd.)

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ In Lakhs)

| Sr. No | Particulars of Remuneration                                                     | Name of Managing Director/ Whole Time Director/ Manager                                                  |                                       |               |
|--------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------|---------------|
|        |                                                                                 | Mr. D. K. Jain<br>(Executive Chairman)                                                                   | Mr. Anmol Jain<br>(Managing Director) | Total         |
| 1.     | Gross salary                                                                    |                                                                                                          |                                       |               |
| a)     | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 126.00                                                                                                   | 126.00                                | 252.00        |
| b)     | Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 26.12                                                                                                    | 26.99                                 | 53.11         |
| c)     | Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                                                                                                        | -                                     | -             |
| 2.     | Stock Option                                                                    | -                                                                                                        | -                                     | -             |
| 3.     | Sweat Equity                                                                    | -                                                                                                        | -                                     | -             |
| 4.     | Commission                                                                      | 72.15                                                                                                    | 110.02*                               | 182.17        |
|        | - as % of profit                                                                |                                                                                                          |                                       |               |
|        | - others, specify                                                               | -                                                                                                        | -                                     | -             |
| 5.     | Others, please Specify                                                          | -                                                                                                        | -                                     | -             |
|        | <b>Total</b>                                                                    | <b>224.27</b>                                                                                            | <b>263.01</b>                         | <b>487.28</b> |
|        | <b>Ceiling as per Act</b>                                                       | (Being 10% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013) |                                       |               |

\*Includes commission from erstwhile Lumax DK Auto Industries Limited which has since merged with the Company.

#### B. Remuneration to other Directors

(₹ In Lakhs)

| S. No. | Particulars of Remuneration                    | Name of Directors                                                                                                                                                                                                                                                    |                  |                            |                         |                |                  |                          |                     | Total Amount  |
|--------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------|-------------------------|----------------|------------------|--------------------------|---------------------|---------------|
|        |                                                | Mr. Deepak Jain                                                                                                                                                                                                                                                      | Mr. Sanjay Mehta | Mr. Avinash Parkash Gandhi | Mr. Arun Kumar Malhotra | Mr. Milap Jain | Mr. Roop Salotra | Mr. Kanchan Kumar Gandhi | Mrs. Diviya Chanana |               |
| 1      | Independent Directors                          |                                                                                                                                                                                                                                                                      |                  |                            |                         |                |                  |                          |                     |               |
|        | • Fee for attending board / committee meetings | -                                                                                                                                                                                                                                                                    | -                | 4.20                       | 3.60                    | 4.80           | 5.00             | 2.80                     | 2.80                | 23.20         |
|        | • Commission                                   | -                                                                                                                                                                                                                                                                    | -                | -                          | -                       | -              | -                | -                        | -                   | -             |
|        | • Others, please specify                       | -                                                                                                                                                                                                                                                                    | -                | -                          | -                       | -              | -                | -                        | -                   | -             |
|        | <b>Total (1)</b>                               | -                                                                                                                                                                                                                                                                    | -                | <b>4.20</b>                | <b>3.60</b>             | <b>4.80</b>    | <b>5.00</b>      | <b>2.80</b>              | <b>2.80</b>         | <b>23.20</b>  |
| 2      | Other Non-Executive Directors                  |                                                                                                                                                                                                                                                                      |                  |                            |                         |                |                  |                          |                     |               |
|        | • Fee for attending board / committee meetings | -                                                                                                                                                                                                                                                                    | -                | -                          | -                       | -              | -                | -                        | -                   | -             |
|        | • Commission                                   | 59.73*                                                                                                                                                                                                                                                               | -                | -                          | -                       | -              | -                | -                        | -                   | 59.73         |
|        | • Others, please specify                       | -                                                                                                                                                                                                                                                                    | -                | -                          | -                       | -              | -                | -                        | -                   | -             |
|        | <b>Total (2)</b>                               | <b>59.73</b>                                                                                                                                                                                                                                                         | -                | -                          | -                       | -              | -                | -                        | -                   | <b>59.73</b>  |
|        | <b>Total (1+2)</b>                             | <b>59.73</b>                                                                                                                                                                                                                                                         | -                | <b>4.20</b>                | <b>3.60</b>             | <b>4.80</b>    | <b>5.00</b>      | <b>2.80</b>              | <b>2.80</b>         | <b>82.93</b>  |
|        | <b>Total Managerial Remuneration # (A + B)</b> | -                                                                                                                                                                                                                                                                    | -                | -                          | -                       | -              | -                | -                        | -                   | <b>570.21</b> |
|        | <b>Overall ceiling as per Act</b>              | (Being 11% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013, Sitting Fees paid to Independent Directors shall not be considered as remuneration while calculating ceiling as per Section 197 of the Companies Act, 2013) |                  |                            |                         |                |                  |                          |                     |               |

# Total remuneration to Managing Director, Whole time Director and other Directors (being the Total of A and B).

\*Includes commission from erstwhile Lumax DK Auto Industries Limited which has since merged with the Company.

## Annexure - I (Contd.)

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ In Lakhs)

| S. No | Particulars of Remuneration                                                     | Key Managerial Personnel                    |                                      |              |
|-------|---------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------|--------------|
|       |                                                                                 | Mr. Ashish Dubey<br>Chief Financial Officer | Mr. Anil Tyagi*<br>Company Secretary | Total        |
| 1.    | Gross salary                                                                    | 58.81                                       | 15.74                                | 74.55        |
| a)    | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                                             |                                      |              |
| b)    | Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0.60                                        | 1.57                                 | 2.17         |
| 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                                                          | -                                           | -                                    | -            |
|       | <b>Total</b>                                                                    | <b>59.41</b>                                | <b>17.31</b>                         | <b>76.72</b> |

\*Mr. Anil Tyagi has been appointed as Company Secretary w.e.f. May 18, 2019

**I. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** against the Company, Directors and other Officers in Default under the Companies Act, 2013: NONE.

## Annexure - J

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

Information as per Section 134(3)(m) of the Companies Act, 2013 and forming part of Directors' Report  
for the year ended March 31, 2020

#### A. CONSERVATION OF ENERGY

The Company does not come under the category of power intensive unit, adequate measures have been taken for energy conservation and thereby to reduce energy cost.

##### 1) Energy Performance Improvement Action taken and their impact:

###### a. Energy Conservation by improving the operation of Utility.

The company re-worked on the designing of compressor room so that intake air temperature to the compressor decreases thereby resulting in the reduction of energy consumption of compressor. Also, the company has installed air booster at the area of high-pressure requirement thereby decreasing the pressure at the generation point which have resulted the reduction in energy cost.

###### b. Energy cost reduction by improvement of Power Factor at Main Incomer.

The company has modified its Automatic Power Control Panel to increase power factor thereby, directly reducing plants overall energy cost.

###### c. Reduction in energy consumption by installation of low-cost automation in the process

The company has installed AC drives on the motors of blowers of ovens so that they can vary the flow as per the process requirement which results in the reduction of energy consumption.

##### 2) Step taken by the company for utilizing alternate source of energy

The company has already installed 348 kW Roof Top solar plant at Pune and Manesar premises, which will provide around 0.5 million units from renewable energy source. Another Roof Top Solar project of 700 kW is under installation in Narsapura Plant which will provide us around 1 million units at ₹ 4.2 per unit which is very much cheaper than the DISCOM tariff, thereby results in overall reduction in energy cost.

There has been no Capital investment done on these Solar projects as these have been implemented under OPEX Model.

It is difficult to quantify the impact of individual energy reduction measures on the Cost of Production of Goods. The above measures of energy reduction will reduce overall cost of energy.

#### B. TECHNOLOGY ABSORPTION

The Company does not have any imported technology and hence the details required to be given for the imported technology are not applicable.

As a trend in the Auto Industries is changing from import in technology to provide and develop local competency, the Company has taken various initiatives to improve local technical capabilities.

#### RESEARCH & DEVELOPMENT

##### a) Expenditure on Research & Development

|                                                                                        | (₹ in Lakhs) |
|----------------------------------------------------------------------------------------|--------------|
| (i) Capital                                                                            | -            |
| (ii) Recurring                                                                         | 67.12        |
| <b>Total</b>                                                                           | <b>67.12</b> |
| (iii) Total R & D Expenditure as a percentage of Total Turnover (Continued Operations) | 0.07         |

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year is ₹ 947.06 Lakhs and the Foreign Exchange outgo during the year in terms of actual outflows is ₹ 2,214.19 Lakhs.



# Independent Auditor's Report

To the Members of Lumax Auto Technologies Limited

## REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Lumax Auto Technologies Limited ("the Company"), which comprise the Balance sheet as at 31 March, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 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 audit opinion on the standalone Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 53 to the financial statements, which describes the uncertainties arising due to Covid-19 pandemic on the Company's operations and estimates as assessed by the management. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31 March, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

## Independent Auditor's Report (Contd.)

| Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Various pricing liabilities and its impact on recognition of revenue</b> (as described in Note 48 of the standalone Ind AS financial statements)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>Revenue is measured by the Company at the fair value of consideration received/ receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of variable consideration such as price adjustment to be passed on to the customers based on various parameters like negotiation based on savings on material and other factors.</p> <p>The Company business requires passing on these credits to the customers once negotiation are finally settled for the sales made by the Company during the year. The estimated liabilities based on various negotiation documents/ consideration at year end is shown in note 48 to the financial statements and the consequential impact on revenue is disclosed in note 48 to the financial statements.</p> <p>We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price adjustments to be recorded as at the year end.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Assessed the Company's accounting policy for revenue recognition including the policy for recording price adjustments in terms of Ind AS 115.</li> <li>Obtained an understanding of the revenue process, and the assumptions used by the management in the process of calculation of price adjustments as per the customer contracts, including design and implementation of controls, validation of management review controls and tested the operating effectiveness of these controls.</li> <li>Evaluated management's methodology and assumptions used in the calculations of price adjustments as per customer contracts.</li> <li>Tested completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments as per customer contracts.</li> <li>Tested, on sample basis, credit notes issued and payments made as per customer contracts/ agreed price negotiations</li> <li>Performed various analytical procedures to identify any unusual trends and identify unusual items for further testing.</li> </ul> |

### Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises of the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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 for the Standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the

preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's

## Independent Auditor's Report (Contd.)

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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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.

- 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 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 Ind AS financial statements for the financial year ended 31 March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's 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 (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act,

## Independent Auditor's Report (Contd.)

we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) In our opinion, the managerial remuneration for the year ended 31 March, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39(b) to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 20094421AAAACQ2285

Place of Signature: New Delhi

Date: June 17, 2020

## **Annexure 1** referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory requirements” of our report.

### **RE: LUMAX AUTO TECHNOLOGIES LIMITED ('THE COMPANY')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment except for the building (non factory) capitalised during the previous year, are held in the name of the Company. As explained to us, registration of title deeds is in progress in respect of the building (non factory) acquired during the previous year amounting to ₹ 421.36 Lakhs.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by the management at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act, 2013 in respect of the investments made have been complied by the Company. In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of automobile components, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities except for delays in respect of TDS for the month of March 20 amounting to ₹ 221.04 lakhs..
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

## Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory requirements” of our report. (Contd.)

| Name of the statute | Nature of the dues                  | Amount (₹)   | Period to which the amount relates | Forum where the dispute is pending |
|---------------------|-------------------------------------|--------------|------------------------------------|------------------------------------|
| 1.                  | Income Tax Act, 1961                | 929.95 lakhs | Assessment year 2018-19            | Commissioner of Income Tax         |
| 2.                  | Goods and Service Tax               | 17.15 lakhs  | Financial year 16-17, 17-18        | GST Commissionerate                |
| 3.                  | Custom Act, 1962<br>(Duty drawback) | 18.72 lakhs  | Financial year 19-20               | Assistant Commissioner of Custom   |
| 4.                  | Goods and Service Tax               | 1.03 lakhs   | Financial year 16-17, 17-18        | GST Commissionerate                |
| 5.                  | Income Tax Act, 1961                | 3.85 lakhs   | Assessment year 2012-13            | Income tax Appellate tribunal      |
| 6.                  | Income Tax Act, 1961                | 2.76 lakhs   | Assessment year 2015-16            | Income tax Appellate tribunal      |
| 7.                  | Income Tax Act, 1961                | 13.95 lakhs  | Assessment year 2017-18            | Income tax Appellate tribunal      |

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank, financial institution or government dues. There is no debenture outstanding during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties

are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421  
UDIN: 20094421AAAACQ2285

Place of Signature: New Delhi

Date: June 17, 2020



## **Annexure 2 To the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Lumax Auto Technologies Limited**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of Lumax Auto Technologies Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS**

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone 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.

## Annexure 2 To the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Lumax Auto Technologies Limited (Contd.)

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 20094421AAAACQ2285

Place of Signature: New Delhi

Date: June 17, 2020

# Standalone Balance Sheet

As at March 31, 2020

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

|                                                                              | Notes          | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated #) |
|------------------------------------------------------------------------------|----------------|-------------------------|-----------------------------------------|
| <b>ASSETS</b>                                                                |                |                         |                                         |
| <b>I. Non-current assets</b>                                                 |                |                         |                                         |
| Property, plant and equipment                                                | 3 (a)          | 20,342.65               | 20,430.76                               |
| Capital work in progress                                                     | 3 (b)          | 113.05                  | 205.11                                  |
| Intangible assets                                                            | 4              | 133.71                  | 95.25                                   |
| Right-to-use asset                                                           | 5              | 2,141.78                | -                                       |
| Investment property                                                          | 6              | 1,815.92                | 1,873.33                                |
| Investment in a subsidiaries and a joint venture                             | 7              | 6,211.22                | 5,240.76                                |
| Income tax assets(net)                                                       | 8              | 78.99                   | 231.62                                  |
| Financial assets                                                             |                |                         |                                         |
| - Investments                                                                | 9              | 5,014.16                | 10,127.67                               |
| - Loans                                                                      | 10             | 471.16                  | 444.26                                  |
| - Other financial assets                                                     | 11             | 150.00                  | 5.00                                    |
| Other non- current assets                                                    | 12             | 1,357.91                | 643.84                                  |
| Assets classified as held for sale                                           | 13             | -                       | 366.22                                  |
|                                                                              | <b>(A)</b>     | <b>37,830.55</b>        | <b>39,663.82</b>                        |
| <b>II. Current assets</b>                                                    |                |                         |                                         |
| Inventories                                                                  | 14             | 3,963.97                | 3,263.52                                |
| Financial assets                                                             |                |                         |                                         |
| - Investments                                                                | 9              | 1,130.70                | 1,851.10                                |
| - Loans                                                                      | 10             | 47.85                   | 13.46                                   |
| - Trade receivables                                                          | 15             | 16,484.89               | 22,728.07                               |
| - Cash and cash equivalents                                                  | 16             | 3,114.93                | 1,389.90                                |
| - Other bank balances                                                        | 17             | 4,516.05                | 2,371.65                                |
| - Others financial assets                                                    | 11             | 271.87                  | 117.69                                  |
| Other current assets                                                         | 12             | 1,354.82                | 854.01                                  |
|                                                                              |                | <b>30,885.08</b>        | <b>32,589.40</b>                        |
| Assets classified as held for sale                                           | 13             | 366.22                  | 3,999.44                                |
| <b>Total current assets</b>                                                  | <b>(B)</b>     | <b>31,251.30</b>        | <b>36,588.84</b>                        |
| <b>Total Assets</b>                                                          | <b>(A+B)</b>   | <b>69,081.85</b>        | <b>76,252.66</b>                        |
| <b>EQUITY AND LIABILITIES</b>                                                |                |                         |                                         |
| <b>I. Equity</b>                                                             |                |                         |                                         |
| Equity share capital                                                         | 18             | 1,363.15                | 1,363.15                                |
| Other equity                                                                 | 19             | 40,066.57               | 43,229.28                               |
| <b>Total equity</b>                                                          | <b>(A)</b>     | <b>41,429.72</b>        | <b>44,592.43</b>                        |
| <b>II. Liabilities</b>                                                       |                |                         |                                         |
| <b>Non- current liabilities</b>                                              |                |                         |                                         |
| Financial liabilities                                                        |                |                         |                                         |
| Borrowings                                                                   | 20             | 11.62                   | 32.72                                   |
| Other non-current liabilities                                                | 23             | 1,856.65                | -                                       |
| Provisions                                                                   | 21             | -                       | 258.44                                  |
| Deferred tax liabilities (net)                                               | 22             | 1,237.74                | 1,812.12                                |
| <b>Total Non Current Liabilities</b>                                         | <b>(B)</b>     | <b>3,106.01</b>         | <b>2,103.28</b>                         |
| <b>Current liabilities</b>                                                   |                |                         |                                         |
| Financial liabilities                                                        |                |                         |                                         |
| - Borrowings                                                                 | 20             | 6,500.00                | 5,015.30                                |
| - Trade payables                                                             | 24             |                         |                                         |
| - total outstanding dues of micro and small enterprises                      |                | 651.22                  | 2,527.29                                |
| - total outstanding dues of creditors other then micro and small enterprises |                | 11,611.46               | 16,346.93                               |
| - Other financial liabilities                                                | 25             | 1,896.45                | 2,896.60                                |
| Provisions                                                                   | 21             | 1,037.19                | 513.96                                  |
| Other current liabilities                                                    | 23             | 2,849.80                | 2,256.87                                |
| <b>Total Current Liabilities</b>                                             | <b>(C)</b>     | <b>24,546.12</b>        | <b>29,556.95</b>                        |
| <b>Total Liabilities</b>                                                     |                | <b>27,652.13</b>        | <b>31,660.23</b>                        |
| <b>Total equity and liabilities</b>                                          | <b>(A+B+C)</b> | <b>69,081.85</b>        | <b>76,252.66</b>                        |
| # Due to merger of wholly owned subsidiary                                   | 37(c)          |                         |                                         |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

**S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E / E300005

**per Vikas Mehra**

Partner

Membership. No. 094421

Place : New Delhi

Date : June 17, 2020

For and on behalf of the Board of Directors of  
**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman

DIN : 00085848

**Ashish Dubey**

Chief Financial Officer

Place : New Delhi

Date : June 17, 2020

**Anmol Jain**

Managing Director

DIN : 00004993

**Anil Tyagi**

Company Secretary

Membership No.- A16825

# Standalone Statement of Profit & Loss

For the year ended March 31, 2020

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

|                                                                                                              | Notes  | For the Period Ended<br>March 31, 2020 | For the Period Ended<br>March 31, 2019<br>(Restated #) |
|--------------------------------------------------------------------------------------------------------------|--------|----------------------------------------|--------------------------------------------------------|
| <b>Continuing Operations</b>                                                                                 |        |                                        |                                                        |
| I Revenue from contract with customer                                                                        | 26     | 94,236.07                              | 95,764.60                                              |
| II Other income                                                                                              | 27     | 2,717.95                               | 2,317.35                                               |
| <b>III Total income</b>                                                                                      |        | <b>96,954.02</b>                       | <b>98,081.95</b>                                       |
| <b>IV Expenses</b>                                                                                           |        |                                        |                                                        |
| Cost of raw material and components consumed                                                                 | 28     | 49,586.92                              | 51,092.77                                              |
| Cost of moulds consumed                                                                                      | 29     | 641.96                                 | 473.65                                                 |
| Purchases of traded goods                                                                                    | 28 (a) | 15,484.12                              | 14,761.23                                              |
| (Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods                      | 30     | (542.28)                               | 476.98                                                 |
| Employee benefits expense                                                                                    | 31     | 9,592.30                               | 9,736.73                                               |
| Finance costs                                                                                                | 32     | 713.98                                 | 259.90                                                 |
| Depreciation and amortization expense                                                                        | 33     | 2,694.69                               | 2,244.69                                               |
| Other expenses                                                                                               | 34     | 12,657.28                              | 11,843.56                                              |
| <b>V Total expenses</b>                                                                                      |        | <b>90,828.97</b>                       | <b>90,889.51</b>                                       |
| <b>VI Profit before tax from continuing operation (III-V)</b>                                                |        | <b>6,125.05</b>                        | <b>7,192.44</b>                                        |
| <b>VII Tax expense:</b>                                                                                      |        |                                        |                                                        |
| Current tax                                                                                                  | 22     | 1,549.71                               | 2,055.79                                               |
| MAT credit (entitlement)/utilised                                                                            | 22     | -                                      | 284.52                                                 |
| Adjustment of tax relating to earlier years                                                                  | 22     | (40.17)                                | 25.25                                                  |
| Deferred tax                                                                                                 | 22     | (511.87)                               | 135.41                                                 |
| <b>Total tax expense</b>                                                                                     |        | <b>997.67</b>                          | <b>2,500.97</b>                                        |
| <b>Net Profit from Continuing Operations</b>                                                                 |        | <b>5,127.38</b>                        | <b>4,691.47</b>                                        |
| <b>VIII Discontinued operations</b>                                                                          |        |                                        |                                                        |
| Profit before tax for the period / year from Discontinued operations                                         | 13     | <b>948.58</b>                          | 1,758.42                                               |
| Less: Tax expenses                                                                                           | 13     | <b>123.29</b>                          | 492.42                                                 |
|                                                                                                              |        | <b>825.29</b>                          | <b>1,266.00</b>                                        |
| <b>IX Profit for the year (VI-VII+VIII)</b>                                                                  |        | <b>5,952.67</b>                        | <b>5,957.47</b>                                        |
| <b>X Other comprehensive income</b>                                                                          |        |                                        |                                                        |
| <b>Other comprehensive income not to be reclassified to statement of profit or loss in subsequent period</b> |        |                                        |                                                        |
| Re-measurement gains/ (losses) on defined benefit plans                                                      | 35     | (54.31)                                | (28.84)                                                |
| Income tax effect                                                                                            | 35     | 13.67                                  | 10.07                                                  |
| Loss on FVTOCI equity securities                                                                             | 35     | (5,113.50)                             | (1,879.82)                                             |
| Income tax effect                                                                                            | 35     | 48.84                                  | 154.70                                                 |
| <b>XI Other comprehensive income for the year, net of tax</b>                                                |        | <b>(5,105.30)</b>                      | <b>(1,743.88)</b>                                      |
| <b>XII Total comprehensive income of the year, net of tax</b>                                                |        | <b>847.37</b>                          | <b>4,213.59</b>                                        |
| <b>XIII Earnings per share for face value of ₹ 2 each :</b>                                                  |        |                                        |                                                        |
| Earnings per share for continuing operation: (In ₹) :                                                        | 36     | 7.52                                   | 6.88                                                   |
| - Basic and diluted                                                                                          |        |                                        |                                                        |
| Earnings per share for Discontinued operation: (In ₹) :                                                      |        |                                        |                                                        |
| - Basic and diluted                                                                                          | 36     | 1.21                                   | 1.86                                                   |
| Earnings per share for Continuing and Discontinued operation: (In ₹) :                                       | 36     |                                        |                                                        |
| - Basic & Diluted                                                                                            |        | 8.73                                   | 8.74                                                   |
| # Due to merger of wholly owned subsidiary                                                                   | 37(c)  |                                        |                                                        |

The accompanying notes form an integral part of these financial statements

As per our report of even date

**S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E / E300005

**per Vikas Mehra**

Partner

Membership. No. 094421

Place : New Delhi

Date : June 17, 2020

For and on behalf of the Board of Directors of

**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman

DIN : 00085848

**Ashish Dubey**

Chief Financial Officer

Place : New Delhi

Date : June 17, 2020

**Anmol Jain**

Managing Director

DIN : 00004993

**Anil Tyagi**

Company Secretary

Membership No.- A16825

# Standalone Cash Flow Statement

For the year ended March 31, 2020

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

|                                                                               | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019<br>(Restated #) |
|-------------------------------------------------------------------------------|------------------------------|----------------------------------------------|
| <b>Cash Flow from Operating Activities</b>                                    |                              |                                              |
| <b>Profit before tax from continuing operations</b>                           | 6,125.05                     | 7,192.44                                     |
| <b>Profit before tax from discontinued operations</b>                         | 948.58                       | 1,758.42                                     |
| Non-cash adjustments:                                                         |                              |                                              |
| <b>Adjustment to reconcile profit before tax to net cash flows</b>            |                              |                                              |
| Depreciation of property, plant and equipment                                 | 2,282.40                     | 2,281.34                                     |
| Amortisation of intangible assets                                             | 354.88                       | 45.93                                        |
| Depreciation on investment properties                                         | 57.41                        | 57.41                                        |
| (Profit)/Loss on sale of Property, plant and equipment                        | (16.51)                      | (37.71)                                      |
| Dividend Income                                                               | (760.70)                     | (407.90)                                     |
| Liabilities/ provisions no longer required, written back                      | (191.77)                     | (46.58)                                      |
| Provision for doubtful debt                                                   | 76.42                        | 15.45                                        |
| Outstanding Balance written off                                               | 177.36                       | -                                            |
| Unrealised exchange (gain)/loss                                               | 23.55                        | (19.51)                                      |
| Rent income                                                                   | (453.55)                     | -                                            |
| Interest income                                                               | (295.68)                     | (145.23)                                     |
| Interest expenses                                                             | 713.98                       | 259.90                                       |
| Unrealised loss / (gain) on investment in mutual fund                         | 103.00                       | (124.00)                                     |
| <b>Operating profit before working capital changes</b>                        | <b>9,144.42</b>              | <b>10,829.96</b>                             |
| <b>Movements in working capital :</b>                                         |                              |                                              |
| Decrease/(Increase) in trade receivables                                      | 6,166.76                     | 1,777.13                                     |
| Increase in financial assets                                                  | (312.76)                     | (136.28)                                     |
| Increase in other assets                                                      | (1,538.47)                   | 271.33                                       |
| Increase in inventories                                                       | (700.45)                     | (810.36)                                     |
| (Decrease)/Increase in trade payable and other payable                        | (6,443.32)                   | (4,472.49)                                   |
| Increase in current liabilities, provisions, financial liability              | (481.87)                     | 627.33                                       |
| <b>Cash generated from operations</b>                                         | <b>5,834.31</b>              | <b>8,086.62</b>                              |
| <b>Direct taxes paid</b>                                                      | (1,334.04)                   | (2,872.07)                                   |
| <b>Net cash generated from operating activities (A)</b>                       | <b>4,500.27</b>              | <b>5,214.55</b>                              |
| <b>Cash flows from investing activities</b>                                   |                              |                                              |
| Purchase of fixed assets (including capital in progress and capital advances) | (710.01)                     | (3,667.11)                                   |
| Proceeds from sale of property plant and equipment                            | 2,230.39                     | 58.98                                        |
| Dividend Received                                                             | 760.70                       | 407.90                                       |
| Investments in subsidiary and Joint ventures                                  | (970.45)                     | (3,733.51)                                   |
| Redemption / (purchase) of mutual fund                                        | 814.98                       | (315.48)                                     |
| Realised Gain on investment in mutual fund                                    | (197.58)                     | 65.49                                        |
| (Investment in)/Proceeds from maturity of bank deposits                       | (2,144.40)                   | (1,364.67)                                   |
| Rent received                                                                 | 453.55                       | -                                            |
| Interest received                                                             | 247.98                       | 154.39                                       |
| <b>Net cash used in investing activities (B)</b>                              | <b>485.16</b>                | <b>(8,394.01)</b>                            |

# Standalone Cash Flow Statement

For the year ended March 31, 2020 (Contd.)

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

|                                                                    | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019<br>(Restated #) |
|--------------------------------------------------------------------|------------------------------|----------------------------------------------|
| <b>Cash flows from financing activities</b>                        |                              |                                              |
| Proceeds/ (Repayment) from long term borrowings (net)              | (21.10)                      | (22.55)                                      |
| Proceeds/ (Repayments of) from short term borrowing (net)          | 1,484.70                     | 5,015.30                                     |
| Dividend paid (including tax thereon)                              | (4,010.02)                   | (1,584.33)                                   |
| Interest paid                                                      | (713.98)                     | (259.90)                                     |
| <b>Net cash generating/(used in) from financing activities (C)</b> | <b>(3,260.40)</b>            | <b>3,148.52</b>                              |
| <b>Net Increase in cash and cash equivalents (A + B + C)</b>       | <b>1,725.03</b>              | <b>(30.94)</b>                               |
| Cash and cash equivalents at the beginning of the year             | 1,389.90                     | 1,420.84                                     |
| <b>Cash and cash equivalents at the end of the year</b>            | <b>3,114.93</b>              | <b>1,389.90</b>                              |
| <b>Components of cash and cash equivalents</b>                     |                              |                                              |
| Cash on hand                                                       | 3.67                         | 4.96                                         |
| Cheques/ drafts on hand                                            |                              |                                              |
| Balance with banks                                                 |                              |                                              |
| - On current accounts                                              | 2,879.02                     | 622.62                                       |
| - On cash credit account                                           | -                            | 4.63                                         |
| - Deposits with original maturity of less than three months        | 232.23                       | 757.68                                       |
| <b>Total cash and cash equivalents (refer note 13)</b>             | <b>3,114.93</b>              | <b>1,389.90</b>                              |
| # Due to merger of wholly owned subsidiary - Refer note 37(c)      |                              |                                              |

The accompanying notes form an integral part of these financial statements

As per our report of even date

**S. R. Batliboi & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No. 301003E / E300005

**per Vikas Mehra**

Partner  
Membership. No. 094421

Place : New Delhi  
Date : June 17, 2020

For and on behalf of the Board of Directors of  
**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman  
DIN : 00085848

**Ashish Dubey**

Chief Financial Officer

Place : New Delhi  
Date : June 17, 2020

**Anmol Jain**

Managing Director  
DIN : 00004993

**Anil Tyagi**

Company Secretary  
Membership No.- A16825



# Standalone Statement of Changes in Equity

For the year ended March 31, 2020

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

|                                                                                     | Share capital<br>(1) | Other Equity      |                 |                    |                 |                   |                                   | Total equity<br>(1+2) |
|-------------------------------------------------------------------------------------|----------------------|-------------------|-----------------|--------------------|-----------------|-------------------|-----------------------------------|-----------------------|
|                                                                                     |                      | Retained earnings | Capital Reserve | Securities premium | General reserve | FVTOCI reserve    | Total reserves and surplus<br>(2) |                       |
| As at April 01, 2018                                                                | 1,363.15             | 9,068.73          | 69.09           | 4,528.55           | 1,477.00        | 9,333.59          | 24,476.96                         | 25,840.11             |
| Add: Amount reclassified on account of merger as at April 01, 2018 (Refer Note 37C) | -                    | 15,265.35         | 300.37          | -                  | 405.58          | 151.76            | 16,123.06                         | 16,123.06             |
| <b>Total as at April 01, 2018 (Restated #)</b>                                      | <b>1,363.15</b>      | <b>24,334.08</b>  | <b>369.46</b>   | <b>4,528.55</b>    | <b>1,882.58</b> | <b>9,485.35</b>   | <b>40,600.02</b>                  | <b>41,963.17</b>      |
| Add: Profit for the year                                                            | -                    | 5,957.47          | -               | -                  | -               | -                 | 5,957.47                          | 5,957.47              |
| Add: Other comprehensive income                                                     | -                    | (18.77)           | -               | -                  | -               | (1,725.11)        | (1,743.88)                        | (1,743.88)            |
| Total comprehensive income                                                          | -                    | 5,938.70          | -               | -                  | -               | (1,725.11)        | 4,213.59                          | 4,213.59              |
| Less: Dividend Paid                                                                 | -                    | (1,363.15)        | -               | -                  | -               | -                 | (1,363.15)                        | (1,363.15)            |
| Less: Dividend Distribution Tax                                                     | -                    | (221.18)          | -               | -                  | -               | -                 | (221.18)                          | (221.18)              |
| Less: Amount Transfer to General Reserve                                            | -                    | (147.00)          | -               | -                  | 147.00          | -                 | -                                 | -                     |
| <b>As at March 31, 2019 (Restated #)</b>                                            | <b>1,363.15</b>      | <b>28,541.45</b>  | <b>369.46</b>   | <b>4,528.55</b>    | <b>2,029.58</b> | <b>7,760.24</b>   | <b>43,229.28</b>                  | <b>44,592.43</b>      |
| Add: Profit for the year                                                            | -                    | 5,952.67          | -               | -                  | -               | -                 | 5,952.67                          | 5,952.67              |
| Add: Other comprehensive income                                                     | -                    | (40.64)           | -               | -                  | -               | (5,064.66)        | (5,105.30)                        | (5,105.30)            |
| Transfer to General reserve                                                         | -                    | -                 | -               | -                  | -               | -                 | -                                 | -                     |
| <b>Total comprehensive income</b>                                                   | <b>-</b>             | <b>5,912.03</b>   | <b>-</b>        | <b>-</b>           | <b>-</b>        | <b>(5,064.66)</b> | <b>847.37</b>                     | <b>847.37</b>         |
| Less: Dividend Paid                                                                 | -                    | (3,407.95)        | -               | -                  | -               | -                 | (3,407.95)                        | (3,407.95)            |
| Less: Dividend Distribution Tax                                                     | -                    | (602.14)          | -               | -                  | -               | -                 | (602.14)                          | (602.14)              |
| <b>As at March 31, 2020</b>                                                         | <b>1,363.15</b>      | <b>30,443.40</b>  | <b>369.46</b>   | <b>4,528.55</b>    | <b>2,029.58</b> | <b>2,695.58</b>   | <b>40,066.57</b>                  | <b>41,429.72</b>      |

# Due to merger of wholly owned subsidiary - Refer note 37(c)

The accompanying notes form an integral part of these financial statements

As per our report of even date

**S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E / E300005

**per Vikas Mehra**

Partner

Membership. No. 094421

Place : New Delhi

Date : June 17, 2020

For and on behalf of the Board of Directors of

**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman

DIN : 00085848

**Ashish Dubey**

Chief Financial Officer

Place : New Delhi

Date : June 17, 2020

**Anmol Jain**

Managing Director

DIN : 00004993

**Anil Tyagi**

Company Secretary

Membership No.- A16825

# Notes to the Standalone financial statements

## For the year ended March 31, 2020

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

### 1. CORPORATE INFORMATION

Lumax Auto Technologies Limited ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi- 110046

The Company is principally engaged in the manufacturing of automotive components. Information on the Company's structure is provided in Note 37. Information on other related party relationships of the Company is provided in Note 40.

During the year, the Company has received approval from the National Company Law Tribunal (NCLT) on October 31, 2019 in respect of merger of the Company with its wholly owned subsidiary namely; Lumax DK Auto Industries Limited. Appointed date as per scheme is April 01, 2018 and accordingly, the Company has applied principles of Appendix C to Ind-AS 103 on 'Business Combinations of entities under Common Control' w.e.f. April 01, 2018 and restated the previous year comparatives. Further March 31, 2019 of LDK was audited by another firm of Chartered Accountants. (Refer note 37 (c) for detailed disclosures in this regard).

The financial statements were authorised for issue in accordance with a resolution of the directors on June 17, 2020.

### 2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements.

These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

#### 2.1 Basis of Preparation

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

The financial statements have been prepared on a historical cost basis, except for the financial assets and liabilities which have been measured at fair value or revalued amount.

The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs (₹ 00,000), except wherever otherwise stated.

### 2.2 Summary of significant accounting policies

#### A. Changes in accounting policies and disclosures

##### New and Amended Standards

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

Several other amendments apply for the first time for the year ending 31 March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

##### i. Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor. The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application being April 01, 2019. The Company elected to use the transition practical expedient to not

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-to-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability.

Refer note 5 for detailed impact on adoption of Ind AS 116 "Leases" on the financial statements of the Company.

#### ii. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

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

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities

3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances.

The Company determines whether to consider each uncertain tax treatment separately or together with

one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Company has considered, for example; (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

#### iii. Amendments to Ind AS 109: Prepayment Features with Negative Compensation

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

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

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

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

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period.

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

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

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

#### v. Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to

the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone financial statements as the Company is in compliance with the said amendment.

#### Annual Improvements to Ind AS 2018

##### i. Ind AS 103 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the financial statements of the Company as there is no transaction where joint control is obtained.

##### ii. Ind AS 111 Joint Arrangements

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the financial statements of the Company as there is no transaction where a joint control is obtained.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### iii. Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

#### iv. Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

#### B. Investment in subsidiaries and Joint Venture

The investment in subsidiary and Joint venture are carried at cost as per IND AS 27. The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability

to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if it has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with IND AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

#### C. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for the purpose of trading
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### D. Foreign currencies

##### Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency.

##### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

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

#### E. Property, plant and equipment

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price (net of Input Tax Credit) and any directly attributable cost to bring assets to working condition. When significant parts of property, plant and equipment are required to be

replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Items of stores and spares that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

#### Depreciation on property, plant and equipment

Depreciation is calculated on a straight-line basis over the estimated useful lives as estimated by the management which is in line with the Schedule II to the Companies Act, 2013. The Company has used the following useful lives to provide depreciation on its Property, plant and equipment which is in line with schedule II:

| Assets                 | Useful Lives estimated by the management (in years) |
|------------------------|-----------------------------------------------------|
| Lease hold land        | 99                                                  |
| Factory Building       | 30                                                  |
| Other Building         | 30 to 60                                            |
| Computers              | 3                                                   |
| Office equipment's     | 5                                                   |
| Furniture and fixtures | 10                                                  |
| Vehicles               | 5                                                   |

The management has estimated, supported by independent assessment by professionals, the useful life of the following class of asset, which are higher/different than that indicated in Schedule II.



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Assets                         | Useful Lives estimated by the management (in years) |
|--------------------------------|-----------------------------------------------------|
| Plant and Machineries          | 9-21                                                |
| Plant and Machineries (Robots) | 12                                                  |
| Moulds                         | 9                                                   |

Leasehold land and leasehold improvement is amortised on a straight line basis over the period of lease term.

The residual value of property, plant and equipment is considered at 2%.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

#### F. Intangible assets

##### Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

##### Amortisation and useful lives

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and amortization method of the intangible asset with a useful finite life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

| Intangible Assets  | Estimated Useful Life (Years)                                  |
|--------------------|----------------------------------------------------------------|
| Computer Software  | Over the estimated economic useful lives of 4 years            |
| Technical Know-how | Over the period of Technical Assistance Agreement i.e. 8 years |

Gain or loss arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### G. Investment Property

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalized to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. When significant parts of investment property are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. All other repair and maintenance cost are expensed when incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying a valuation model as per Ind AS 113 "Fair value measurement". Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

Investment properties are depreciated using straight line method over their estimated useful life. Transfer of property from investment property to

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

the property, plant and equipment is made when the property is no longer held for long term rental yields or for capital appreciation or both at carrying amount of the property transferred.

#### H. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### I. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Company as a lessee

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

##### i. Right-to-use assets

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

Land & Building: 2-12 years

Solar Power : 15 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-to-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

##### ii. Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

##### ii. Short-term leases and leases of low-value assets

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

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### Land under Finance lease

The Company has lands allotted by authorities for a lease term of ninety-nine years. These lands were acquired by paying the consideration, which reflected the prevalent market price and upfront payment of all future lease rentals. There are no further lease rental obligations upon the Company to be paid to the Authority. There are no restrictions on usage or transfer of the land to any party by the Company. In view of aforesaid facts and circumstances, the Company has classified these lands as finance lease.

#### J. Inventories

Inventories which comprise raw material, work in progress, finished goods, traded goods and stores and spares are valued at the lower of cost and net realisable value.

The basis of determining costs for various categories of inventories is as follows:

- **Raw materials, components, stores and spares:** Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted moving average basis.
- **Work-in-progress and finished goods:** Cost includes direct material plus appropriate share of labour, manufacturing overheads based on normal operating capacity. Cost is determined on a weighted moving average basis.

- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Stores and spares which do not meet the definition of Property, plant and equipment are accounted as inventories.

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

Scraps are valued at net realisable value

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in production of finished goods 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 its net realisable value. The comparison of cost and net realizable value is made on an item-by-item basis.

#### K. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses on non-financial asset, including impairment on inventories, are recognized in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

#### L. Revenue from contract with customer

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

However, Goods and services tax (GST), is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### M. Sale of goods

Revenue from sale of goods (including tools) is recognized at the point in time when control of the inventory is transferred to the customer, generally

on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company allocated a portion of the transaction price to goods bases on its relative standalone prices and also considers the following:

#### Schemes

The Company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as discounts. Revenue from contract with customer is presented deducting cost of all these schemes.

#### Contract balances

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### Contract liabilities

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

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### N. Interest Income

For all debt instruments measured at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected estimated cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss. Interest income is included under the head "other income" in the statement of profit and loss.

Interest income on bank deposits and advances to vendors is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

#### O. Dividend Income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### P. Rental Income

Rental income arising from operating leases are accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

#### Q. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### R. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purpose. Such long term compensated absences are provided for based on the actuarial valuation

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

using the projected unit credit method at the year-end. The company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### S. Provisions

##### General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is

recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

#### T. Taxes

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### U. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### V. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

#### W. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However,

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

#### X. Cash dividend to equity holders of the parent

The Company recognises a liability to make cash dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### Y. Segment reporting

##### Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operates.

#### Z. Assets held for sale

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

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is

highly probable; and it will genuinely be sold, not abandoned. The company treats sale of the asset to be highly probable when:

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

Non-current assets held for sale to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

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

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 13. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### AA. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

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

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

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents, if any

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosure of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

#### BB. Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

##### Financial Assets

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### **Financial assets at amortised cost (debt instruments)**

A financial asset is measured at the amortised cost if both the following conditions are met

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

#### **Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each

reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

#### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

#### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

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

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Financial Liabilities

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings etc.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

#### CC. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as an expense in the statement of profit and loss.

#### DD. Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefit is not probable.

Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

- The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

#### 2.3 Standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2020.



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 3. | PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

##### 3 (a) Property, plant and equipment (net)

The details of property, plant and equipment (net) :

|                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Freehold land            | 793.87                  | 793.87                  |
| Leasehold Land           | 483.65                  | 489.74                  |
| Building                 | 3,721.41                | 3,838.31                |
| Buildings (Non- Factory) | 1,344.57                | 1,367.89                |
| Lease Hold Improvement   | 77.99                   | 72.56                   |
| Plant and Equipments     | 13,280.47               | 13,212.81               |
| Furniture and Fixtures   | 282.07                  | 176.02                  |
| Office Equipments        | 97.78                   | 104.71                  |
| Vehicles                 | 201.35                  | 300.80                  |
| Computers                | 59.49                   | 74.05                   |
| <b>Total</b>             | <b>20,342.65</b>        | <b>20,430.76</b>        |

##### 3 (b) Capital work in progress

The details of capital work in progress:

|                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------|-------------------------|-------------------------|
| Capital work in progress * | 113.05                  | 205.11                  |
| <b>Total</b>               | <b>113.05</b>           | <b>205.11</b>           |

\* Capital work in progress As at March 31, 2020 comprises expenditure for the plant and equipments.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 3.1 Property, plant and equipment

|                                                                                     | Freehold land | Leasehold Land | Building        | Buildings (Non-Factory)** | Lease Hold Improvement | Plant and equipments | Furniture and fixtures | Office equipments | Vehicles      | Computers     | Total            |
|-------------------------------------------------------------------------------------|---------------|----------------|-----------------|---------------------------|------------------------|----------------------|------------------------|-------------------|---------------|---------------|------------------|
| As at April 01, 2018                                                                | 519.81        | 335.25         | 3,124.15        | 1,273.16                  | -                      | 14,514.91            | 297.30                 | 243.29            | 544.57        | 292.76        | 21,145.20        |
| Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 37C) | 274.06        | 421.89         | 2,414.43        | 136.87                    | -                      | 9,175.83             | 69.54                  | 145.06            | 176.99        | 134.74        | 12,949.41        |
| <b>As at April 01, 2018</b>                                                         | <b>793.87</b> | <b>757.14</b>  | <b>5,538.58</b> | <b>1,410.03</b>           | -                      | <b>23,690.74</b>     | <b>366.84</b>          | <b>388.35</b>     | <b>721.56</b> | <b>427.50</b> | <b>34,094.61</b> |
| Additions                                                                           | -             | -              | 81.42           | 2.83                      | 76.20                  | 2,318.34             | 577.4                  | 51.34             | 94.64         | 68.47         | 2,750.98         |
| Disposals                                                                           | -             | (0.18)         | (17.49)         | -                         | -                      | (13.01)              | (7.07)                 | -                 | (17.85)       | -             | (55.60)          |
| Assets held for sale*                                                               | -             | (210.44)       | (229.65)        | -                         | -                      | (1,392.02)           | (60.99)                | (58.17)           | (17.58)       | (44.64)       | (2,013.49)       |
| <b>As at March 31, 2019</b>                                                         | <b>793.87</b> | <b>546.52</b>  | <b>5,372.86</b> | <b>1,412.86</b>           | <b>76.20</b>           | <b>24,604.05</b>     | <b>356.52</b>          | <b>381.52</b>     | <b>780.77</b> | <b>451.33</b> | <b>34,776.50</b> |
| Additions                                                                           | -             | -              | 62.68           | -                         | 13.17                  | 1,931.86             | 136.93                 | 27.85             | 18.86         | 19.98         | 2,211.33         |
| Disposals                                                                           | -             | -              | -               | -                         | -                      | (216.17)             | (4.81)                 | (8.55)            | (53.02)       | (19.12)       | (301.67)         |
| <b>As at March 31, 2020</b>                                                         | <b>793.87</b> | <b>546.52</b>  | <b>5,435.54</b> | <b>1,412.86</b>           | <b>89.37</b>           | <b>26,319.74</b>     | <b>488.64</b>          | <b>400.82</b>     | <b>746.61</b> | <b>452.19</b> | <b>36,686.16</b> |
| <b>Depreciation and Impairments</b>                                                 |               |                |                 |                           |                        |                      |                        |                   |               |               |                  |
| As at April 01, 2018                                                                | -             | 30.90          | 765.84          | 0.30                      | -                      | 5,567.79             | 130.12                 | 188.83            | 302.81        | 241.21        | 7,227.81         |
| Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 37C) | -             | 39.65          | 646.10          | 21.54                     | -                      | 4,274.56             | 42.81                  | 99.77             | 71.26         | 117.50        | 5,313.19         |
| <b>As at April 01, 2018</b>                                                         | <b>-</b>      | <b>70.55</b>   | <b>1,411.94</b> | <b>21.84</b>              | <b>-</b>               | <b>9,842.35</b>      | <b>172.93</b>          | <b>288.60</b>     | <b>374.07</b> | <b>358.71</b> | <b>12,541.00</b> |
| Depreciation Charge for the year on continuing operations                           | -             | 7.59           | 182.04          | 23.13                     | 1.99                   | 1,687.33             | 23.24                  | 44.13             | 125.77        | 46.16         | 2,141.38         |
| Discontinued Operations                                                             | -             | -              | -               | -                         | 1.65                   | 971.8                | 5.57                   | 9.09              | 3.07          | 8.12          | 124.68           |
| Disposal                                                                            | -             | (0.05)         | (11.31)         | -                         | -                      | (4.73)               | (3.19)                 | -                 | (17.19)       | -             | (36.47)          |
| Assets held for sale*                                                               | -             | (21.31)        | (48.12)         | -                         | -                      | (230.89)             | (18.05)                | (65.01)           | (5.75)        | (35.71)       | (424.84)         |
| <b>As at March 31, 2019</b>                                                         | <b>-</b>      | <b>56.78</b>   | <b>1,534.55</b> | <b>44.97</b>              | <b>3.64</b>            | <b>11,391.24</b>     | <b>180.50</b>          | <b>276.81</b>     | <b>479.97</b> | <b>377.28</b> | <b>14,345.75</b> |
| Depreciation Charge for the year                                                    | -             | 6.09           | 179.58          | 23.32                     | 7.74                   | 1,853.64             | 28.74                  | 34.29             | 114.70        | 34.29         | 2,282.39         |
| Disposal                                                                            | -             | -              | -               | -                         | -                      | (205.61)             | (2.67)                 | (8.06)            | (49.41)       | (18.87)       | (284.62)         |
| <b>As at March 31, 2020</b>                                                         | <b>-</b>      | <b>62.87</b>   | <b>1,714.13</b> | <b>68.29</b>              | <b>11.38</b>           | <b>13,039.27</b>     | <b>206.57</b>          | <b>303.04</b>     | <b>545.26</b> | <b>392.70</b> | <b>16,343.52</b> |
| Net Block                                                                           |               |                |                 |                           |                        |                      |                        |                   |               |               |                  |
| <b>As at March 31, 2020</b>                                                         | <b>793.87</b> | <b>483.65</b>  | <b>3,721.41</b> | <b>1,344.57</b>           | <b>77.99</b>           | <b>13,280.47</b>     | <b>282.07</b>          | <b>97.78</b>      | <b>201.35</b> | <b>59.49</b>  | <b>20,342.65</b> |
| <b>As at March 31, 2019</b>                                                         | <b>793.87</b> | <b>489.74</b>  | <b>3,838.31</b> | <b>1,367.89</b>           | <b>72.56</b>           | <b>13,212.81</b>     | <b>176.02</b>          | <b>104.71</b>     | <b>300.80</b> | <b>74.05</b>  | <b>20,430.76</b> |
| <b>As at April 01, 2018</b>                                                         | <b>793.87</b> | <b>686.59</b>  | <b>4,126.64</b> | <b>1,388.19</b>           | <b>-</b>               | <b>13,848.39</b>     | <b>193.91</b>          | <b>99.75</b>      | <b>347.49</b> | <b>68.79</b>  | <b>21,553.62</b> |

\*\*All property, plant and equipment are held in name of the company, except Building (non factory) situated, at Gurugram, Cost amounting to ₹ 421.36 lakhs, net block amounting to ₹ 403.01 lakhs (March 31, 2019: ₹ 409.89 lakhs) for which lease deed is yet to be registered with the appropriate authority.

\* Assets held for Sale includes leasehold land and buildings at Ranjangaon, Maharashtra net value of which is ₹ 177.28 Lakhs and ₹ 188.94 Lakhs respectively. Assets held for Sale other than these relates to discontinued operations which are disclosed in Note 13.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 4 INTANGIBLE ASSETS

##### a) Details of intangible assets:

|                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| <b>Intangible assets</b> |                         |                         |
| - Computer software      | 133.71                  | 95.25                   |
| <b>Total</b>             | <b>133.71</b>           | <b>95.25</b>            |

##### b) Disclosures regarding gross block of intangible assets, accumulated amortisation and net block are as given below:

|                                                                                     | Technical<br>Know How | Computer<br>Software | Total         |
|-------------------------------------------------------------------------------------|-----------------------|----------------------|---------------|
| <b>Cost</b>                                                                         |                       |                      |               |
| As at April 01, 2018                                                                | 57.84                 | 350.77               | 408.61        |
| Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 37C) | -                     | 115.31               | 115.31        |
| <b>As at April 01, 2018</b>                                                         | <b>57.84</b>          | <b>466.08</b>        | <b>523.92</b> |
| Add: Additions                                                                      | -                     | 75.95                | 75.95         |
| Less: Disposals                                                                     | -                     | -                    | -             |
| Less: assets held for sale                                                          | -                     | (76.02)              | (76.02)       |
| At March 31, 2019                                                                   | <b>57.84</b>          | <b>466.01</b>        | <b>523.85</b> |
| Add: Additions                                                                      | -                     | 93.32                | 93.32         |
| Less: Disposals                                                                     | -                     | (47.12)              | (47.12)       |
| <b>At March 31, 2020</b>                                                            | <b>57.84</b>          | <b>512.21</b>        | <b>570.05</b> |
| <b>Amortisation</b>                                                                 |                       |                      |               |
| As at April 01, 2018                                                                | 57.84                 | 252.27               | 310.11        |
| Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 37C) | -                     | 85.68                | 85.68         |
| <b>As at April 01, 2018</b>                                                         | <b>57.84</b>          | <b>337.95</b>        | <b>395.79</b> |
| Add: Amortisation charge for the year on continuing operations                      | -                     | 45.93                | 45.93         |
| Add: Amortisation charge for the year on discontinued operations                    | -                     | 15.30                | 15.30         |
| Less: Disposals                                                                     | -                     | -                    | -             |
| Assets held for sale                                                                | -                     | (28.42)              | (28.42)       |
| At March 31, 2019                                                                   | <b>57.84</b>          | <b>370.76</b>        | <b>428.60</b> |
| Add: Amortisation charge for the year                                               | -                     | 53.14                | 53.14         |
| Less: Disposals                                                                     | -                     | (45.40)              | (45.40)       |
| <b>At March 31, 2020</b>                                                            | <b>57.84</b>          | <b>378.50</b>        | <b>436.34</b> |
| <b>Net book value</b>                                                               |                       |                      |               |
| <b>As at March 31, 2020</b>                                                         | <b>-</b>              | <b>133.71</b>        | <b>133.71</b> |
| As at March 31, 2019                                                                | -                     | 95.25                | 95.25         |
| As at April 01, 2018                                                                | -                     | 128.13               | 128.13        |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 5 RIGHT-TO-USE ASSETS

(i) The Company's lease asset primarily consist of leases for land and buildings and an equipment of lease terms. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

(ii) The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

(iii) **Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020**

|                                       | Plant & Equipments | Land and Building | Total           |
|---------------------------------------|--------------------|-------------------|-----------------|
| <b>Cost</b>                           |                    |                   |                 |
| At April 1, 2019                      | 84.75              | 977.75            | 1,062.50        |
| Add: Additions                        | 205.84             | 1,175.17          | 1,381.01        |
| Less: Disposals                       | -                  | -                 | -               |
| <b>At March 31, 2020</b>              | <b>290.59</b>      | <b>2,152.92</b>   | <b>2,443.51</b> |
| <b>Amortisation</b>                   |                    |                   |                 |
| At April 1, 2019                      | -                  | -                 | -               |
| Add: Amortisation charge for the year | 11.26              | 290.47            | 301.73          |
| Less: Disposals                       | -                  | -                 | -               |
| <b>At March 31, 2020</b>              | <b>11.26</b>       | <b>290.47</b>     | <b>301.73</b>   |
| <b>Net book value</b>                 |                    |                   |                 |
| <b>At March 31, 2020</b>              | <b>279.33</b>      | <b>1,862.45</b>   | <b>2,141.78</b> |
| At April 1, 2019                      | 84.75              | 977.75            | 1,062.50        |

(iv) **The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:**

|                                            | Plant & Equipments | Land and Building | Total           |
|--------------------------------------------|--------------------|-------------------|-----------------|
| At April 1, 2019                           | 84.75              | 977.75            | 1,062.50        |
| Add: Additions                             | 205.84             | 1,175.17          | 1,381.01        |
| Add : Finance cost accrued during the year | 1.08               | 131.31            | 132.39          |
| Less: Disposals                            | -                  | -                 | -               |
| Less: Payment of lease liabilities         | (10.88)            | (314.70)          | (325.58)        |
| <b>At March 31, 2020</b>                   | <b>280.79</b>      | <b>1,969.53</b>   | <b>2,250.32</b> |
| <b>Current</b>                             |                    |                   | <b>393.66</b>   |
| <b>Non Current</b>                         |                    |                   | <b>1,856.66</b> |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

- (v) The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by ₹ 108.54 lakhs (Increase in Depreciation expense and finance cost by ₹ 301.73 lakhs and ₹ 132.39 lakhs respectively with corresponding decrease in other expense by ₹ 325.58 lakhs). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by ₹ 325.58 lakhs each. Total Deferred tax expense and deferred tax liabilities are decreased by ₹ 27.36 lakhs.
- (vi) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.66% Per annum.
- (vii) Rental expense recorded for short-term leases was ₹ 157.50 lakhs for the year ended March 31, 2020. (refer note 34).
- (viii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

#### 6 INVESTMENT PROPERTY

|                                                                                          | Freehold Land | Buildings       | Total           |
|------------------------------------------------------------------------------------------|---------------|-----------------|-----------------|
| <b>Gross carrying amount</b>                                                             |               |                 |                 |
| <b>As At April 01, 2018</b>                                                              |               |                 |                 |
| Reclassification of assets acquired on merger as at April 01, 2018<br>(Refer Note 37(c)) | 594.63        | 1,694.95        | 2,289.58        |
| <b>As At April 01, 2018</b>                                                              | <b>594.63</b> | <b>1,694.95</b> | <b>2,289.58</b> |
| Additions / (Deductions)                                                                 | -             | -               | -               |
| <b>At March 31, 2019</b>                                                                 | <b>594.63</b> | <b>1,694.95</b> | <b>2,289.58</b> |
| Deductions                                                                               | -             | -               | -               |
| <b>At March 31, 2020</b>                                                                 | <b>594.63</b> | <b>1,694.95</b> | <b>2,289.58</b> |
| <b>Depreciation and Impairments</b>                                                      |               |                 |                 |
| <b>As At April 01, 2018</b>                                                              | -             | -               | -               |
| Reclassification of assets acquired on merger as at April 01, 2018<br>(Refer Note 37(c)) | -             | 358.83          | 358.83          |
| <b>As At April 01, 2018</b>                                                              | -             | <b>358.83</b>   | <b>358.83</b>   |
| Depreciation Charge for the year                                                         | -             | 57.42           | 57.42           |
| <b>At March 31, 2019</b>                                                                 | -             | <b>416.25</b>   | <b>416.25</b>   |
| Depreciation Charge for the year                                                         | -             | 57.41           | 57.41           |
| <b>At March 31, 2020</b>                                                                 | -             | <b>473.66</b>   | <b>473.66</b>   |
| <b>Net Block</b>                                                                         |               |                 |                 |
| <b>At March 31, 2020</b>                                                                 | <b>594.63</b> | <b>1,221.29</b> | <b>1,815.92</b> |
| <b>As at March 31, 2019</b>                                                              | <b>594.63</b> | <b>1,278.70</b> | <b>1,873.33</b> |
| <b>As at April 1, 2018</b>                                                               | <b>594.63</b> | <b>1,336.12</b> | <b>1,930.75</b> |
| <b>Fair Value of Investment Property</b>                                                 |               |                 |                 |
| <b>As at March 31, 2019</b>                                                              |               |                 | <b>4,328.45</b> |
| <b>At March 31, 2020</b>                                                                 |               |                 | <b>4,466.67</b> |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (i) Amount recognised in statement of profit and loss from investment property

|                                                                                                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Rental Income derived from Investment properties                                                                  | 453.55                  | 409.94                  |
| Direct operating expenses (including repairs and maintenance) arising from property that generating rental Income | (32.89)                 | -                       |
| <b>Profit arising from Investment properties before depreciation and indirect expenses</b>                        | <b>420.66</b>           | <b>409.94</b>           |
| Depreciation                                                                                                      | 57.41                   | 57.42                   |
| <b>Profit arising from Investment properties before indirect expenses</b>                                         | <b>363.25</b>           | <b>352.52</b>           |

#### (ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property.

#### (iii) Estimation of Fair Value

Fair value investment property is ascertained on the basis of market rates as determined by the independent registered valuer. Fair value hierarchy disclosures for investment properties have been provided in Note 45.

#### (iv) Description of valuation techniques used and key inputs to valuation on investment properties:

| Particulars                                                                                                                                                                                                                                                                                                                                            | Technique   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Land and Building situated at Plot No. 69, Bidadi Industrial area 2nd Phase, Sector-2, Sy. No (s): Parts of 32, 56 to 59, Bidadi Hobli, Ramanagara Taluka, District Ramanagara, Bangalore, Karnataka-562109.<br>Land Area - 15484 sq mt<br>Land Value - Rs.1006.46 lakhs<br>Building built up area - 7132.15 sqmt<br>Building Value - Rs.1677.48 lakhs | Market Rate |



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

|                                                                                            |             |
|--------------------------------------------------------------------------------------------|-------------|
| Land and Building situated at Plot No. 164, Sector-5, IMT Manesar Gurgaon-122050, Haryana. | Market Rate |
| Land Area - 5400 sq mt                                                                     |             |
| Land Value - Rs.1323 lakhs                                                                 |             |
| Building built up area - 2487.413 sqmt                                                     |             |
| Building Value - Rs.459.67 lakhs                                                           |             |

## 7 INVESTMENT IN A SUBSIDIARIES AND A JOINT VENTURE

### Details of Investment

|                                                                                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>- Investment in subsidiaries</b>                                                      |                         |                         |
| <i>unquoted, valued at cost</i>                                                          |                         |                         |
| <b>Lumax DK Auto Industries Limited*</b>                                                 | -                       | -                       |
| Nil (March 31, 2019 - 42.40 lakhs) equity shares of ₹10 each fully paid up               |                         |                         |
| <b>Lumax Mannoh Allied Technologies Private Limited</b>                                  | 2.51                    | 2.51                    |
| 19.14 lakhs (As at March 31, 2019 - 19.14 lakhs) equity shares of ₹10 each fully paid up |                         |                         |
| <b>Lumax Integrated Ventures Private Limited</b>                                         | 83.89                   | 81.89                   |
| 8.39 lakhs (As at March 31, 2019 - 8.19 lakhs) equity shares of ₹10 each fully paid up   |                         |                         |
| <b>Lumax Management Services Private Limited</b>                                         | 4,494.81                | 3,912.30                |
| 11.25 lakhs (As at March 31, 2019 - 10.1 lakhs) equity shares of ₹10 each fully paid up  |                         |                         |
| <b>Lumax Cornaglia Auto Technologies Private Limited</b>                                 | 840.71                  | 590.71                  |
| 34.19 lakhs (As at March 31, 2019 - 32.13 lakhs) equity shares of ₹10 each fully paid up |                         |                         |
| <b>Lumax JOPP Allied Technologies Private Limited</b>                                    | 75.50                   | -                       |
| 7.55 lakhs (As at March 31, 2019 - Nil) equity shares of ₹10 each fully paid up          |                         |                         |
| <b>Lumax Yokowo Technologies Private Limited</b>                                         | 1.00                    | -                       |
| 0.1 lakhs (As at March 31, 2019 - Nil) equity shares of ₹10 each fully paid up           |                         |                         |
| <b>Lumax Gill-Austem Auto Technologies Private Limited</b>                               | 418.80                  | 418.80                  |
| 24.73 lakhs (As at March 31, 2019 - 24.73 lakhs) equity shares of ₹10 each fully paid up |                         |                         |
| <b>Lumax FAE Technologies Private Limited</b>                                            | 201.00                  | 201.00                  |
| 20.1 lakhs (As at March 31, 2019 - 20.1 lakhs) equity shares of ₹10 each fully paid up   |                         |                         |
| <b>- Investment in Joint ventures</b>                                                    |                         |                         |
| <i>(unquoted, valued at cost)</i>                                                        |                         |                         |
| <b>Lumax Ituran Telematics Private Limited</b>                                           | 93.00                   | 33.54                   |
| 9.3 lakhs (As at March 31, 2019 - 3.35 lakhs) equity shares of ₹10 each fully paid up    |                         |                         |
| <b>Total</b>                                                                             | <b>6,211.22</b>         | <b>5,240.76</b>         |

\* Refer note no. 37(c) to the financial statements.

## 8 CURRENT TAX LIABILITIES/ (ASSETS) - NET

|                                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------|-------------------------|-------------------------|
| Current tax asset/liabilities (net)  | 78.99                   | 231.62                  |
| <b>Current tax liabilities (net)</b> | -                       | -                       |
| <b>Current tax assets (net)</b>      | <b>78.99</b>            | <b>231.62</b>           |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 9 | INVESTMENTS

|                                                                                                                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Non Current Investments</b>                                                                                     |                         |                         |
| <i>Investments in equity instruments of other entities (Valued at fair value through other comprehensive income)*</i> |                         |                         |
| <b>Lumax Industries Limited</b>                                                                                       | 4,554.64                | 9,526.14                |
| 5.25 lakhs (As at March 31, 2019 - 5.25 lakhs) equity shares of ₹10 each fully paid up                                |                         |                         |
| <i>Investment in equity instruments (Unquoted)</i>                                                                    |                         |                         |
| <b>Lumax Ancillary Limited</b>                                                                                        | 459.52                  | 601.53                  |
| 3 lakhs (As at March 31, 2019 - 3 lakhs) equity shares of ₹10 each fully paid up                                      |                         |                         |
|                                                                                                                       | <b>5,014.16</b>         | <b>10,127.67</b>        |
| <b>B. Current investments *</b>                                                                                       |                         |                         |
| <i>Investment in Mutual funds</i>                                                                                     | 768.83                  | 1,851.10                |
| 0.32 lakhs units (As at March 31, 2019 - 0.63 - lakhs) of ₹10 each fully paid up                                      |                         |                         |
| <i>Investment in Equity Instruments Quoted</i>                                                                        |                         |                         |
| <b>AXIS Bank Limited</b>                                                                                              | 45.48                   | -                       |
| 0.12 lakhs (As at March 31, 2019 - nil) equity shares of ₹2 each fully paid up                                        |                         |                         |
| <b>ICICI Bank Limited</b>                                                                                             | 61.51                   | -                       |
| 0.19 lakhs (As at March 31, 2019 - nil) equity shares of ₹2 each fully paid up                                        |                         |                         |
| <b>Larsen &amp; Toubro Limited</b>                                                                                    | 60.64                   | -                       |
| 0.08 lakhs (As at March 31, 2019 - nil) equity shares of ₹2 each fully paid up                                        |                         |                         |
| <b>Oil and Natural Gas Corporation Limited</b>                                                                        | 78.55                   | -                       |
| 1.15 lakhs (As at March 31, 2019 - nil) equity shares of ₹5 each fully paid up                                        |                         |                         |
| <b>Reliance Industries Limited</b>                                                                                    | 72.39                   | -                       |
| 0.07 lakhs (As at March 31, 2019 - nil) equity shares of ₹10 each fully paid up                                       |                         |                         |
| <b>State Bank of India Limited</b>                                                                                    | 43.31                   | -                       |
| 0.22 lakhs (As at March 31, 2019 - nil) equity shares of ₹1 each fully paid up                                        |                         |                         |
|                                                                                                                       | <b>1,130.70</b>         | <b>1,851.10</b>         |
| <b>Current</b>                                                                                                        | <b>1,130.70</b>         | <b>1,851.10</b>         |
| <b>Non- current</b>                                                                                                   | <b>5,014.16</b>         | <b>10,127.67</b>        |
| Aggregate Market value of Quoted Investments (Refer Note 45)                                                          | <b>5,685.34</b>         | <b>11,377.24</b>        |
| Aggregate value of unquoted Investments (Refer Note 45)                                                               | <b>459.52</b>           | <b>601.53</b>           |

#### Non- current Investments

\*Investment in equity instrument where the business model of the company is not for trading, the company has opted for irrevocable option to present subsequent changes in the fair value of an investment in an equity instrument through Other Comprehensive income (FVTOCI).

#### Current Investments

\*\*Investment in current investments, the Company has opted irrevocable option to present subsequent changes in the fair value of an investment in an equity instrument through Fair value through profit or loss (FVTPL).

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 10 | LOANS

|                     | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------|-------------------------|-------------------------|
| <b>Non Current</b>  |                         |                         |
| <b>Loans</b>        |                         |                         |
| Loan to Employees   | 6.90                    | 32.34                   |
| Security Deposit    | 464.26                  | 411.92                  |
|                     | <b>471.16</b>           | <b>444.26</b>           |
| <b>Current</b>      |                         |                         |
| <b>Loans</b>        |                         |                         |
| Loan to Employees   | 47.85                   | 13.46                   |
|                     | <b>47.85</b>            | <b>13.46</b>            |
| <b>Current</b>      | <b>47.85</b>            | <b>13.46</b>            |
| <b>Non- current</b> | <b>471.16</b>           | <b>444.26</b>           |

#### 11 | OTHER FINANCIAL ASSETS

|                                                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------------|-------------------------|-------------------------|
| <b>Other financial assets</b>                            |                         |                         |
| <b>Non- current</b>                                      |                         |                         |
| Deposits with remaining maturity for more than 12 months | 150.00                  | 5.00                    |
| <b>Total (A)</b>                                         | <b>150.00</b>           | <b>5.00</b>             |
| <b>Current</b>                                           |                         |                         |
| Interest accrued but not due                             | 117.14                  | 69.44                   |
| Other recoverables                                       | 154.73                  | 48.25                   |
| <b>Total (B)</b>                                         | <b>271.87</b>           | <b>117.69</b>           |
| <b>Total (A+B)</b>                                       | <b>421.87</b>           | <b>122.69</b>           |
| <b>Current</b>                                           | <b>271.87</b>           | <b>117.69</b>           |
| <b>Non- Current</b>                                      | <b>150.00</b>           | <b>5.00</b>             |
|                                                          | <b>421.87</b>           | <b>122.69</b>           |

#### Break up of financial assets carried at amortised cost:

|                                           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------------------|-------------------------|-------------------------|
| Trade receivables (Refer Note 15)         | 16,484.89               | 22,728.07               |
| Cash and cash equivalents (Refer Note 16) | 3,114.93                | 1,389.90                |
| Other Bank Balance (Refer Note 17)        | 4,516.05                | 2,371.65                |
| Loan (Refer Note 10)                      | 519.01                  | 457.72                  |
| Other financial assets (Refer Note 11)    | 421.87                  | 122.69                  |
| <b>Total</b>                              | <b>25,056.74</b>        | <b>27,070.04</b>        |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 12 | OTHER ASSETS

(Unsecured, considered good, unless otherwise stated)

|                                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>Non- current</b>                              |                         |                         |
| Advances for property, plant and equipment       | 409.19                  | 185.90                  |
| Income tax refund receivable                     | 511.49                  | 146.16                  |
| Balances with statutory/government authorities * | 436.46                  | 311.00                  |
| Deposit under protest                            | 0.78                    | 0.78                    |
| <b>Total (A)</b>                                 | <b>1,357.91</b>         | <b>643.84</b>           |
| <b>Current</b>                                   |                         |                         |
| Balance with statutory / government authorities  | 239.50                  | 49.01                   |
| Advance to suppliers                             | 935.00                  | 490.51                  |
| Prepaid expenses                                 | 135.78                  | 222.38                  |
| Others advances                                  | 44.54                   | 92.12                   |
| <b>Total (B)</b>                                 | <b>1,354.82</b>         | <b>854.01</b>           |
| <b>Total (A+B)</b>                               | <b>2,712.73</b>         | <b>1,497.85</b>         |
| <b>Current</b>                                   | <b>1,354.82</b>         | <b>854.01</b>           |
| <b>Non -current</b>                              | <b>1,357.91</b>         | <b>643.84</b>           |

\*Balance with government authority includes the amount of subsidy claim receivable on the capital investment made by the holding Company in the state of Maharashtra.

#### 13 | ASSETS HELD FOR SALE

##### (i) Assets held for sale

|                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------|-------------------------|-------------------------|
| <b>Non- current</b>    |                         |                         |
| Assets held for sale   | -                       | 366.22                  |
| <b>Total (A)</b>       | <b>-</b>                | <b>366.22</b>           |
| <b>Current</b>         |                         |                         |
| Assets held for sale * | 366.22                  | 3,999.44                |
| <b>Total (B)</b>       | <b>366.22</b>           | <b>3,999.44</b>         |
| <b>Total (A+B)</b>     | <b>366.22</b>           | <b>4,365.65</b>         |
| <b>Current</b>         | <b>366.22</b>           | <b>3,999.44</b>         |
| <b>Non -current</b>    | <b>-</b>                | <b>366.22</b>           |

\* The Company classified certain items of Property Plant and Equipment retired from active use are held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. In respect of the property which was expected to be sold above the cost for which the company has entered into an agreement during the year, the management based on discussions is of the view that considering the present situation the transaction shall be reviewed both from timing and value perspective and thus have been carried at cost in the books of accounts as the management in any case expects the realisable value to be more than cost.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (ii) Discontinuing Operations

During the last year the Company's Board of Directors had decided to discontinue & dispose plant and machinery and relevant stock relating to the PCB Business to Lumax Industries Ltd (Related Party) on arm's length basis. The sales of these assets took place during the current year which resulted in a profit of ₹ 948.58 Lakhs which has been shown under Discontinued Operation during in the statement of profit and loss.

The result of discontinued operation for the year are presented below:

|                                                                                         | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Revenue</b>                                                                          |                                      |                                      |
| Revenue from discontinued operations                                                    | -                                    | 17,145.12                            |
| Other income                                                                            | 948.58                               | 15.82                                |
|                                                                                         | <b>948.58</b>                        | <b>17,160.94</b>                     |
| <b>Expenses</b>                                                                         |                                      |                                      |
| Cost of raw material and components consumed                                            | -                                    | 12,146.87                            |
| (Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods | -                                    | 112.41                               |
| Employee benefits expense                                                               | -                                    | 803.62                               |
| Finance costs                                                                           | -                                    | 203.17                               |
| Depreciation and amortisation expense                                                   | -                                    | 140.01                               |
| Other expenses                                                                          | -                                    | 1,996.44                             |
|                                                                                         | -                                    | <b>15,402.52</b>                     |
| <b>Profit before tax</b>                                                                | <b>948.58</b>                        | <b>1,758.42</b>                      |
| Less : Tax expenses                                                                     | 123.29                               | 492.42                               |
| <b>Profit after tax</b>                                                                 | <b>825.29</b>                        | <b>1,266.00</b>                      |

The net cash flows attributable to the discontinued operations are as below:

|                                     | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Operating activities                | 2,702.40                             | (1,530.12)                           |
| Investing activities                | 2,245.00                             | 336.51                               |
| Financing activities                | -                                    | 1,200.63                             |
| <b>Net cash inflows/ (outflows)</b> | <b>4,947.40</b>                      | <b>7.02</b>                          |

#### Earnings per share

|                                                                     |      |      |
|---------------------------------------------------------------------|------|------|
| Basic, diluted profit for the year from discontinued operations (₹) | 1.21 | 1.86 |
|---------------------------------------------------------------------|------|------|

The major classes of assets as held for Sale:

|                                           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------------------|-------------------------|-------------------------|
| Property, plant and equipment             | -                       | 1,297.04                |
| Inventories                               | -                       | 2,702.40                |
| <b>Assets classified as held for sale</b> | <b>-</b>                | <b>3,999.44</b>         |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 14 INVENTORIES

##### a) Details of inventories:

|                                                                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Raw materials (at cost)</b>                                                   | 1,362.78                | 1,228.32                |
| (includes material in transit ₹ 74.06 lakhs (As at March 31, 2019 ₹ 8.78 lakhs)) |                         |                         |
| <b>Work-in-progress (at cost)</b>                                                | 234.60                  | 400.01                  |
| <b>Finished goods (at lower of cost and net realisable value)</b>                | 425.22                  | 329.02                  |
| (includes sales in transit ₹ 161.28 lakhs (As at March 31, 2019 ₹ 172.79 lakhs)) |                         |                         |
| <b>Traded goods</b>                                                              | 1,622.56                | 1,011.06                |
| (includes goods in transit ₹ 74.00 lakhs (As at March 31, 2019 ₹ 15.15 lakhs))   |                         |                         |
| Moulds                                                                           | 43.12                   | 12.31                   |
| Stores and spares                                                                | 275.69                  | 282.80                  |
| <b>Total inventories, at the lower of cost and net realisable value</b>          | <b>3,963.97</b>         | <b>3,263.52</b>         |

##### Contract Balances

#### 15 TRADE RECEIVABLES

##### a) Details of trade receivables:

|                                                                 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------|-------------------------|-------------------------|
| Trade receivables                                               | 11,156.72               | 13,355.13               |
| Receivables from subsidiaries and joint venture (refer note 40) | 574.82                  | 628.11                  |
| Receivables from other related parties (refer note 40)          | 4,753.34                | 8,744.83                |
| <b>Total Trade receivables</b>                                  | <b>16,484.89</b>        | <b>22,728.07</b>        |

##### b) Break-up for security details:

|                                                              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Trade receivables                                            |                         |                         |
| Secured, considered good                                     | 261.61                  | 370.96                  |
| Unsecured, considered good                                   | 16,223.28               | 22,357.11               |
| Trade receivable - credit impaired                           | 156.08                  | 79.66                   |
| <b>Total</b>                                                 | <b>16,640.97</b>        | <b>22,807.73</b>        |
| Impairment allowance for trade receivables - credit impaired | (156.08)                | (79.66)                 |
| <b>Total</b>                                                 | <b>16,484.89</b>        | <b>22,728.07</b>        |

- c) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- d) Trade receivables are non-interest bearing and are generally on terms of not more than 30-90 days.



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 16 CASH AND CASH EQUIVALENTS

|                                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------|-------------------------|-------------------------|
| <b>Balances with banks:</b>                             |                         |                         |
| - On current accounts                                   | 2,879.02                | 622.62                  |
| - Deposits with original maturity of less than 3 months | 232.23                  | 757.68                  |
| - on cash credit accounts                               | -                       | 4.63                    |
| <b>Cash on hand</b>                                     | 3.67                    | 4.96                    |
| <b>Total</b>                                            | <b>3,114.93</b>         | <b>1,389.90</b>         |

#### 17 OTHER BANK BALANCES

|                                                                                                                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Other bank balances</b>                                                                                             |                         |                         |
| - Deposits having remaining maturity of more than 12 months                                                            | 150.00                  | 5.00                    |
| - Deposits with remaining maturity more than 3 months but less than 12 months                                          | 4,493.51                | 2,358.57                |
| - on unpaid dividend account *                                                                                         | 22.54                   | 13.08                   |
| <b>Total</b>                                                                                                           | <b>4,666.05</b>         | <b>2,376.65</b>         |
| Less: Deposits having remaining maturity of more than 12 months disclosed under other financial assets (refer note 11) | 150.00                  | 5.00                    |
| <b>Total</b>                                                                                                           | <b>4,516.05</b>         | <b>2,371.65</b>         |

\* The Company can utilise the balance only towards settlement of unclaimed dividend.

For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

|                                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------|-------------------------|-------------------------|
| <b>Balances with banks:</b>                             |                         |                         |
| - On current accounts                                   | 2,879.02                | 622.62                  |
| - On cash credit account                                | -                       | 4.63                    |
| - Deposits with original maturity of less than 3 months | 232.23                  | 757.68                  |
| <b>Cash on hand</b>                                     | 3.67                    | 4.96                    |
| <b>Total</b>                                            | <b>3,114.93</b>         | <b>1,389.90</b>         |

#### Changes in liabilities arising from financing activities:

|                                                     | As at<br>March 31, 2019 | Cash flows<br>Proceeds/<br>Repayment | As at<br>March 31, 2020 |
|-----------------------------------------------------|-------------------------|--------------------------------------|-------------------------|
| Long term borrowings (including current maturities) | 77.67                   | 37.90                                | 39.77                   |
| Short term borrowings                               | 5,015.30                | 1,484.70                             | 6,500.00                |
| <b>Total liabilities from financing activities</b>  | <b>5,092.97</b>         | <b>1,522.60</b>                      | <b>6,539.77</b>         |

|                                                     | As at<br>March 31, 2018 | Cash flows<br>Proceeds/<br>Repayment | As at<br>March 31, 2019 |
|-----------------------------------------------------|-------------------------|--------------------------------------|-------------------------|
| Long term borrowings (including current maturities) | 100.22                  | 22.55                                | 77.67                   |
| Short term borrowings                               | -                       | 5,015.30                             | 5,015.30                |
| <b>Total liabilities from financing activities</b>  | <b>100.22</b>           | <b>5,037.85</b>                      | <b>5,092.97</b>         |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 18 | SHARE CAPITAL

##### a) Details of share capital is as follows:

|                                                                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised share capital</b>                                                  |                         |                         |
| 1805 lakhs (As at March 31, 2019 : ₹ 1805 lakhs), equity shares of ₹ 2 each)*    | 3,610.00                | 3,610.00                |
|                                                                                  | <b>3,610.00</b>         | <b>3,610.00</b>         |
| <b>Issued, subscribed and fully paid up capital</b>                              |                         |                         |
| 681.58 lakhs (As at March 31, 2019 : ₹ 681.58 lakhs), equity shares of ₹ 2 each) | 1,363.15                | 1,363.15                |
|                                                                                  | <b>1,363.15</b>         | <b>1,363.15</b>         |

Authorised share capital of the Company has been increased pursuant to the scheme of amalgamation approved by National Company Law Tribunal ("NCLT") (Refer Note no 37(c)). Consequently, the Company has filed form no INC-28 with the ROC on November 09, 2019.

##### b. Reconciliation of authorised share capital

|                                                                                                    | Equity Shares               |                 |
|----------------------------------------------------------------------------------------------------|-----------------------------|-----------------|
|                                                                                                    | No. of shares<br>(in Lakhs) | Amount          |
| As at March 31, 2019                                                                               | 750.00                      | 1,500.00        |
| Acquired from Lumax DK Auto Industries Limited due to merger wef april 01, 2018 (Refer Note 37(c)) | 1,055.00                    | 2,110.00        |
| Total As on March 31, 2019                                                                         | 1,805.00                    | 3,610.00        |
| Increase/Decrease during the year                                                                  | -                           | -               |
| <b>As at March 31, 2020</b>                                                                        | <b>1,805.00</b>             | <b>3,610.00</b> |

##### c. Reconciliation of issued, subscribed and paid up share capital

|                                                                    | Equity Shares               |                 |
|--------------------------------------------------------------------|-----------------------------|-----------------|
|                                                                    | No. of shares<br>(in Lakhs) | Amount          |
| <b>Equity shares of ₹ 2 each issued, subscribed and fully paid</b> |                             |                 |
| As at April 01, 2018                                               | 681.58                      | 1,363.16        |
| Issued during the year                                             | -                           | -               |
| As at March 31, 2019                                               | 681.58                      | 1,363.16        |
| Issued during the year                                             | -                           | -               |
| <b>As at March 31, 2020</b>                                        | <b>681.58</b>               | <b>1,363.16</b> |

##### d) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the 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 any preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### e) Details of shareholders holding more than 5% shares in the company

| Name of the shareholder                                                  | As at<br>March 31, 2020     | % holding<br>in the equity<br>shares | As at<br>March 31, 2019     | % holding<br>in the equity<br>shares |
|--------------------------------------------------------------------------|-----------------------------|--------------------------------------|-----------------------------|--------------------------------------|
|                                                                          | No. of shares<br>(in Lakhs) |                                      | No. of shares<br>(in Lakhs) |                                      |
| Equity shares of ₹2 (March 31, 2019 ₹ 2) each fully paid                 |                             |                                      |                             |                                      |
| Lumax Finance Private Limited, an enterprise with significant influence  | 121.11                      | 17.77%                               | 121.11                      | 17.77%                               |
| D.K. Jain, Director                                                      | -                           | 0.00%                                | 82.76                       | 12.14%                               |
| Albula Investment Fund Limited, an enterprise with significant influence | 61.58                       | 9.04%                                | 61.58                       | 9.04%                                |
| D. K. Jain & Sons (HUF), an enterprise with significant influence        | 59.31                       | 8.70%                                | 59.05                       | 8.66%                                |
| Deepak Jain, Director                                                    | 99.52                       | 14.60%                               | 45.73                       | 6.71%                                |
| Anmol Jain, Managing Director                                            | 99.49                       | 14.60%                               | 43.11                       | 6.33%                                |

## 19 OTHER EQUITY

### Reconciliation of Other Equity

|                                                                                     | Retained<br>earnings | Capital<br>Reserve | Securities<br>premium | General<br>reserve | FVTOCI<br>reserve | Total            |
|-------------------------------------------------------------------------------------|----------------------|--------------------|-----------------------|--------------------|-------------------|------------------|
| <b>As at April 01, 2018</b>                                                         | 9,068.73             | 69.09              | 4,528.55              | 1,477.00           | 9,333.59          | 24,476.96        |
| Add: Amount reclassified on account of merger as at April 01, 2018 (Refer Note 37C) | 15,265.35            | 300.37             | -                     | 405.58             | 151.76            | 16,123.06        |
| <b>Total as at April 01, 2018</b>                                                   | <b>24,334.08</b>     | <b>369.46</b>      | <b>4,528.55</b>       | <b>1,882.58</b>    | <b>9,485.35</b>   | <b>40,600.02</b> |
| Profit for the year                                                                 | 5,957.47             | -                  | -                     | -                  | -                 | 5,957.47         |
| Other comprehensive income for the year (net of tax)                                | (18.77)              | -                  | -                     | -                  | (1,725.11)        | (1,743.88)       |
|                                                                                     | <b>30,272.78</b>     | <b>369.46</b>      | <b>4,528.55</b>       | <b>1,882.58</b>    | <b>7,760.24</b>   | <b>44,813.61</b> |
| Less: Dividend Paid                                                                 | (1,363.15)           | -                  | -                     | -                  | -                 | (1,363.15)       |
| Less: Dividend Distribution Tax                                                     | (221.18)             | -                  | -                     | -                  | -                 | (221.18)         |
| Less: Amount Transfer to General Reserve                                            | (147.00)             | -                  | -                     | 147.00             | -                 | -                |
| <b>As at March 31, 2019</b>                                                         | <b>28,541.45</b>     | <b>369.46</b>      | <b>4,528.55</b>       | <b>2,029.58</b>    | <b>7,760.24</b>   | <b>43,229.28</b> |
| Profit for the year                                                                 | 5,952.67             | -                  | -                     | -                  | -                 | 5,952.67         |
| Other comprehensive income for the year (net of tax)                                | (40.64)              | -                  | -                     | -                  | (5,064.66)        | (5,105.30)       |
| <b>Total comprehensive income</b>                                                   | <b>5,912.03</b>      | <b>-</b>           | <b>-</b>              | <b>-</b>           | <b>(5,064.66)</b> | <b>847.37</b>    |
| Less : Dividend Paid                                                                | (3,407.95)           | -                  | -                     | -                  | -                 | (3,407.95)       |
| Less: Dividend Distribution Tax Paid                                                | (602.14)             | -                  | -                     | -                  | -                 | (602.14)         |
| <b>As at March 31, 2020</b>                                                         | <b>30,443.40</b>     | <b>369.46</b>      | <b>4,528.55</b>       | <b>2,029.58</b>    | <b>2,695.58</b>   | <b>40,066.57</b> |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Distributions made and proposed

|                                                                                                           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Cash dividends on equity shares declared and paid</b>                                                  |                         |                         |
| Final dividend for the year ended on March 31, 2019 ₹ 3 per share<br>(As at March 31, 2018 ₹ 2 per share) | 2,044.80                | 1,363.15                |
| Interim dividend for the year ended on As at March 31, 2020 ₹ 2 per share<br>(As at March 31, 2019 ₹ Nil) | 1,363.15                | -                       |
| Dividend Distribution Tax on final dividend                                                               | 602.13                  | 221.18                  |
|                                                                                                           | <b>4,010.08</b>         | <b>1,584.33</b>         |

#### Distributions made and proposed

|                                                                                                           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Proposed dividends on Equity shares *</b>                                                              |                         |                         |
| Final cash dividend for the year ended on March 31, 2020 ₹ 1 per Share (March 31, 2019: ₹ 3 per share)*** | 681.58                  | 2,044.72                |
| Dividend distribution tax on dividend**                                                                   | -                       | 361.28                  |

\* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2020.

\*\* Dividend distribution tax on proposed dividend has been shown net of dividend distribution tax credit availed on account of dividend receivable from subsidiary.

\*\*\* Subject to Deduction of TDS at applicable rates.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 20 | BORROWINGS

##### a) Details of long term borrowings:

|                                                                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Long term maturities of finance lease obligation</b>                    |                         |                         |
| Vehicle loan from banks (secured)*                                         | 39.77                   | 77.67                   |
| Less: current maturity disclosed under other financial liabilities         |                         |                         |
| - vehicle loan                                                             | (28.15)                 | (44.95)                 |
| <b>Total borrowings</b>                                                    | <b>11.62</b>            | <b>32.72</b>            |
| <b>Total current</b> (disclosed under other financial liabilities note 25) | <b>28.15</b>            | <b>44.95</b>            |
| <b>Total non -current</b>                                                  | <b>11.62</b>            | <b>32.72</b>            |
| Aggregate secured loans                                                    | 39.77                   | 77.67                   |
| Aggregate unsecured loans                                                  | -                       | -                       |

\* Vehicle loan amounting ₹ 39.78 lakhs (Previous year ₹ 77.67 lakhs) from banks at interest @ 8%-10% are secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of three years from the date of availment.

##### b) Details of short term borrowings:

|                                                              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| <b>Loan repayable On Demand (from financial institution)</b> |                         |                         |
| Working capital loan repayable on demand*                    | 6,500.00                | 4,500.00                |
| On cash credit accounts                                      | -                       | 515.30                  |
| <b>Total</b>                                                 | <b>6,500.00</b>         | <b>5,015.30</b>         |

\*Working capital loan from financial institution is repayable in 90 days from respective drawdown and carries interest ranging between 8.50%-9.50% per annum.

##### Loan covenants

The Company has satisfied all debt covenants prescribed in the terms of bank loans. The other loans do not carry any debt covenant.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 21 | PROVISIONS

|                                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| <b>Non Current</b>                     |                         |                         |
| Provision for employee benefits        |                         |                         |
| Provision for gratuity                 | -                       | 35.80                   |
| Provision for Leave encashment         | -                       | 222.64                  |
|                                        | -                       | <b>258.44</b>           |
| <b>Current</b>                         |                         |                         |
| <b>Provision for employee benefits</b> |                         |                         |
| Provision for gratuity                 | 564.56                  | 345.99                  |
| Provision for leave encashment         | 472.63                  | 167.98                  |
| Provision for leave encashment         | 203.96                  | 149.35                  |
| Provision for compensated absences     | 268.68                  | 18.63                   |
| <b>Total</b>                           | <b>1,037.19</b>         | <b>513.96</b>           |
| <b>Current</b>                         | <b>1,037.19</b>         | <b>513.96</b>           |
| <b>Non- Current</b>                    | -                       | <b>258.44</b>           |

#### 22 | INCOME TAX

(a) The major components of income tax expense for the years ended are:

##### Statement of profit and loss:

|                                                                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Current income tax:</b>                                            |                         |                         |
| Current income tax charge on Continuing operations                    | 1,549.71                | 2,055.79                |
| Current income tax charge on Discontinuing Operations                 | 123.29                  | 492.42                  |
| MAT Credit Entitlement                                                | -                       | 284.52                  |
| Adjustments in respect of current income tax of previous year         | (40.17)                 | 25.25                   |
| <b>Deferred tax :</b>                                                 |                         |                         |
| Relating to origination and reversal of temporary differences         | (511.87)                | 135.41                  |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>1,120.96</b>         | <b>2,993.39</b>         |

#### (b) OCI section

##### Deferred tax related to items recognised in Other Comprehensive Income during the year:

|                                                               | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Tax effect on loss on remeasurements of defined benefit plans | 13.67                   | 10.07                   |
| Tax effect on loss on financial assets                        | 48.84                   | 154.70                  |
| <b>Income tax gain to Other Comprehensive Income</b>          | <b>62.51</b>            | <b>164.77</b>           |



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

|                                                                                                                                 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Accounting profit before income tax for continuing operations</b>                                                            | 6,125.05                | 7,192.44                |
| <b>Accounting profit before income tax for discontinued operations</b>                                                          | 948.58                  | 1,758.42                |
| Tax at the Indian Tax Rate                                                                                                      | 1,780.29                | 3,127.79                |
| <b>Non-deductible expenses for tax purposes:</b>                                                                                |                         |                         |
| Permanent difference                                                                                                            |                         |                         |
| Impact of expenditures charged to statement of profit and loss in the current year but allowed for tax purpose on payment basis | 39.70                   | 13.31                   |
| Exempt Income (Dividend Income exempt u/s 10(34))                                                                               | (191.45)                | (142.54)                |
| Others                                                                                                                          | 21.17                   | (30.42)                 |
| Tax rate change Impact                                                                                                          | (488.58)                | -                       |
| <b>At the effective income tax rate of 16.41% (March 31, 2019: 33.16%)</b>                                                      | <b>1,161.13</b>         | <b>2,968.14</b>         |
| Income tax expense reported in the statement of profit and loss for continuing operations                                       | <b>1,037.84</b>         | <b>2,475.72</b>         |
| <b>Income tax expense reported in the statement of profit and loss for discontinued operations</b>                              | <b>123.29</b>           | <b>492.42</b>           |

| Deferred tax:                                                                                                                    | Balance sheet           |                         | Statement of profit and loss and OCI   |                                        |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|----------------------------------------|----------------------------------------|
|                                                                                                                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 | For the Period<br>Ended March 31, 2020 | For the Period<br>Ended March 31, 2019 |
| <b>Deferred tax assets relates to the following :</b>                                                                            |                         |                         |                                        |                                        |
| Impact of expenditures charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis | 397.15                  | 458.28                  | (61.13)                                | (43.97)                                |
| Impact of allowance for doubtful debts                                                                                           | 36.62                   | 23.48                   | 13.14                                  | -                                      |
| Deferred Tax Right-to-use (net)                                                                                                  | 27.36                   | -                       | 27.36                                  | -                                      |
| Others                                                                                                                           | 11.45                   | -                       | 11.45                                  | -                                      |
|                                                                                                                                  | <b>472.58</b>           | <b>481.76</b>           | <b>(9.18)</b>                          | <b>(43.97)</b>                         |
| <b>Deferred tax liability relates to the following :</b>                                                                         |                         |                         |                                        |                                        |
| Accelerated depreciation for tax purposes                                                                                        | 1,647.92                | 2,145.00                | (497.08)                               | (154.43)                               |
| Un-realised gain on Mutual Fund                                                                                                  | (17.16)                 | 20.45                   | (37.61)                                | (14.90)                                |
|                                                                                                                                  | <b>1,630.76</b>         | <b>2,165.45</b>         | <b>(534.69)</b>                        | <b>(169.33)</b>                        |
| Re-measurement gains/ (losses) on defined benefit plans                                                                          | -                       | -                       | <b>(13.67)</b>                         | (10.08)                                |
| Deferred tax expense/(income) charged to statement profit and loss                                                               | -                       | -                       | <b>(511.87)</b>                        | 135.44                                 |
| Deferred Gain on financial assets                                                                                                | <b>79.56</b>            | 128.43                  | <b>(48.84)</b>                         | (154.70)                               |
| <b>Deferred tax expense/(income) charged to OCI and Profit and loss</b>                                                          | <b>-</b>                | <b>-</b>                | <b>(574.38)</b>                        | <b>(29.34)</b>                         |
| <b>Total deferred tax liability (Net)</b>                                                                                        | <b>1,237.74</b>         | <b>1,812.12</b>         |                                        |                                        |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 23 | OTHER LIABILITIES

##### Details of other liabilities

|                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Non Current</b>                      |                         |                         |
| Lease Liabilities (right-to-use)        | 1,856.65                | -                       |
|                                         | <b>1,856.65</b>         | -                       |
| <b>Current</b>                          |                         |                         |
| Statutory dues                          | 516.27                  | 525.56                  |
| Lease Liabilities                       | 393.66                  | -                       |
| Advance from customers                  | 90.00                   | 88.70                   |
| Other liabilities (net) (Refer Note 48) | 1,849.88                | 1,642.60                |
| <b>Total</b>                            | <b>2,849.80</b>         | <b>2,256.87</b>         |
| <b>Current</b>                          | 2,849.80                | 2,256.87                |
| <b>Non-current</b>                      | 1,856.65                | -                       |

#### 24 | TRADE PAYABLES

|                                                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Trade payables</b>                                   |                         |                         |
| - Trade payables                                           | 9,025.45                | 14,222.78               |
| - Related parties (Refer Note 40)                          | 2,331.50                | 3,753.97                |
| <b>B. Other payables</b>                                   |                         |                         |
| - Other payables                                           | 905.73                  | 897.47                  |
| <b>Total</b>                                               | <b>12,262.68</b>        | <b>18,874.22</b>        |
| <b>Payables to Micro and Small Enterprises</b>             | 651.22                  | 2,527.29                |
| <b>Payables to Others than Micro and Small Enterprises</b> | 11,611.46               | 16,346.93               |

- (a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

|                                                                                                                                                                                                                                                                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Principal amount due to micro and small enterprises                                                                                                                                                                                                                                | 651.22                  | 2,527.29                |
| Interest due on above                                                                                                                                                                                                                                                              | 0.12                    | 3.36                    |
|                                                                                                                                                                                                                                                                                    | <b>651.34</b>           | <b>2,530.65</b>         |
| 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.                                                           | 28.35                   | 9.61                    |
| The amount of interest accrued and remaining unpaid at the end of each accounting year.                                                                                                                                                                                            | 40.09                   | 11.62                   |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due 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 | -                       | -                       |

Trade payables are non-interest bearing and are normally settled on 30-90 days terms.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 25 | OTHER FINANCIAL LIABILITIES

|                                                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>Other financial liabilities at amortised cost</b> |                         |                         |
| <b>Non-current</b>                                   | -                       | -                       |
| <b>Current</b>                                       |                         |                         |
| Current maturity of vehicle loan (refer note 20)     | 28.15                   | 44.95                   |
| Amount payable for property, plant and equipment     | 359.36                  | 238.64                  |
| Accrued salaries                                     | 1,034.52                | 2,187.18                |
| Unsecured deposits from customers                    | 451.88                  | 412.75                  |
| Unpaid dividends*                                    | 22.54                   | 13.08                   |
| <b>Total</b>                                         | <b>1,896.45</b>         | <b>2,896.60</b>         |
| <b>Total current</b>                                 | <b>1,896.45</b>         | <b>2,896.60</b>         |
| <b>Total non- current</b>                            | <b>-</b>                | <b>-</b>                |

\*Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. Accordingly, the Company has transferred ₹ Nil during the current year (March 31, 2019; ₹ 1.50 Lakhs) to the Investor Education and Protection Fund.

#### Breakup of financial liabilities at amortised cost:

|                                                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------------|-------------------------|-------------------------|
| Borrowings non current (Refer note 20)                           | 11.62                   | 32.72                   |
| Borrowings current (Refer note 20)                               | 6,500.00                | 5,015.30                |
| Current maturity of vehicle loan (refer note 25)                 | 28.15                   | 44.95                   |
| Trade payables (Refer note 24)                                   | 12,262.68               | 18,874.22               |
| Accrued Salaries (Refer note 25)                                 | 1,034.52                | 2,187.18                |
| Unsecured deposits from customers (Refer note 25)                | 451.88                  | 412.75                  |
| Unpaid dividends (Refer note 25)                                 | 22.54                   | 13.08                   |
| Amount payable for property, plant and equipment (Refer note 25) | 359.36                  | 238.64                  |
| <b>Total financial liabilities carried at amortised cost</b>     | <b>20,670.75</b>        | <b>26,818.85</b>        |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 26 | REVENUE FROM CONTRACTS WITH CUSTOMERS

The details of revenue from contracts with customers is as follows:

|                                                      | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Sale of products</b>                              |                                           |                                           |
| Finished goods (also Refer Note 48)                  | 71,690.63                                 | 73,790.57                                 |
| Traded goods                                         | 20,729.27                                 | 20,496.89                                 |
| <b>Total sale of products (A)</b>                    | <b>92,419.90</b>                          | <b>94,287.46</b>                          |
| <b>Sale of services (B)</b>                          | <b>890.32</b>                             | <b>786.92</b>                             |
| <b>Other operating revenue:</b>                      |                                           |                                           |
| Scrap sale                                           | 113.51                                    | 106.83                                    |
| Mould and tool sale                                  | 812.34                                    | 583.39                                    |
| <b>Total other operating revenue (C)</b>             | <b>925.85</b>                             | <b>690.22</b>                             |
| <b>Revenue from contracts with customers (A+B+C)</b> | <b>94,236.07</b>                          | <b>95,764.60</b>                          |

#### 26.1 Contract Balances

|                   | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|-------------------|-------------------------------------------|-------------------------------------------|
| Trade Receivables | 16,484.89                                 | 22,728.07                                 |

#### 27 | OTHER INCOME

|                                                                       | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|-----------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Other non-operating income</b>                                     |                                           |                                           |
| Interest income                                                       |                                           |                                           |
| - On fixed deposits                                                   | 282.12                                    | 128.05                                    |
| - Others                                                              | 13.56                                     | 17.19                                     |
| Discount received                                                     | 110.10                                    | 65.13                                     |
| Liabilities no longer required written back                           | 191.77                                    | 46.58                                     |
| Miscellaneous income                                                  | 382.68                                    | 656.08                                    |
| Rental Income                                                         | 718.86                                    | 661.77                                    |
| Royalty Income                                                        | 138.12                                    | 162.79                                    |
| Dividend Income                                                       | 760.70                                    | 407.90                                    |
| Net change in fair value of investment in equity shares held at FVTPL | 94.58                                     | 124.00                                    |
| Government Grant                                                      | 8.96                                      | 10.16                                     |
| Gain on sale of fixed assets                                          | 16.51                                     | 37.71                                     |
| <b>Total</b>                                                          | <b>2,717.95</b>                           | <b>2,317.35</b>                           |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 28 | COST OF RAW MATERIALS AND COMPONENTS CONSUMED

|                                                      | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Inventory at the beginning of the year               | 1,228.32                                  | 2,689.29                                  |
| Add: Purchases                                       | 49,721.38                                 | 49,631.79                                 |
| Less: Inventory at the end of the year               | (1,362.78)                                | (1,228.32)                                |
| <b>Cost of raw materials and components consumed</b> | <b>49,586.92</b>                          | <b>51,092.77</b>                          |

#### 28 (a) Purchase of Traded Goods

|                                 | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|---------------------------------|-------------------------------------------|-------------------------------------------|
| Automotive Lamps/Components     | 15,484.12                                 | 14,761.23                                 |
| <b>Purchase of Traded Goods</b> | <b>15,484.12</b>                          | <b>14,761.23</b>                          |

#### 29 | COST OF MOULDS CONSUMED

|                                        | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|----------------------------------------|-------------------------------------------|-------------------------------------------|
| Inventory at the beginning of the year | 12.31                                     | 1.72                                      |
| Add: Purchases made during the year    | 672.77                                    | 484.24                                    |
| Less: Inventory at the end of the year | (43.12)                                   | (12.31)                                   |
| <b>Cost of moulds consumed</b>         | <b>641.96</b>                             | <b>473.65</b>                             |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 30 | (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

|                                                                                                      | For the Period Ended<br>March 31, 2020 | For the Period Ended<br>March 31, 2019 |
|------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Opening stock</b>                                                                                 |                                        |                                        |
| - Finished goods                                                                                     | 329.02                                 | 559.35                                 |
| - Traded Goods                                                                                       | 1,011.06                               | 1,342.35                               |
| - Work-in progress                                                                                   | 400.01                                 | 315.37                                 |
| <b>Total (A)</b>                                                                                     | <b>1,740.09</b>                        | <b>2,217.07</b>                        |
| <b>Closing stock</b>                                                                                 |                                        |                                        |
| - Finished goods                                                                                     | 425.22                                 | 329.02                                 |
| - Traded Goods                                                                                       | 1,622.56                               | 1,011.06                               |
| - Work-in progress                                                                                   | 234.60                                 | 400.01                                 |
| <b>Total (B)</b>                                                                                     | <b>2,282.38</b>                        | <b>1,740.09</b>                        |
| <b>Changes in inventories of finished goods</b>                                                      |                                        |                                        |
| - Finished goods                                                                                     | (96.19)                                | 230.33                                 |
| - Traded Goods                                                                                       | (611.50)                               | 331.29                                 |
| - Work-in progress                                                                                   | 165.41                                 | (84.64)                                |
| <b>(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods (A-B)</b> | <b>(542.28)</b>                        | <b>476.98</b>                          |

#### 31 | EMPLOYEE BENEFITS EXPENSE

|                                            | For the Period Ended<br>March 31, 2020 | For the Period Ended<br>March 31, 2019 |
|--------------------------------------------|----------------------------------------|----------------------------------------|
| Salaries, wages and bonus                  | 8,643.11                               | 8,847.98                               |
| Contributions to provident and other funds | 328.97                                 | 273.65                                 |
| Gratuity expense (note 38)                 | 127.65                                 | 95.03                                  |
| Staff welfare expense                      | 492.57                                 | 520.07                                 |
| <b>Total</b>                               | <b>9,592.30</b>                        | <b>9,736.73</b>                        |

#### 32 | FINANCE COSTS

|                             | For the Period Ended<br>March 31, 2020 | For the Period Ended<br>March 31, 2019 |
|-----------------------------|----------------------------------------|----------------------------------------|
| Interest on working capital | 486.00                                 | 113.04                                 |
| Interest paid to others     | 227.98                                 | 146.85                                 |
| <b>Total</b>                | <b>713.98</b>                          | <b>259.90</b>                          |



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 33 | DEPRECIATION AND AMORTISATION EXPENSE

|                                              | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|----------------------------------------------|-------------------------------------------|-------------------------------------------|
| Depreciation of tangible assets (note 3)     | 2,282.40                                  | 2,141.35                                  |
| Amortisation of Right to use asset (note 5)  | 301.73                                    | -                                         |
| Amortisation of intangible assets (note 4)   | 53.15                                     | 45.93                                     |
| Depreciation of investment property (note 6) | 57.41                                     | 57.41                                     |
| <b>Total</b>                                 | <b>2,694.69</b>                           | <b>2,244.69</b>                           |

#### 34 | OTHER EXPENSES

|                                           | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| Freight and forwarding charges            | 1,578.01                                  | 1,637.68                                  |
| Job work charges                          | 1,704.62                                  | 1,653.51                                  |
| Power and fuel                            | 1,763.55                                  | 1,807.89                                  |
| Consumables                               | 1,031.90                                  | 945.86                                    |
| Travelling and conveyance                 | 620.25                                    | 628.35                                    |
| Packing material consumed                 | 813.38                                    | 757.92                                    |
| Rent                                      | 157.50                                    | 431.12                                    |
| Legal and professional fees               | 498.76                                    | 225.63                                    |
| <b>Repairs and maintenance</b>            |                                           |                                           |
| - Plant and machinery                     | 890.25                                    | 787.97                                    |
| - Building                                | 108.50                                    | 112.42                                    |
| - Others                                  | 284.63                                    | 348.74                                    |
| Communication cost                        | 67.31                                     | 70.39                                     |
| Bank Charges                              | 19.23                                     | 15.28                                     |
| Design, support and testing charges       | 50.75                                     | 18.05                                     |
| Rates and taxes                           | 201.31                                    | 78.78                                     |
| Payment to auditors (refer detail below)* | 48.68                                     | 55.53                                     |
| Insurance                                 | 126.61                                    | 52.45                                     |
| CSR expenditure (refer details below)**   | 130.11                                    | 89.89                                     |
| Printing and stationery                   | 66.06                                     | 58.14                                     |
| Advertisement and sales promotion         | 173.86                                    | 164.89                                    |
| Director's sitting fees                   | 23.20                                     | 25.04                                     |
| Management fees                           | 1,434.52                                  | 1,337.70                                  |
| Exchange difference (net)                 | 38.22                                     | 16.00                                     |
| Provision for doubtful debts and advances | 76.42                                     | -                                         |
| Outstanding balances written off          | 177.36                                    | 15.45                                     |
| Miscellaneous expenses                    | 503.17                                    | 508.86                                    |
| Royalty                                   | 60.00                                     | -                                         |
| Warranty                                  | 9.13                                      | -                                         |
| <b>Total</b>                              | <b>12,657.28</b>                          | <b>11,843.56</b>                          |

\*Payment to Auditor (excluding applicable taxes)

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

|                           | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|---------------------------|-------------------------------------------|-------------------------------------------|
| <b>As Auditor:</b>        |                                           |                                           |
| Audit Fee                 | 35.75                                     | 30.74                                     |
| Tax Audit Fee             | 1.75                                      | 2.95                                      |
| Limited Review            | 9.00                                      | 13.40                                     |
| <b>In other Capacity:</b> |                                           |                                           |
| Certification fees        | -                                         | 3.23                                      |
| Reimbursement of expenses | 2.18                                      | 5.21                                      |
| <b>Total</b>              | <b>48.68</b>                              | <b>55.53</b>                              |

#### \*\*Details of CSR expenditure:

|                                                                      | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|----------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| (a) Gross amount required to be spent by the Company during the year | 113.21                                    | 84.33                                     |
| i) Construction/acquisition of any asset                             | -                                         | -                                         |
| ii) On purposes other than (i) above in cash                         | 130.11                                    | 89.89                                     |
|                                                                      | <b>130.11</b>                             | <b>89.89</b>                              |

### 35 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

|                                                         | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|---------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Re-measurement gains/ (losses) on defined benefit plans | (54.31)                                   | (28.84)                                   |
| Deferred tax thereon                                    | 13.67                                     | 10.07                                     |
| Loss on FVTOCI equity securities                        | (5,113.50)                                | (1,879.82)                                |
| Deferred tax thereon                                    | 48.84                                     | 154.70                                    |
|                                                         | <b>(5,105.30)</b>                         | <b>(1,743.88)</b>                         |

### 36 EARNINGS PER SHARE (EPS)

- Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.
- Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

**c) The following reflects the income and share data used in the basic and diluted EPS computations:**

|                                                                                                                                    | For the Period<br>Ended<br>March 31, 2020 | For the Period<br>Ended<br>March 31, 2019 |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Profit attributable to the equity holders of the Company</b>                                                                    |                                           |                                           |
| Continuing Operations                                                                                                              | 5,127.38                                  | 4,691.47                                  |
| Discontinued Operations                                                                                                            | 825.29                                    | 1,266.00                                  |
| <b>Profit attributable to the equity holders of the Company for basic earning</b>                                                  | 5,952.67                                  | 5,957.47                                  |
| Weighted average number of equity shares for basic and diluted EPS (in lakhs)                                                      | 681.58                                    | 681.58                                    |
| Basic and diluted earnings per share (face value ₹ 2 per share, PY ₹ 10 per shares) for Continuing Operations (₹)                  | 7.52                                      | 6.88                                      |
| Basic and diluted earnings per share (face value ₹ 2 per share, PY ₹ 10 per shares) for Discontinued Operations (₹)                | 1.21                                      | 1.86                                      |
| Basic and diluted earnings per share (face value ₹ 2 per share, PY ₹ 10 per shares) for Continuing and Discontinued Operations (₹) | 8.73                                      | 8.74                                      |

- d)** There has not been any transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements except stated in note 18 to the financial statement.

## 37 | GROUP INFORMATION

**(a) Information about subsidiaries and Joint Venture**

| Name                                                  | Relationship  | Principal activities                   | Country of incorporation | % Equity interest |                |
|-------------------------------------------------------|---------------|----------------------------------------|--------------------------|-------------------|----------------|
|                                                       |               |                                        |                          | March 31, 2020    | March 31, 2019 |
| Lumax DK Auto Industries Limited (Refer Note 37(c))   | Subsidiary    | Manufacturing of Automobile Components | India                    | -                 | -              |
| Lumax Mannoh Allied Technologies Limited              | Subsidiary    | Manufacturing of Automobile Components | India                    | 55%               | 55%            |
| Lumax Integrated Ventures Private Limited             | Subsidiary    | Investment Company                     | India                    | 100%              | 100%           |
| Lumax Management Services Private Limited             | Subsidiary    | Service provider                       | India                    | 100%              | 100%           |
| Lumax Cornaglia Auto Technologies Private Limited     | Subsidiary    | Manufacturing of Automobile Components | India                    | 50%               | 50%            |
| Lumax Gill - Austem Auto Technologies Private Limited | Subsidiary    | Manufacturing of Automobile Components | India                    | 50%               | 50%            |
| Lumax FAE Technologies Limited                        | Subsidiary    | Manufacturing of Automobile Components | India                    | 51%               | 51%            |
| Lumax JOPP Allied Technologies Private Limited*       | Subsidiary    | Manufacturing of Automobile Components | India                    | 50%               | -              |
| Lumax Yokowo Technologies Private Limited             | Subsidiary    | Manufacturing of Automobile Components | India                    | 100%              | -              |
| Lumax Ituran Telematics Private Limited               | Joint venture | Manufacturing of Automobile Components | India                    | 50%               | 50%            |

\*During the year, Lumax Jopp Allied Technologies Private Limited (subsidiary company) started its commercial production at Manesar on February 27, 2020.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (b) Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

| Name                                                  | Principal activities                   | Country of incorporation | % Equity interest held by non-controlling parties |                      |
|-------------------------------------------------------|----------------------------------------|--------------------------|---------------------------------------------------|----------------------|
|                                                       |                                        |                          | As at March 31, 2020                              | As at March 31, 2019 |
| Lumax Mannoh Allied Technologies Limited              | Manufacturing of Automobile Components | India                    | 45%                                               | 45%                  |
| Lumax Cornaglia Auto Technologies Private Limited     | Manufacturing of Automobile Components | India                    | 50%                                               | 50%                  |
| Lumax Gill - Austem Auto Technologies Private Limited | Manufacturing of Automobile Components | India                    | 50%                                               | 50%                  |
| Lumax FAE Technologies Limited                        | Manufacturing of Automobile Components | India                    | 49%                                               | 49%                  |
| Lumax JOPP Allied Technologies Private Limited        | Manufacturing of Automobile Components | India                    | 50%                                               | -                    |

#### (c) Scheme of Amalgamation

Lumax Auto Technologies Limited ("the Company" or "Transferee Company") and its wholly owned subsidiary Company, namely "Lumax DK Auto Industries Limited" (Transferor Company), had filed the Scheme of Amalgamation, ("the Scheme") under section 230 to 232 of Companies Act 2013 read with Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, (as amended from time to time) with National Company law tribunal ("NCLT"), which has been approved on **October 31, 2019** and filed with Registrar of Companies on **November 09, 2019**, accordingly the same has become effective from appointed date as per scheme which is April 01, 2018. The Company has applied principles of Appendix C to Ind-AS 103 - 'Business Combinations of entities under Common Control' w.e.f. April 01, 2018.

The Transferor Company is engaged in the business of manufacturing of Automobile Components.

#### Accounting treatment

Below is the summary of accounting treatment which has been given effect to in these standalone financial statement, in accordance with accounting treatment prescribed in the scheme:

- The Company has recorded the assets and liabilities of the transferor Company at the respective book values as appearing in the books of transferor Company, prepared in accordance with Indian Accounting Standard (Ind-AS).
- Amounts lying in the balance of the "Profit and Loss Account" in the books of account of the Transferor Company is taken by the Transferee Company to its balance in "Profit and Loss Account".
- The inter-company balances between the Transferee Company and the Transferor Company, appearing in the books of the Transferee Company have been cancelled. However, no elimination of inter company transactions has been made for transactions entered upto March 31, 2017.
- Pursuant to amalgamation, the value of investments amounting to ₹ 123.66 lakhs in "Lumax DK Auto Industries Limited" held by the Company on the Appointed date has been cancelled with equity share capital of transferor company and the difference of ₹300.37 lakhs between the share-capital of the Transferor Company and the book value of the investments cancelled has been transferred to Capital Reserve in accordance with Ind As 103 -Business Combinations and the scheme of amalgamation.
- Subject to the above, the reserves of the Transferor Company is incorporated in the books of the Transferee Company in the same form as they appeared in the financial statements, prepared in accordance with Indian Accounting Standards, of the Transferor Company.
- The Company has restated the financial information as at and for year ended March 31, 2019 and also the corresponding comparative information as if the business combination has occurred from the beginning of the preceding period i.e. April 01, 2018 in accordance with Appendix C to Ind-AS 103 - 'Business Combinations of entities under Common Control' and the schemes.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Summary of Accounting treatment pursuant to scheme of amalgamation on Appointed date i.e. April 01, 2018

|                                                                                        | As at<br>March 31, 2018 |
|----------------------------------------------------------------------------------------|-------------------------|
| <b>ASSETS</b>                                                                          |                         |
| <b>I. Non-current assets</b>                                                           |                         |
| Property, plant and equipment                                                          | 7,636.22                |
| Capital work in progress                                                               | 23.09                   |
| Investment property                                                                    | 1,930.74                |
| Intangible assets                                                                      | 29.63                   |
| Financial assets                                                                       |                         |
| - Investments                                                                          | 533.34                  |
| - Loans                                                                                | 86.10                   |
| Income tax asset(net)                                                                  | 296.54                  |
| Other non- current assets                                                              | 75.93                   |
|                                                                                        | <b>10,611.59</b>        |
| <b>II. Current assets</b>                                                              |                         |
| Inventories                                                                            | 846.96                  |
| Financial assets                                                                       |                         |
| - Investment                                                                           | 1,477.10                |
| - Loans                                                                                | 7.60                    |
| - Trade receivables                                                                    | 8,206.77                |
| - Cash and cash equivalents                                                            | 603.08                  |
| - Other bank balances                                                                  | 993.90                  |
| - Others financial assets                                                              | 32.25                   |
| Other current assets                                                                   | 104.13                  |
|                                                                                        | <b>12,271.79</b>        |
| <b>Total Assets (A)</b>                                                                | <b>22,883.38</b>        |
| <b>LIABILITIES</b>                                                                     |                         |
| <b>I. Non- current liabilities</b>                                                     |                         |
| Provisions                                                                             | 251.81                  |
| Deferred tax liabilities (net)                                                         | 792.61                  |
|                                                                                        | <b>1,044.42</b>         |
| <b>II. Current liabilities</b>                                                         |                         |
| Financial liabilities                                                                  |                         |
| - Trade payables                                                                       |                         |
| - Payables to Micro and Small Enterprises                                              | -                       |
| - Payables to other than Micro and Small Enterprises                                   | 4,932.94                |
| - Other financial liabilities                                                          | 449.42                  |
| Provisions                                                                             | 43.78                   |
| Other current liabilities                                                              | 166.10                  |
|                                                                                        | <b>5,592.24</b>         |
| <b>Total Liabilities (B)</b>                                                           | <b>6,636.66</b>         |
| <b>Net assets taken over</b>                                                           | <b>16,246.72</b>        |
| <b>Reserves of the Transferor Company</b>                                              |                         |
| Retained earning                                                                       | 15,265.35               |
| FVTOCI reserve                                                                         | 151.76                  |
| General reserve                                                                        | 405.58                  |
| <b>Total Reserve (C')</b>                                                              | <b>15,822.69</b>        |
| <b>Net Assets taken over (D) = (A) - (B) - (C)</b>                                     | <b>424.03</b>           |
| <b>Investment in the books of Lumax Auto Technologies Limited as on April 01, 2018</b> | <b>123.66</b>           |
| <b>Balance transferred to Capital Reserve</b>                                          | <b>300.37</b>           |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

- (g) Further in accordance with the scheme, the authorised share capital of the Company has been increased by merging the authorised share capital of transferor Company, resulting in increase in authorised equity share capital by ₹ 2110 lakhs. Accordingly, the Authorised Capital of the Company post merger stands to ₹ 3610 lakhs divided into 1805 lakhs equity Shares of ₹ 2/- each.
- (h) The transferor company was wholly owned subsidiary of the Company and its entire share capital was held by the Company and its nominees. Upon the Scheme becoming effective, the shares held by the Company and its nominees in the Transferor Company stands cancelled and extinguished without any further application, act, instrument or deed and no shares shall be issued to the shareholders of the Transferor Company.

### 38 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with an insurance company in the form of qualifying insurance policy.

- a) During the year, the Company has recognized the following amounts in the statement of profit and loss :

#### Defined contribution plans

|                                                     | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------|-------------------------|-------------------------|
| Employer's contribution to provident fund           | 328.97                  | 235.65                  |
| Employer's contribution to employee state insurance | 22.20                   | 30.20                   |

#### b) Defined Benefit Obligation

The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

|                                                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------------|-------------------------|-------------------------|
|                                                          | Gratuity                | Gratuity                |
| <b>Cost for the year included under employee benefit</b> |                         |                         |
| Current service cost                                     | 97.36                   | 87.83                   |
| Interest cost                                            | 28.27                   | 20.80                   |
| Transfer in /out                                         | 2.02                    | (13.60)                 |
| <b>Net benefit expense</b>                               | <b>127.65</b>           | <b>95.03</b>            |

#### c) Amounts recognised in statement of other comprehensive income (OCI)

|                                                                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                            | Gratuity                | Gratuity                |
| <b>Amounts recognised in statement of other comprehensive income (OCI)</b> |                         |                         |
| Opening amount recognised in OCI outside statement of profit and loss      | (25.76)                 | (46.58)                 |
| Remeasurement for the year - Obligation (Gain) / Loss                      | 54.31                   | 28.51                   |
| Remeasurement for the year - Plan Assets (Gain) / Loss                     | 2.00                    | (0.57)                  |
| Total remeasurement Cost / (Credit) for the year recognised in OCI         | 56.32                   | 20.82                   |
| Closing amount recognised in OCI outside statement of profit and loss      | 30.56                   | (25.76)                 |



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### d) Mortality table

|                                                                 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------|-------------------------|-------------------------|
|                                                                 | Gratuity                | Gratuity                |
| <b>Mortality table</b>                                          | IALM(2012-14) ult       | IALM(2012-14) ult       |
| <b>Economic assumptions</b>                                     |                         |                         |
| 1 Discount rate                                                 | 6.20%                   | 7.50%                   |
| 2 Rate of increase in compensation levels - for first two years | -                       | 7.00%                   |
| - Thereafter                                                    | 8.00%                   | 7.00%                   |
| 3 Rate of return on plan assets                                 | 7.50%                   | -                       |
| <b>Demographic assumptions</b>                                  |                         |                         |
| 1 Expected average remaining working lives of employees (years) | 9.52                    | 9.71                    |
| 2 Retirement Age (years)                                        | 58 years                | 58 years                |
| 3 Mortality Rate                                                |                         |                         |
| <b>Withdrawal Rate</b>                                          |                         |                         |
| 1 unto 30 years                                                 | 8.00%                   | 8.00%                   |
| 2 Ages from 31-40                                               | 8.00%                   | 8.00%                   |
| 3 Ages from 41-50                                               | 8.00%                   | 8.00%                   |
| 4 Above 50 years                                                | 8.00%                   | 8.00%                   |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### e) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets

##### i. Gratuity

|                                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------|-------------------------|-------------------------|
| Benefit obligation as at the beginning of the year | 786.03                  | 680.33                  |
| Transfer in/(out)                                  | 1.01                    | (14.10)                 |
| Current service cost                               | 97.36                   | 87.82                   |
| Interest cost                                      | 57.49                   | 49.11                   |
| Benefit paid                                       | (40.90)                 | (45.64)                 |
| Actuarial loss/(gain)                              | 54.31                   | 28.51                   |
| <b>Gross Liability</b>                             | <b>955.29</b>           | <b>786.03</b>           |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

**f) Table showing changes in the fair value of plan assets :**

|                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------|-------------------------|-------------------------|
| Opening fair value of plan assets       | 404.25                  | 365.27                  |
| Transfer in/(out)                       | (1.01)                  | -                       |
| Expected return on plan assets          | 29.21                   | 28.30                   |
| Contribution made during the year       | 5.25                    | 54.94                   |
| Benefits paid                           | (34.70)                 | (44.83)                 |
| Mortality charges                       | (10.26)                 | -                       |
| Amount paid on settlement               | -                       | (0.30)                  |
| Actuarial gain on plan assets           | (2.00)                  | 0.87                    |
| <b>Closing fair Value of Plan asset</b> | <b>390.73</b>           | <b>404.25</b>           |

**g) Benefit asset / liability :**

|                                             | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------|-------------------------|-------------------------|
| Present value of defined benefit obligation | 955.29                  | 786.03                  |
| Fair value of plan assets                   | 390.73                  | 404.25                  |
| <b>Net (assets) / liability</b>             | <b>564.56</b>           | <b>381.79</b>           |

**h) Major category of plan assets (As a % of total plan assets)**

|                             | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------|-------------------------|-------------------------|
| Investment with the insurer | 100%                    | 100%                    |

**i) A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 is as shown below:**

|                                                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------|-------------------------|-------------------------|
|                                                            | Gratuity                | Gratuity                |
| <b>A. Discount rate</b>                                    |                         |                         |
| Effect on DBO due to 1% increase in Discount Rate          | 891.97                  | 574.06                  |
| Effect on DBO due to 1% decrease in Discount Rate          | 1,027.38                | 507.47                  |
| <b>B. Salary escalation rate</b>                           |                         |                         |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 1,014.37                | 511.86                  |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | 901.91                  | 568.11                  |
| <b>C. Withdrawal rate</b>                                  |                         |                         |
| Effect on DBO due to 1% increase in Withdrawal rate        | 951.68                  | 537.76                  |
| Effect on DBO due to 1% decrease in Withdrawal rate        | 959.55                  | 539.76                  |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

j) **The expected benefit payments in future years is as follows:**

|                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------|-------------------------|-------------------------|
| March 31, 2021                   | 138.40                  | 76.46                   |
| March 31, 2022                   | 117.40                  | 76.30                   |
| March 31, 2023                   | 117.88                  | 77.88                   |
| March 31, 2024                   | 97.11                   | 78.47                   |
| March 31, 2025                   | 128.46                  | 63.77                   |
| March 31, 2026 to March 31, 2030 | 660.43                  | 448.62                  |

### 39 COMMITMENTS AND CONTINGENCIES

a) **Capital and other commitments**

- (1) Estimated amount of contracts remaining to be executed on capital account and not provided for:

Capital commitments are ₹ 586.34 Lakhs (As at March 31, 2019 ₹266.73 lakhs, net of advances.)

- (2) **Undrawn committed borrowing facility**

The Company has availed fund based and non fund based working capital limits amounting to ₹ 12,700 lakhs (March 31, 2019 : ₹ 8,500.00 lakhs) from banks under . An amount of ₹ 5400.08 lakhs remain undrawn as at March 31, 2020 (March 31, 2019 : ₹ 2,221.71 lakhs). Further The limit availed is secured by way of Pari-passu first charge of hypothecation on entire stocks consisting of raw material, work in progress, finished goods kept at Company's godown, factories and book debts along with receivables of the Company, both present and future.

(b) **Contingent liabilities**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Claims against the group not acknowledged as debts</b>                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                         |
| Company has received assessment order from Maharashtra Value Added Tax (MVAT) department in the earlier years towards dis-allowance of Input Tax Credit availed by Company alongwith interest and penalty for Financial Year 2013-14, amounting to ₹ 88.02 Lacs. The Company has filled an appeal to Deputy Commissioner of Sales Tax (Appeals), Pune. During the year the company has paid demand of ₹34.28 lakhs and balance has been waived by the MVAT department under Amnesty Scheme 2019. | -                       | 88.02                   |
| In respect of A.Y. 2012 - 13, the assessing officer has added to the income of the Company, a notional amount of disallowance under Rule 14A of the Income tax act, 1961 and others amounting to ₹ 11.85 Lakhs against which demand raised for tax amounting ₹ 3.85 lakhs. The Company has preferred an appeal with CIT(A) against the same. The Company has preferred an appeal with ITAT against order of CIT(A) but no relief is allowed to the company till date.                            | 3.85                    | 3.85                    |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| In respect of assessment year (A.Y.) 2015 - 16, the assessing officer has added to the income of the Company, a notional amount of disallowance under Rule 14A of the Income tax act, 1961 amounting to ₹ 8.11 Lakhs against which demand raised against the same amounting to ₹ 2.76 lacs. The Company has preferred an appeal with Commissioner of Income Tax (Appeals) (CIT(A)) against the same and got rejected and further the Company filled appeal with ITAT.)                                                                                                                                                                                            | 2.76                    | 2.76                    |
| Company has received assessment order from Maharashtra Value Added Tax (MVAT) department in the earlier years towards dis-allowance of Input Tax Credit availed by Company alongwith interest for Financial Year 2014-15, amounting to ₹46.32 Lakhs (Vat ₹24.53 Lacs, CST ₹0.17 Lakhs & Interest ₹21.62 Lacs). During the year the company has paid demand of ₹21.47 lakhs and balance has been waived by the MVAT department under Amnesty Scheme 2019.                                                                                                                                                                                                          | -                       | 46.32                   |
| In respect of A.Y. 2017-18, the CPC has served notice for adjustment u/s 143(1) (a)(iv) to the income of the Company on account of late deposit of PF and ESI amounting to ₹ 49.32 lakhs based on wrong reporting of date of deposit by Tax Auditor in TAX Audit Report. The Company has filed Revised Return and Tax Auditor has filed Revised Tax Audit Report and company offered ₹13.95 lakhs being actual late deposit. The company is of the view that revised returned income will be accepted by Assessing Officer at the time of Regular Assessment u/s 143(3) to be completed by 31.12.2019 based on revised TAX Audit Report filed by the Tax Auditor. | 13.95                   | 13.95                   |
| Income Tax (A.Y. - 2003-04, 2007-08 recoverable from Stanley Electric Co. Ltd., Japan & Thai Stanley Electric Public Co. Ltd , Thailand [erstwhile shareholders of Stanley Electric Engineering India Pvt. Ltd. (which was acquired by LDK)] pursuant to share Transfer Agreement dated December 12, 2012. During the year Company has received favourable order from ITAT dated 22 April 2019. Further, Company has not received notice of further appeal been filed by the Department. Hence the case is considered as closed.                                                                                                                                  | -                       | 456.97                  |
| Director General of Foreign Trade                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -                       | 20.98                   |
| Demand from Employee State Insurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.90                    | 0.90                    |
| The Company has received income tax order under Section 143(3) dated 30.12.2019 related to AY 2018-19 on account of search and sisure operation for which company has received demand of ₹ 1033.28 lakhs including interest u/s 234ABC in respect of above matter for which the Company has filed the appeal and rectification letter to income tax authorities .The Company is of view adequately supported by the a legal opinion that there is every likelihood that relief would be allowed by the Appellate Authorities as they are bound by the decision of Apex court, jurisdictional high court and jurisdictional Tribunal.                              | 1,033.28                | -                       |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| During the year Company has received the show cause notice cum demand from the Assistant Commissioner of the Goods and Service Tax, Nasik Aurangabad, alleging that the company has availed the cenvat credit of ₹ 0.049 lakhs twice on the same invoice one in the month of January 2017 and then again in the subsequent month. Furthermore, Company has also availed the cenvat credit of ₹ 0.98 lakhs during the month of March'2017 and April'2017. Thus there is demand cum show cause notice of ₹ 1.03 lakhs for inadmissible credit availed by the company.                                            | 1.03                    | -                       |
| During the year Company has received demand cum show cause notice of ₹17.15 lakhs from the assistance commissioner of goods and service tax alleging that the company has availed the cenvat credit on the basis of invoices which are not fulfilling the particulars as specified under Rule 4A of the Service Tax Rules,1994.                                                                                                                                                                                                                                                                                | 17.15                   | -                       |
| During the year Company has received demand cum show cause Notice dated 24-01-2020 from the department alleged that the company has availed the duty drawback on the basis of unrealised sale proceeds and thus the duty drawback of ₹ 19.24 lakhs should be recovered from the company against such shipping bills. The company has filed the reply to the assistant commissioner of customs inland container depot, tkd, dated 07-02-2020 against the above show cause notice where in the company has surrendered the Duty Drawback of ₹ 0.52 lakhs along with interest to the ICD, Tughlakabad, New Delhi. | 19.24                   | -                       |

- (c) The Company had entered into an agreement with the Bhosari Unit Workmen Union on September 13, 2003, vide which option for VRS was given to the workers of the Company. Accordingly, benefits under the said scheme were paid to 27 workmen who opted for the scheme. Out of these 27 workmen, 20 workmen later filed a case against the Company on the grounds of of Unfair Labour Practices at the Labour court. The Court has passed an order in the favour of the workmen on June 26, 2019. Further, the Company has challenged the said order and filed revision application dt. July 26, 2019 in the Industrial Court, Pune on the grounds that the said order is defective and bad at law. The Company is of the view, based on the advice of the case advocate, that the final outcome of the case would be in the favour of the Company and hence, no provision has been made in the books of accounts.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 40 RELATED PARTY DISCLOSURES

##### Names of related parties and related party relationship

| S. No. | Relationship                                                                                       | Name of Related Parties                                                         |
|--------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 1      | Subsidiary Companies                                                                               | Lumax Gill Austem Auto Technologies Private Limited (LGAT") w.e.f. April 1,2018 |
|        |                                                                                                    | Lumax FAE Technologies Private Limited                                          |
|        |                                                                                                    | Lumax Mannoh Allied Technologies Private Limited ("LMAT")                       |
|        |                                                                                                    | Lumax Integrated Ventures Private Limited ("LIV")                               |
|        |                                                                                                    | Lumax Management Services Private Limited ("LMS")                               |
|        |                                                                                                    | Lumax Cornaglia Auto Technologies Private Limited ("LCAT")                      |
|        |                                                                                                    | Lumax Jopp Allied Technologies Pvt. Ltd.                                        |
|        |                                                                                                    | Lumax Yokowo Technologies Pvt. Ltd.                                             |
| 2      | Joint Venture                                                                                      | Lumax Ituran Telematics Private Limited                                         |
|        |                                                                                                    | Sipal Enginnering Private Limited (JV of LIV)                                   |
| 3      | Step down subsidiary companies (subsidiary of "LIV")                                               | Lumax Energy Solutions Private Limited ("LESPL")                                |
|        |                                                                                                    | Velomax Mobility Private Limited                                                |
| 4      | Key Management Personnel                                                                           | Mr. D K Jain (Chairman)                                                         |
|        |                                                                                                    | Mr. Anmol Jain (Managing Director)                                              |
|        |                                                                                                    | Mr. Ashish Dubey (CFO)                                                          |
|        |                                                                                                    | Mr. Anil Tyagi (Company Secretary)                                              |
| 5      | Relatives of Key Management Personnel                                                              | Mr. Deepak Jain (Son of Mr. D K Jain, Brother of Mr. Anmol Jain)                |
|        |                                                                                                    | Mrs. Shivani Jain (Wife of Mr. Anmol Jain)                                      |
|        |                                                                                                    | Mrs. Poysha Goyal Jain (wife of Mr. Deepak Jain)                                |
|        |                                                                                                    | Mrs. Usha Jain (Wife of Mr. D.K. Jain)                                          |
| 6      | Non Executive Director                                                                             | Mr. Arun Kumar Malhotra                                                         |
|        |                                                                                                    | Mr. Avinash Parkash Gandhi                                                      |
|        |                                                                                                    | Mr. Kanchan Kumar Gandhi                                                        |
|        |                                                                                                    | Mr. Roop Salotra                                                                |
|        |                                                                                                    | Mr. Milap Jain                                                                  |
|        |                                                                                                    | Mr. Dhiraj Dhar Gupta                                                           |
|        |                                                                                                    | Mrs. Diviya Chanana                                                             |
| 7      | Enterprises owned or significantly influenced by Key Management Personnel and / or their relatives | Lumax Industries Limited                                                        |
|        |                                                                                                    | Lumax Finance Private Limited                                                   |
|        |                                                                                                    | Lumax Ancillary Limited                                                         |
|        |                                                                                                    | Mahavir Udyog                                                                   |
|        |                                                                                                    | D. K. Jain & Sons (HUF)                                                         |
|        |                                                                                                    | Bharat Enterprises                                                              |
|        |                                                                                                    | D K Jain & Family Trust                                                         |
|        |                                                                                                    | Lumax Tours & Travels Limited                                                   |
|        |                                                                                                    | Lumax Charitable Foundation                                                     |



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                                      | Subsidiary and Step down subsidiary |                | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                  | Joint Venture  |                | TOTAL            |                  |
|------------------------------------------------------------------|-------------------------------------|----------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|------------------|----------------|----------------|------------------|------------------|
|                                                                  | March 31, 2020                      | March 31, 2019 | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019   | March 31, 2020 | March 31, 2019 | March 31, 2020   | March 31, 2019   |
| <b>TRANSACTIONS</b>                                              |                                     |                |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| <b>Sale of Raw Materials and Components (Inclusive of taxes)</b> |                                     |                |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| Lumax Industries Ltd                                             | -                                   | -              | -                                                                  | -              | 73.18                                                                                        | 11,221.08        | -              | -              | 73.18            | 11,221.08        |
| Lumax Ancillary Ltd                                              | -                                   | -              | -                                                                  | -              | 391.19                                                                                       | 487.78           | -              | -              | 391.19           | 487.78           |
| Lumax Gill-Austem Auto Technologies Pvt. Ltd                     | 4.37                                | 111.57         | -                                                                  | -              | -                                                                                            | -                | -              | -              | 4.37             | 111.57           |
| Lumax Cornaglia Auto Technologies Pvt Ltd                        | 1.51                                | -              | -                                                                  | -              | -                                                                                            | -                | -              | -              | 1.51             | -                |
| Lumax Mannoh Allied Technologies Ltd                             | 138.92                              | 648.63         | -                                                                  | -              | -                                                                                            | -                | -              | -              | 138.92           | 648.63           |
| Bharat Enterprises                                               | -                                   | -              | -                                                                  | -              | 1.39                                                                                         | -                | -              | -              | 1.39             | -                |
| <b>Total</b>                                                     | <b>144.80</b>                       | <b>760.20</b>  | -                                                                  | -              | <b>465.76</b>                                                                                | <b>11,708.86</b> | -              | -              | <b>610.56</b>    | <b>12,469.06</b> |
| <b>Sale of Finished Goods (Inclusive of taxes)</b>               |                                     |                |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| Lumax Industries Ltd                                             | -                                   | -              | -                                                                  | -              | 15,367.83                                                                                    | 21,767.88        | -              | -              | 15,367.83        | 21,767.88        |
| Lumax Ancillary Ltd                                              | -                                   | -              | -                                                                  | -              | 805.13                                                                                       | 399.66           | -              | -              | 805.13           | 399.66           |
| Lumax Mannoh Allied Technologies Ltd                             | 791.79                              | 0.11           | -                                                                  | -              | -                                                                                            | -                | -              | -              | 791.79           | 0.11             |
| Lumax Cornaglia Auto Technologies Pvt Ltd                        | 34.03                               | -              | -                                                                  | -              | -                                                                                            | -                | -              | -              | 34.03            | -                |
| <b>Total</b>                                                     | <b>825.82</b>                       | <b>0.11</b>    | -                                                                  | -              | <b>16,172.97</b>                                                                             | <b>22,167.54</b> | -              | -              | <b>16,998.79</b> | <b>22,167.65</b> |
| <b>Rent Received</b>                                             |                                     |                |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| Lumax Gill-Austem Auto Technologies Pvt. Ltd                     | 266.53                              | 263.35         | -                                                                  | -              | -                                                                                            | -                | -              | -              | 266.53           | 263.35           |
| Lumax Mannoh Allied Technologies Ltd                             | 296.46                              | 269.51         | -                                                                  | -              | -                                                                                            | -                | -              | -              | 296.46           | 269.51           |
| Lumax Energy Solutions Pvt.Ltd.                                  | 1.56                                | 3.96           | -                                                                  | -              | -                                                                                            | -                | -              | -              | 1.56             | 3.96             |
| Lumax Tours & Travels Ltd                                        | -                                   | -              | -                                                                  | -              | 7.08                                                                                         | 3.07             | -              | -              | 7.08             | 3.07             |
| Lumax Ituran Telematics Pvt. Ltd.                                | -                                   | -              | -                                                                  | -              | -                                                                                            | -                | 0.65           | -              | 0.65             | -                |
| Lumax Industries Ltd                                             | -                                   | -              | -                                                                  | -              | 246.11                                                                                       | 214.21           | -              | -              | 246.11           | 214.21           |
| <b>Total</b>                                                     | <b>564.55</b>                       | <b>536.82</b>  | -                                                                  | -              | <b>253.19</b>                                                                                | <b>217.28</b>    | <b>0.65</b>    | -              | <b>818.39</b>    | <b>754.10</b>    |
| <b>Purchases of Raw Materials and Components</b>                 |                                     |                |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| Bharat Enterprises                                               | -                                   | -              | -                                                                  | -              | 297.63                                                                                       | 215.46           | -              | -              | 297.63           | 215.46           |
| Lumax Industries Ltd                                             | -                                   | -              | -                                                                  | -              | 1,105.38                                                                                     | 5,788.91         | -              | -              | 1,105.38         | 5,788.91         |
| Lumax Ancillary Ltd                                              | -                                   | -              | -                                                                  | -              | 6,372.37                                                                                     | 6,901.27         | -              | -              | 6,372.37         | 6,901.27         |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                  | Subsidiary and Step down subsidiary |                | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                  | Joint Venture  |                | TOTAL           |                  |
|----------------------------------------------|-------------------------------------|----------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|------------------|----------------|----------------|-----------------|------------------|
|                                              | March 31, 2020                      | March 31, 2019 | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019   | March 31, 2020 | March 31, 2019 | March 31, 2020  | March 31, 2019   |
| Lumax Gill-Austem Auto Technologies Pvt. Ltd | 0.37                                | -              | -                                                                  | -              | -                                                                                            | -                | -              | -              | 0.37            | -                |
| Lumax Energy Solutions Pvt.Ltd.              | 0.26                                | 1.75           | -                                                                  | -              | -                                                                                            | -                | -              | -              | 0.26            | 1.75             |
| Mahavir Udyog                                | -                                   | -              | -                                                                  | -              | 0.62                                                                                         | -                | -              | -              | 0.62            | -                |
| Lumax Mannoh Allied Technologies Ltd         | 22.67                               | 294.82         | -                                                                  | -              | -                                                                                            | -                | -              | -              | 22.67           | 294.82           |
| <b>Total</b>                                 | <b>23.30</b>                        | <b>296.57</b>  | <b>-</b>                                                           | <b>-</b>       | <b>7,776.00</b>                                                                              | <b>12,905.64</b> | <b>-</b>       | <b>-</b>       | <b>7,799.30</b> | <b>13,202.21</b> |
| <b>Purchases of Finished Goods</b>           |                                     |                |                                                                    |                |                                                                                              |                  |                |                |                 |                  |
| Lumax Energy Solutions Pvt.Ltd.              | 34.90                               | -              | -                                                                  | -              | -                                                                                            | -                | -              | -              | 34.90           | -                |
| Lumax Cornaglia Auto Technologies Pvt Ltd    | 8.79                                | 9.83           | -                                                                  | -              | -                                                                                            | -                | -              | -              | 8.79            | 9.83             |
| Lumax Industries Ltd                         | -                                   | -              | -                                                                  | -              | 6,131.30                                                                                     | 5,610.09         | -              | -              | 6,131.30        | 5,610.09         |
| Lumax Ancillary Ltd                          | -                                   | -              | -                                                                  | -              | 1,572.61                                                                                     | 1,483.21         | -              | -              | 1,572.61        | 1,483.21         |
| <b>Total</b>                                 | <b>43.69</b>                        | <b>9.83</b>    | <b>-</b>                                                           | <b>-</b>       | <b>7,703.91</b>                                                                              | <b>7,093.30</b>  | <b>-</b>       | <b>-</b>       | <b>7,747.60</b> | <b>7,103.14</b>  |
| <b>Purchases of other</b>                    |                                     |                |                                                                    |                |                                                                                              |                  |                |                |                 |                  |
| Lumax Industries Ltd                         | -                                   | -              | -                                                                  | -              | 312                                                                                          | 2.21             | -              | -              | 312             | 2.21             |
| Lumax Ancillary Ltd                          | -                                   | -              | -                                                                  | -              | 0.24                                                                                         | 0.97             | -              | -              | 0.24            | 0.97             |
| Lumax Energy Solutions Pvt.Ltd.              | -                                   | 1.98           | -                                                                  | -              | -                                                                                            | -                | -              | -              | -               | 1.98             |
| Lumax Gill-Austem Auto Technologies Pvt. Ltd | -                                   | 19.80          | -                                                                  | -              | -                                                                                            | -                | -              | -              | -               | 19.80            |
| <b>Total</b>                                 | <b>-</b>                            | <b>21.78</b>   | <b>-</b>                                                           | <b>-</b>       | <b>3.36</b>                                                                                  | <b>3.19</b>      | <b>-</b>       | <b>-</b>       | <b>3.36</b>     | <b>24.97</b>     |
| <b>Purchase of Packing Material</b>          |                                     |                |                                                                    |                |                                                                                              |                  |                |                |                 |                  |
| Lumax Industries Ltd                         | -                                   | -              | -                                                                  | -              | 0.67                                                                                         | 3.35             | -              | -              | 0.67            | 3.35             |
| Lumax Ancillary Limited                      | -                                   | -              | -                                                                  | -              | 0.26                                                                                         | 0.03             | -              | -              | 0.26            | 0.03             |
| Mahavir Udyog                                | -                                   | -              | -                                                                  | -              | 19.92                                                                                        | 59.24            | -              | -              | 19.92           | 59.24            |
| <b>Total</b>                                 | <b>-</b>                            | <b>-</b>       | <b>-</b>                                                           | <b>-</b>       | <b>20.85</b>                                                                                 | <b>62.62</b>     | <b>-</b>       | <b>-</b>       | <b>20.85</b>    | <b>62.62</b>     |
| <b>Others - Reimbursement to/(from)</b>      |                                     |                |                                                                    |                |                                                                                              |                  |                |                |                 |                  |
| Bharat Enterprises                           | -                                   | -              | -                                                                  | -              | (0.28)                                                                                       | 14.60            | -              | -              | (0.28)          | 14.60            |
| Lumax Industries Ltd                         | -                                   | -              | -                                                                  | -              | 70.62                                                                                        | (1,281.14)       | -              | -              | 70.62           | (1,281.14)       |
| Lumax Ancillary Ltd                          | -                                   | -              | -                                                                  | -              | 4.68                                                                                         | 85.82            | -              | -              | 4.68            | 85.82            |
| Lumax Energy Solutions Pvt.Ltd.              | 90.21                               | 0.06           | -                                                                  | -              | -                                                                                            | -                | -              | -              | 90.21           | 0.06             |
| Lumax Mannoh Allied Technologies Ltd         | (40.25)                             | 34.98          | -                                                                  | -              | -                                                                                            | -                | -              | -              | (40.25)         | 34.98            |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                  | Subsidiary and Step down subsidiary |                 | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                   | Joint Venture  |                | TOTAL           |                   |
|----------------------------------------------|-------------------------------------|-----------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|-------------------|----------------|----------------|-----------------|-------------------|
|                                              | March 31, 2020                      | March 31, 2019  | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019    | March 31, 2020 | March 31, 2019 | March 31, 2020  | March 31, 2019    |
| Lumax Management Services Pvt. Ltd           | 13.05                               | -               | -                                                                  | -              | -                                                                                            | -                 | -              | -              | 13.05           | -                 |
| Lumax Gill-Austem Auto Technologies Pvt. Ltd | (32.03)                             | (50.54)         | -                                                                  | -              | -                                                                                            | -                 | -              | -              | (32.03)         | (50.54)           |
| Lumax Charitable Foundation                  | -                                   | -               | -                                                                  | -              | 3.29                                                                                         | -                 | -              | -              | 3.29            | -                 |
| LUMAX FINANCE PRIVATE LIMITED                | -                                   | -               | -                                                                  | -              | (0.57)                                                                                       | -                 | -              | -              | (0.57)          | -                 |
| Lumax Tours & Travels Ltd                    | -                                   | -               | -                                                                  | -              | 0.01                                                                                         | -                 | -              | -              | 0.01            | -                 |
| Lumax Cornaglia Auto Technologies Pvt Ltd    | 0.06                                | -               | -                                                                  | -              | -                                                                                            | -                 | -              | -              | 0.06            | -                 |
| <b>Total</b>                                 | <b>31.04</b>                        | <b>(15.51)</b>  | <b>-</b>                                                           | <b>-</b>       | <b>77.75</b>                                                                                 | <b>(1,180.72)</b> | <b>-</b>       | <b>-</b>       | <b>108.79</b>   | <b>(1,196.22)</b> |
| <b>Availing of Services</b>                  |                                     |                 |                                                                    |                |                                                                                              |                   |                |                |                 |                   |
| Lumax Industries Ltd                         | -                                   | -               | -                                                                  | -              | 27.34                                                                                        | 234.26            | -              | -              | 27.34           | 234.26            |
| Lumax Tours & Travels Ltd                    | -                                   | -               | -                                                                  | -              | 153.44                                                                                       | 245.08            | -              | -              | 153.44          | 245.08            |
| Lumax Management Services Pvt. Ltd           | 1,603.10                            | 1,607.72        | -                                                                  | -              | -                                                                                            | -                 | -              | -              | 1,603.10        | 1,607.72          |
| Lumax Ancillary Ltd                          | -                                   | -               | -                                                                  | -              | 20.77                                                                                        | 15.30             | -              | -              | 20.77           | 15.30             |
| Lumax Gill-Austem Auto Technologies Pvt. Ltd | 19.09                               | 16.23           | -                                                                  | -              | -                                                                                            | -                 | -              | -              | 19.09           | 16.23             |
| Lumax Cornaglia Auto Technologies Pvt.Ltd.   | 16.22                               | 14.40           | -                                                                  | -              | -                                                                                            | -                 | -              | -              | 16.22           | 14.40             |
| <b>Total</b>                                 | <b>1,638.42</b>                     | <b>1,638.35</b> | <b>-</b>                                                           | <b>-</b>       | <b>201.55</b>                                                                                | <b>494.64</b>     | <b>-</b>       | <b>-</b>       | <b>1,839.96</b> | <b>2,132.99</b>   |
| <b>Rendering of Services</b>                 |                                     |                 |                                                                    |                |                                                                                              |                   |                |                |                 |                   |
| Lumax Ancillary Ltd                          | -                                   | -               | -                                                                  | -              | 0.15                                                                                         | 1.01              | -              | -              | 0.15            | 1.01              |
| Lumax Industries Ltd                         | -                                   | -               | -                                                                  | -              | 127.07                                                                                       | 32.19             | -              | -              | 127.07          | 32.19             |
| Bharat Enterprises                           | -                                   | -               | -                                                                  | -              | -                                                                                            | 0.02              | -              | -              | -               | 0.02              |
| Lumax Gill-Austem Auto Technologies Pvt. Ltd | 605.54                              | 417.26          | -                                                                  | -              | -                                                                                            | -                 | -              | -              | 605.54          | 417.26            |
| Lumax Mannoh Allied Technologies Ltd         | 351.38                              | 533.07          | -                                                                  | -              | -                                                                                            | -                 | -              | -              | 351.38          | 533.07            |
| Lumax Cornaglia Auto Technologies Pvt.Ltd.   | -                                   | 0.09            | -                                                                  | -              | -                                                                                            | -                 | -              | -              | -               | 0.09              |
| Lumax Tours & Travels Ltd                    | -                                   | -               | -                                                                  | -              | 2.25                                                                                         | 1.19              | -              | -              | 2.25            | 1.19              |
| Mahavir Udyog                                | -                                   | -               | -                                                                  | -              | 7.25                                                                                         | -                 | -              | -              | 7.25            | -                 |
| Lumax Ituran Telematics Pvt. Ltd.            | -                                   | -               | -                                                                  | -              | -                                                                                            | -                 | 0.18           | -              | 0.18            | -                 |
| Lumax JOPP Allied Technologies Pvt. Ltd.     | 48.71                               | -               | -                                                                  | -              | -                                                                                            | -                 | -              | -              | 48.71           | -                 |
| <b>Total</b>                                 | <b>1,005.64</b>                     | <b>950.42</b>   | <b>-</b>                                                           | <b>-</b>       | <b>136.72</b>                                                                                | <b>34.41</b>      | <b>0.18</b>    | <b>-</b>       | <b>1,142.54</b> | <b>984.83</b>     |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                 | Subsidiary and Step down subsidiary |                 | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                | Joint Venture  |                | TOTAL           |                 |
|---------------------------------------------|-------------------------------------|-----------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|----------------|----------------|----------------|-----------------|-----------------|
|                                             | March 31, 2020                      | March 31, 2019  | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020  | March 31, 2019  |
| <b>Sale of Capital Goods</b>                | -                                   | -               | -                                                                  | -              | -                                                                                            | -              | -              | -              | -               | -               |
| Lumax Industries Ltd                        | -                                   | -               | -                                                                  | -              | 2,661.55                                                                                     | -              | -              | -              | 2,661.55        | -               |
| Lumax Ancillary Ltd                         | -                                   | -               | -                                                                  | -              | -                                                                                            | 0.82           | -              | -              | -               | 0.82            |
| Lumax Cornaglia Auto Technologies Pvt.Ltd.  | 0.32                                | -               | -                                                                  | -              | -                                                                                            | -              | -              | -              | 0.32            | -               |
| <b>Total</b>                                | <b>0.32</b>                         | -               | -                                                                  | -              | <b>2,661.55</b>                                                                              | <b>0.82</b>    | -              | -              | <b>2,661.87</b> | <b>0.82</b>     |
| <b>Purchase of Capital Goods</b>            | -                                   | -               | -                                                                  | -              | -                                                                                            | -              | -              | -              | -               | -               |
| Lumax Energy Solutions Pvt.Ltd.             | 1.18                                | 0.93            | -                                                                  | -              | -                                                                                            | -              | -              | -              | 1.18            | 0.93            |
| Lumax Management Services Pvt. Ltd          | 72.63                               | 22.55           | -                                                                  | -              | -                                                                                            | -              | -              | -              | 72.63           | 22.55           |
| <b>Total</b>                                | <b>73.81</b>                        | <b>23.47</b>    | -                                                                  | -              | -                                                                                            | -              | -              | -              | <b>73.81</b>    | <b>23.47</b>    |
| <b>Rent Expense</b>                         | -                                   | -               | -                                                                  | -              | -                                                                                            | -              | -              | -              | -               | -               |
| Mrs. Usha Jain                              | -                                   | -               | -                                                                  | 21.18          | -                                                                                            | -              | -              | -              | -               | 21.18           |
| Lumax Industries Ltd                        | -                                   | -               | -                                                                  | -              | 0.10                                                                                         | 0.05           | -              | -              | 0.10            | 0.05            |
| Mr.D.K.Jain                                 | -                                   | -               | 33.44                                                              | 10.77          | -                                                                                            | -              | -              | -              | 33.44           | 10.77           |
| <b>Total</b>                                | -                                   | -               | <b>33.44</b>                                                       | <b>31.95</b>   | <b>0.10</b>                                                                                  | <b>0.05</b>    | -              | -              | <b>33.54</b>    | <b>32.00</b>    |
| <b>CSR Expenditure</b>                      | -                                   | -               | -                                                                  | -              | -                                                                                            | -              | -              | -              | -               | -               |
| Lumax Charitable Foundation                 | -                                   | -               | -                                                                  | -              | 130.11                                                                                       | 92.38          | -              | -              | 130.11          | 92.38           |
| <b>Total</b>                                | -                                   | -               | -                                                                  | -              | <b>130.11</b>                                                                                | <b>92.38</b>   | -              | -              | <b>130.11</b>   | <b>92.38</b>    |
| <b>Investment Made</b>                      | -                                   | -               | -                                                                  | -              | -                                                                                            | -              | -              | -              | -               | -               |
| Lumax Management Services Pvt. Ltd. ("LMS") | 582.50                              | 3,498.66        | -                                                                  | -              | -                                                                                            | -              | -              | -              | 582.50          | 3,498.66        |
| Lumax Ituran Telematics Pvt. Ltd.           | -                                   | -               | -                                                                  | -              | -                                                                                            | -              | 59.46          | 33.54          | 59.46           | 33.54           |
| Lumax FAE Technologies Pvt. Ltd.            | -                                   | 200.00          | -                                                                  | -              | -                                                                                            | -              | -              | -              | -               | 200.00          |
| Lumax integrated ventures Pvt.ltd.          | 2.00                                | -               | -                                                                  | -              | -                                                                                            | -              | -              | -              | 2.00            | -               |
| Lumax Cornaglia Auto Technologies Pvt.Ltd.  | 250.00                              | -               | -                                                                  | -              | -                                                                                            | -              | -              | -              | 250.00          | -               |
| Lumax JOPP Allied Technologies Pvt. Ltd.    | 75.50                               | -               | -                                                                  | -              | -                                                                                            | -              | -              | -              | 75.50           | -               |
| Lumax Yokowo Technologies Pvt. Ltd.         | 1.00                                | -               | -                                                                  | -              | -                                                                                            | -              | -              | -              | 1.00            | -               |
| <b>Total</b>                                | <b>911.00</b>                       | <b>3,698.66</b> | -                                                                  | -              | -                                                                                            | -              | <b>59.46</b>   | <b>33.54</b>   | <b>970.46</b>   | <b>3,732.20</b> |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                    | Subsidiary and Step down subsidiary |                | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                | Joint Venture  |                | TOTAL          |                |
|--------------------------------|-------------------------------------|----------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                | March 31, 2020                      | March 31, 2019 | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| <b>Managerial Remuneration</b> |                                     |                |                                                                    |                |                                                                                              |                |                |                |                |                |
| Mr. Anmol Jain                 | -                                   | -              | 152.70                                                             | 141.52         | -                                                                                            | -              | -              | -              | 152.70         | 141.52         |
| Mr. D.K. Jain                  | -                                   | -              | 166.12                                                             | 142.15         | -                                                                                            | -              | -              | -              | 166.12         | 142.15         |
| Mrs. Shivani Jain              | -                                   | -              | 88.75                                                              | 25.78          | -                                                                                            | -              | -              | -              | 88.75          | 25.78          |
| Mrs. Poysha Goyal Jain         | -                                   | -              | 90.94                                                              | 26.16          | -                                                                                            | -              | -              | -              | 90.94          | 26.16          |
| Mr. Deepak Jain                | -                                   | -              | -                                                                  | -              | -                                                                                            | -              | -              | -              | -              | -              |
| Mr. Ashish Dubey               | -                                   | -              | 59.08                                                              | 56.98          | -                                                                                            | -              | -              | -              | 59.08          | 56.98          |
| Mr. Anil Tyagi                 | -                                   | -              | 16.91                                                              | -              | -                                                                                            | -              | -              | -              | 16.91          | -              |
| Ms. Swapnal Patane             | -                                   | -              | -                                                                  | 6.00           | -                                                                                            | -              | -              | -              | -              | 6.00           |
| <b>Director Sitting Fees</b>   |                                     |                |                                                                    |                |                                                                                              |                |                |                |                |                |
| Mr. Arun Kumar Malhotra        | -                                   | -              | 3.60                                                               | 4.80           | -                                                                                            | -              | -              | -              | 3.60           | 4.80           |
| Mr. Avinash Prakash Gandhi     | -                                   | -              | 4.20                                                               | 3.00           | -                                                                                            | -              | -              | -              | 4.20           | 3.00           |
| Mr. Kanchan Kumar Gandhi       | -                                   | -              | 2.80                                                               | 3.80           | -                                                                                            | -              | -              | -              | 2.80           | 3.80           |
| Mr. Roop Salotra               | -                                   | -              | 5.00                                                               | 5.40           | -                                                                                            | -              | -              | -              | 5.00           | 5.40           |
| Mr. Milap Jain                 | -                                   | -              | 4.80                                                               | 5.20           | -                                                                                            | -              | -              | -              | 4.80           | 5.20           |
| Mrs. Diviya Chanana            | -                                   | -              | 2.80                                                               | 2.40           | -                                                                                            | -              | -              | -              | 2.80           | 2.40           |
| Mr. Dhiraj Dhar Gupta          | -                                   | -              | -                                                                  | 0.80           | -                                                                                            | -              | -              | -              | -              | 0.80           |
| <b>Total</b>                   | -                                   | -              | <b>597.71</b>                                                      | <b>423.99</b>  | -                                                                                            | -              | -              | -              | <b>597.71</b>  | <b>423.99</b>  |
| <b>Commission Paid</b>         |                                     |                |                                                                    |                |                                                                                              |                |                |                |                |                |
| Mr. Anmol Jain                 | -                                   | -              | 110.02                                                             | 216.70         | -                                                                                            | -              | -              | -              | 110.02         | 216.70         |
| Mr. D.K. Jain                  | -                                   | -              | 72.15                                                              | 235.03         | -                                                                                            | -              | -              | -              | 72.15          | 235.03         |
| Mrs. Shivani Jain              | -                                   | -              | 73.82                                                              | 161.88         | -                                                                                            | -              | -              | -              | 73.82          | 161.88         |
| Mrs. Poysha Goyal Jain         | -                                   | -              | 71.64                                                              | 161.50         | -                                                                                            | -              | -              | -              | 71.64          | 161.50         |
| Mr. Deepak Jain                | -                                   | -              | 59.73                                                              | 71.30          | -                                                                                            | -              | -              | -              | 59.73          | 71.30          |
| <b>Total</b>                   | -                                   | -              | <b>387.36</b>                                                      | <b>846.41</b>  | -                                                                                            | -              | -              | -              | <b>387.36</b>  | <b>846.41</b>  |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                          | Subsidiary and Step down subsidiary |                | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                | Joint Venture  |                | TOTAL           |                |
|--------------------------------------|-------------------------------------|----------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|----------------|----------------|----------------|-----------------|----------------|
|                                      | March 31, 2020                      | March 31, 2019 | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020  | March 31, 2019 |
| <b>Dividend Paid</b>                 |                                     |                |                                                                    |                |                                                                                              |                |                |                |                 |                |
| Mr.Anmol Jain                        | -                                   | -              | 497.47                                                             | 86.22          | -                                                                                            | -              | -              | -              | 497.47          | 86.22          |
| Mr.D.K.Jain                          | -                                   | -              | -                                                                  | 165.53         | -                                                                                            | -              | -              | -              | -               | 165.53         |
| Mr.Deepak Jain                       | -                                   | -              | 497.62                                                             | 91.47          | -                                                                                            | -              | -              | -              | 497.62          | 91.47          |
| Mrs. Usha Jain                       | -                                   | -              | -                                                                  | 46.37          | -                                                                                            | -              | -              | -              | -               | 46.37          |
| Mrs.Shivani Jain                     | -                                   | -              | -                                                                  | 4.50           | -                                                                                            | -              | -              | -              | -               | 4.50           |
| D.K.Jain And Family Trust            | -                                   | -              | -                                                                  | -              | 10.20                                                                                        | 4.08           | -              | -              | 10.20           | 4.08           |
| D.K.Jain And Sons (HUF)              | -                                   | -              | -                                                                  | -              | 296.54                                                                                       | 118.10         | -              | -              | 296.54          | 118.10         |
| Lumax Finance Pvt. Ltd.              | -                                   | -              | -                                                                  | -              | 605.57                                                                                       | 242.23         | -              | -              | 605.57          | 242.23         |
| <b>Total</b>                         | -                                   | -              | <b>995.08</b>                                                      | <b>394.09</b>  | <b>912.31</b>                                                                                | <b>364.40</b>  | -              | -              | <b>1,907.39</b> | <b>758.49</b>  |
| <b>Dividend Received</b>             |                                     |                |                                                                    |                |                                                                                              |                |                |                |                 |                |
| Lumax Industries Ltd                 | -                                   | -              | -                                                                  | -              | 275.63                                                                                       | 120.75         | -              | -              | 275.63          | 120.75         |
| Lumax Mannoh Allied Technologies Ltd | 478.57                              | 28714          | -                                                                  | -              | -                                                                                            | -              | -              | -              | 478.57          | 28714          |
| <b>Total</b>                         | <b>478.57</b>                       | <b>28714</b>   | -                                                                  | -              | <b>275.63</b>                                                                                | <b>120.75</b>  | -              | -              | <b>754.20</b>   | <b>407.89</b>  |



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                  | Subsidiary and Step down subsidiary and joint venture of step down subsidiary |                 | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                  | Joint Venture  |                | TOTAL            |                  |
|----------------------------------------------|-------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|------------------|----------------|----------------|------------------|------------------|
|                                              | March 31, 2020                                                                | March 31, 2019  | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019   | March 31, 2020 | March 31, 2019 | March 31, 2020   | March 31, 2019   |
| <b>BALANCE AT THE YEAR END</b>               |                                                                               |                 |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| <b>Receivables</b>                           |                                                                               |                 |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| Mahavir Udyog                                | -                                                                             | -               | -                                                                  | -              | 3.00                                                                                         | 0.02             | -              | -              | 3.00             | 0.02             |
| Bharat Enterprises                           | -                                                                             | -               | -                                                                  | -              | 0.46                                                                                         | -                | -              | -              | 0.46             | -                |
| Lumax Gill-Austem Auto Technologies Pvt. Ltd | 58.91                                                                         | 53.26           | -                                                                  | -              | -                                                                                            | -                | -              | -              | 58.91            | 53.26            |
| Lumax Industries Ltd                         | -                                                                             | -               | -                                                                  | -              | 4,514.70                                                                                     | 8,485.59         | -              | -              | 4,514.70         | 8,485.59         |
| Lumax Ancillary Ltd                          | -                                                                             | -               | -                                                                  | -              | 233.17                                                                                       | 258.33           | -              | -              | 233.17           | 258.33           |
| Lumax Energy Solutions Pvt.Ltd.              | -                                                                             | 139.02          | -                                                                  | -              | -                                                                                            | -                | -              | -              | -                | 139.02           |
| Lumax Tours & Travels Ltd                    | -                                                                             | -               | -                                                                  | -              | 2.03                                                                                         | 0.90             | -              | -              | 2.03             | 0.90             |
| Lumax Mannoh Allied Technologies Ltd         | 388.62                                                                        | 435.82          | -                                                                  | -              | -                                                                                            | -                | -              | -              | 388.62           | 435.82           |
| Lumax Cornaglia Auto Technologies Pvt Ltd    | 19.27                                                                         | -               | -                                                                  | -              | -                                                                                            | -                | -              | -              | 19.27            | -                |
| Lumax Ituran Telematics Pvt. Ltd.            | -                                                                             | -               | -                                                                  | -              | -                                                                                            | -                | 0.44           | -              | 0.44             | -                |
| Lumax FAE Technologies Pvt. Ltd.             | 105.32                                                                        | -               | -                                                                  | -              | -                                                                                            | -                | -              | -              | 105.32           | -                |
| Lumax JOPP Allied Technologies Pvt. Ltd.     | 2.26                                                                          | -               | -                                                                  | -              | -                                                                                            | -                | -              | -              | 2.26             | -                |
| <b>Total</b>                                 | <b>574.38</b>                                                                 | <b>628.11</b>   | <b>-</b>                                                           | <b>-</b>       | <b>4,753.34</b>                                                                              | <b>8,744.83</b>  | <b>0.44</b>    | <b>-</b>       | <b>5,328.17</b>  | <b>9,372.94</b>  |
| <b>Investment</b>                            |                                                                               |                 |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| Lumax Gill-Austem Auto Technologies Pvt. Ltd | 418.80                                                                        | 418.80          | -                                                                  | -              | -                                                                                            | -                | -              | -              | 418.80           | 418.80           |
| Lumax Mannoh Allied Technologies Ltd         | 2.51                                                                          | 2.51            | -                                                                  | -              | -                                                                                            | -                | -              | -              | 2.51             | 2.51             |
| Lumax Ancillary Ltd                          | -                                                                             | -               | -                                                                  | -              | 459.52                                                                                       | 601.54           | -              | -              | 459.52           | 601.54           |
| Lumax Industries Ltd                         | -                                                                             | -               | -                                                                  | -              | 4,554.64                                                                                     | 9,526.13         | -              | -              | 4,554.64         | 9,526.13         |
| Lumax Cornaglia Auto Technologies Pvt Ltd    | 840.71                                                                        | 590.71          | -                                                                  | -              | -                                                                                            | -                | -              | -              | 840.71           | 590.71           |
| Lumax Management Services Pvt. Ltd           | 4,494.81                                                                      | 3,912.31        | -                                                                  | -              | -                                                                                            | -                | -              | -              | 4,494.81         | 3,912.31         |
| Lumax integrated ventures Pvt.ltd.           | 83.89                                                                         | 81.89           | -                                                                  | -              | -                                                                                            | -                | -              | -              | 83.89            | 81.89            |
| Lumax Ituran Telematics Pvt. Ltd.            | -                                                                             | -               | -                                                                  | -              | -                                                                                            | -                | 93.00          | 33.54          | 93.00            | 33.54            |
| Lumax FAE Technologies Pvt. Ltd.             | 201.00                                                                        | 200.00          | -                                                                  | -              | -                                                                                            | -                | -              | -              | 201.00           | 200.00           |
| Lumax JOPP Allied Technologies Pvt. Ltd.     | 75.50                                                                         | -               | -                                                                  | -              | -                                                                                            | -                | -              | -              | 75.50            | -                |
| Lumax Yokowo Technologies Pvt. Ltd.          | 1.00                                                                          | -               | -                                                                  | -              | -                                                                                            | -                | -              | -              | 1.00             | -                |
| <b>Total</b>                                 | <b>6,118.22</b>                                                               | <b>5,206.22</b> | <b>-</b>                                                           | <b>-</b>       | <b>5,014.16</b>                                                                              | <b>10,127.67</b> | <b>93.00</b>   | <b>33.54</b>   | <b>11,225.38</b> | <b>15,367.43</b> |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                  | Subsidiary and Step down subsidiary and joint venture of step down subsidiary |                | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                 | Joint Venture  |                | TOTAL           |                 |
|----------------------------------------------|-------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|-----------------|----------------|----------------|-----------------|-----------------|
|                                              | March 31, 2020                                                                | March 31, 2019 | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019  | March 31, 2020 | March 31, 2019 | March 31, 2020  | March 31, 2019  |
| <b>Payables</b>                              |                                                                               |                |                                                                    |                |                                                                                              |                 |                |                |                 |                 |
| Bharat Enterprises                           | -                                                                             | -              | -                                                                  | -              | 47.17                                                                                        | 41.73           | -              | -              | 47.17           | 41.73           |
| Lumax Ancillary Ltd                          | -                                                                             | -              | -                                                                  | -              | 1,452.44                                                                                     | 2,050.45        | -              | -              | 1,452.44        | 2,050.45        |
| Lumax Gill-Austem Auto Technologies Pvt. Ltd | 1.21                                                                          | 1.64           | -                                                                  | -              | -                                                                                            | -               | -              | -              | 1.21            | 1.64            |
| Lumax Industries Ltd                         | -                                                                             | -              | -                                                                  | -              | 389.65                                                                                       | 1,828.12        | -              | -              | 389.65          | 1,828.12        |
| Lumax Tours & Travels Ltd                    | -                                                                             | -              | -                                                                  | -              | 6.34                                                                                         | 6.21            | -              | -              | 6.34            | 6.21            |
| Lumax Mannoh Allied Technologies Ltd         | 7.13                                                                          | 5.70           | -                                                                  | -              | -                                                                                            | -               | -              | -              | 7.13            | 5.70            |
| Mahavir Udyog                                | -                                                                             | -              | -                                                                  | -              | -                                                                                            | 5.68            | -              | -              | -               | 5.68            |
| Lumax Cornaglia Auto Technologies Pvt Ltd    | 3.96                                                                          | 5.28           | -                                                                  | -              | -                                                                                            | -               | -              | -              | 3.96            | 5.28            |
| Lumax Management Services Pvt. Ltd           | 199.71                                                                        | 74.08          | -                                                                  | -              | -                                                                                            | -               | -              | -              | 199.71          | 74.08           |
| Mr.Anmol Jain                                | -                                                                             | -              | 101.02                                                             | 217.00         | -                                                                                            | -               | -              | -              | 101.02          | 217.00          |
| Mr.D.K. Jain                                 | -                                                                             | -              | 72.15                                                              | 235.03         | -                                                                                            | -               | -              | -              | 72.15           | 235.03          |
| Mr.Deepak Jain                               | -                                                                             | -              | 50.73                                                              | 71.30          | -                                                                                            | -               | -              | -              | 50.73           | 71.30           |
| Mrs. Shivani Jain                            | -                                                                             | -              | -                                                                  | 162.74         | -                                                                                            | -               | -              | -              | -               | 162.74          |
| Mrs. Poysha Goyal Jain                       | -                                                                             | -              | -                                                                  | 162.36         | -                                                                                            | -               | -              | -              | -               | 162.36          |
| <b>Total</b>                                 | <b>212.00</b>                                                                 | <b>86.70</b>   | <b>223.90</b>                                                      | <b>848.43</b>  | <b>1,895.60</b>                                                                              | <b>3,932.18</b> | <b>-</b>       | <b>-</b>       | <b>2,331.50</b> | <b>4,867.32</b> |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 41 | FINAL DIVIDEND

The Board of Directors of Lumax Auto Technologies Limited has passed the resolution by way of circulation on June 17, 2020 for declaration of dividend @ 150% of ₹ 3 per equity share of face value of ₹ 2 each (included of ₹ 100% interim Dividend of ₹ 2 each paid) (March 31, 2019: ₹ 2 per share of face value of ₹ 2 each).

#### 42 | SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

##### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

##### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 38.

#### 43 | CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                                                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Borrowings including current maturities of long term borrowing (Refer Note no. 20) | 39.77                   | 77.67                   |
| Payable for purchase of fixed assets (Refer Note no. 25)                           | 359.36                  | 238.64                  |
| <b>Net debts</b>                                                                   | <b>399.13</b>           | <b>316.31</b>           |
| <b>Capital components</b>                                                          |                         |                         |
| Equity Share capital                                                               | 1,363.15                | 1,363.15                |
| Other equity                                                                       | 40,066.57               | 43,229.28               |
| <b>Total equity</b>                                                                | <b>41,429.72</b>        | <b>44,592.43</b>        |
| Capital and net debt                                                               | 41,828.85               | 44,908.75               |
| <b>Gearing ratio (%)</b>                                                           | <b>0.95%</b>            | <b>0.70%</b>            |

#### 44 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

##### a) Fair value of financial assets:

|                                                                                                                         | Carrying values         |                         | Fair values             |                         |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Financial assets measured at fair value</b>                                                                          |                         |                         |                         |                         |
| Investments in Quoted equity instruments of other entities (valued at fair value through other comprehensive income)*   | 4,554.64                | 9,526.14                | 4,554.64                | 9,526.14                |
| Investments in unquoted equity instruments of other entities (valued at fair value through other comprehensive income)* | 459.52                  | 601.53                  | 459.52                  | 601.53                  |
| Investments in Quoted short term investments valued at fair value                                                       | 1,130.70                | 1,851.10                | 1,130.70                | 1,851.10                |
| <b>Financial Instruments where carrying amounts that are reasonable approximations of fair values:</b>                  |                         |                         |                         |                         |
| Trade receivables                                                                                                       | 16,484.89               | 22,728.07               | 16,484.89               | 22,728.07               |
| Cash and cash equivalents                                                                                               | 3,114.93                | 1,389.90                | 3,114.93                | 1,389.90                |
| Other Bank balances                                                                                                     | 4,516.05                | 2,371.65                | 4,516.05                | 2,371.65                |
| Deposits with original maturity for more than 12 months from the reporting date                                         | 150.00                  | 5.00                    | 150.00                  | 5.00                    |
| Loans to employees                                                                                                      | 54.75                   | 45.81                   | 54.75                   | 45.81                   |
| Security deposit                                                                                                        | 464.26                  | 411.92                  | 464.26                  | 411.92                  |
| Interest accrued but not due                                                                                            | 117.14                  | 69.44                   | 117.14                  | 69.44                   |
| Other recoverables                                                                                                      | 154.73                  | 48.25                   | 154.73                  | 48.25                   |
| <b>Total</b>                                                                                                            | <b>31,201.61</b>        | <b>39,048.80</b>        | <b>31,201.61</b>        | <b>39,048.80</b>        |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### b) Fair value of financial liabilities:

|                                                         | Carrying values         |                         | Fair values             |                         |
|---------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Financial liabilities measured at amortised cost</b> |                         |                         |                         |                         |
| Borrowings non current                                  | 11.62                   | 32.72                   | 11.62                   | 32.72                   |
| Borrowings current                                      | 6,500.00                | 5,015.30                | 6,500.00                | 5,015.30                |
| Current maturity of vehicle loan                        | 28.15                   | 44.95                   | 28.15                   | 44.95                   |
| Trade payables                                          | 12,262.68               | 18,874.22               | 12,262.68               | 18,874.22               |
| Accrued Salaries                                        | 1,034.52                | 2,187.18                | 1,034.52                | 2,187.18                |
| Unsecured deposits from customers                       | 451.88                  | 412.75                  | 451.88                  | 412.75                  |
| Unpaid dividends                                        | 22.54                   | 13.08                   | 22.54                   | 13.08                   |
| Amount payable for property, plant and equipment        | 359.36                  | 238.64                  | 359.36                  | 238.64                  |
| <b>Total</b>                                            | <b>20,670.75</b>        | <b>26,818.85</b>        | <b>20,670.75</b>        | <b>26,818.85</b>        |

\* The fair values of the FVTOCI financial assets are derived from quoted market prices in active markets.

Management has assessed that remaining financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### 45 | FAIR VALUE HIERARCHY

All assets for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

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

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

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**(a) Quantitative disclosures fair value measurement hierarchy for Financial assets as at March 31, 2020:**

|                                                                                                                         | Total<br>(Carrying Value) | Quoted<br>prices in<br>active markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| <b>Assets measured at fair value</b>                                                                                    |                           |                                                    |                                                  |                                                    |
| <b>Quoted equity shares</b>                                                                                             |                           |                                                    |                                                  |                                                    |
| Investments in equity instruments of other entities (at fair value through other comprehensive income)*                 | 4,554.64                  | 4,554.64                                           | -                                                | -                                                  |
| Investments in unquoted equity instruments of other entities (valued at fair value through other comprehensive income)* | 459.52                    | -                                                  | 459.52                                           | -                                                  |
| Investments in Quoted short term investments valued at fair value                                                       | 1,130.70                  | 1,130.70                                           | -                                                | -                                                  |
| <b>Others</b>                                                                                                           |                           |                                                    |                                                  |                                                    |
| Trade receivables                                                                                                       | 16,484.89                 | -                                                  | -                                                | 16,484.89                                          |
| Cash and cash equivalents                                                                                               | 3,114.93                  | -                                                  | -                                                | 3,114.93                                           |
| Other Bank balances                                                                                                     | 4,516.05                  | -                                                  | -                                                | 4,516.05                                           |
| Deposits with original maturity for more than 12 months from the reporting date                                         | 150.00                    | -                                                  | -                                                | 150.00                                             |
| Loans to employees                                                                                                      | 54.75                     | -                                                  | -                                                | 54.75                                              |
| Security deposit                                                                                                        | 464.26                    | -                                                  | -                                                | 464.26                                             |
| Interest accrued but not due                                                                                            | 117.14                    | -                                                  | -                                                | 117.14                                             |
| Other recoverables                                                                                                      | 154.73                    | -                                                  | -                                                | 154.73                                             |
| Investment properties                                                                                                   | 1,815.92                  | -                                                  | 1,815.92                                         | -                                                  |
| <b>Total</b>                                                                                                            | <b>33,017.53</b>          | <b>5,685.34</b>                                    | <b>2,275.44</b>                                  | <b>25,056.75</b>                                   |

**(b) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:**

|                                                  | Total<br>(Carrying Value) | Quoted<br>prices in<br>active markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
|--------------------------------------------------|---------------------------|----------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| <b>Liabilities measured at fair value</b>        |                           |                                                    |                                                  |                                                    |
| Borrowings non current                           | 11.62                     | -                                                  | -                                                | 11.62                                              |
| Borrowings current                               | 6,500.00                  | -                                                  | -                                                | 6,500.00                                           |
| Current maturity of long term loan               | -                         | -                                                  | -                                                | -                                                  |
| Current maturity of vehicle loan                 | 28.15                     | -                                                  | -                                                | 28.15                                              |
| Trade payables                                   | 12,262.68                 | -                                                  | -                                                | 12,262.68                                          |
| Accrued Salaries                                 | 1,034.52                  | -                                                  | -                                                | 1,034.52                                           |
| Unsecured deposits from customers                | 451.88                    | -                                                  | -                                                | 451.88                                             |
| Unpaid dividends                                 | 22.54                     | -                                                  | -                                                | 22.54                                              |
| Amount payable for property, plant and equipment | 359.36                    | -                                                  | -                                                | 359.36                                             |
| Lease Liability (Right-to-use)                   | 2,250.31                  | -                                                  | -                                                | 2,250.31                                           |
| <b>Total</b>                                     | <b>22,921.06</b>          | <b>-</b>                                           | <b>-</b>                                         | <b>22,921.06</b>                                   |

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (c) Quantitative disclosures fair value measurement hierarchy for Assets as at March 31, 2019:

|                                                                                                                         | Total<br>(Carrying Value) | Quoted<br>prices in<br>active markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| <b>Assets measured at fair value</b>                                                                                    |                           |                                                    |                                                  |                                                    |
| Investments in Quoted equity instruments of other entities (valued at fair value through other comprehensive income)*   | 9,526.14                  | 9,526.14                                           | -                                                | -                                                  |
| Investments in unquoted equity instruments of other entities (valued at fair value through other comprehensive income)* | 601.53                    | -                                                  | 601.53                                           | -                                                  |
| Investments in Quoted short term investments valued at fair value                                                       | 1,851.10                  | 1,851.10                                           | -                                                | -                                                  |
| <b>Others</b>                                                                                                           | -                         |                                                    |                                                  |                                                    |
| Trade receivables                                                                                                       | 22,728.07                 | -                                                  | -                                                | 22,728.07                                          |
| Cash and cash equivalents                                                                                               | 1,389.90                  | -                                                  | -                                                | 1,389.90                                           |
| Other Bank balances                                                                                                     | 2,371.65                  | -                                                  | -                                                | 2,371.65                                           |
| Deposits with original maturity for more than 12 months from the reporting date                                         | 5.00                      | -                                                  | -                                                | 5.00                                               |
| Loans to employees                                                                                                      | 45.81                     | -                                                  | -                                                | 45.81                                              |
| Security deposit                                                                                                        | 411.92                    | -                                                  | -                                                | 411.92                                             |
| Interest accrued but not due                                                                                            | 69.44                     | -                                                  | -                                                | 69.44                                              |
| Other recoverables                                                                                                      | 48.25                     | -                                                  | -                                                | 48.25                                              |
| Investment properties                                                                                                   | 1,873.33                  | -                                                  | 1,873.33                                         | -                                                  |
| <b>Total</b>                                                                                                            | <b>40,922.13</b>          | <b>11,377.24</b>                                   | <b>2,474.06</b>                                  | <b>27,070.03</b>                                   |

#### (d) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019 :

|                                                  | Total<br>(Carrying Value) | Quoted prices in<br>active markets<br>(Level 1) | Significant<br>observable<br>inputs (Level 2) | Significant<br>unobservable<br>inputs (Level 3) |
|--------------------------------------------------|---------------------------|-------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| <b>Liabilities measured at fair value</b>        |                           |                                                 |                                               |                                                 |
| Borrowings non current                           | 32.72                     | -                                               | -                                             | 32.72                                           |
| Borrowings current                               | 5,015.30                  | -                                               | -                                             | 5,015.30                                        |
| Current maturity of vehicle loan                 | 44.95                     | -                                               | -                                             | 44.95                                           |
| Trade payables                                   | 18,874.22                 | -                                               | -                                             | 18,874.22                                       |
| Accrued Salaries                                 | 2,187.18                  | -                                               | -                                             | 2,187.18                                        |
| Unsecured deposits from customers                | 412.75                    | -                                               | -                                             | 412.75                                          |
| Unpaid dividends                                 | 13.08                     | -                                               | -                                             | 13.08                                           |
| Amount payable for property, plant and equipment | 238.64                    | -                                               | -                                             | 238.64                                          |
| <b>Total</b>                                     | <b>26,818.85</b>          | <b>-</b>                                        | <b>-</b>                                      | <b>26,818.85</b>                                |



## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 46 | FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of trade and other payables, borrowings, security deposits and payables for property, plant and equipment. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash, fixed deposits and security deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by Finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The Finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

##### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instrument effected by market risk include loans and borrowings, deposits, FVTOCI instrument.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2020.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019 including the effect of hedge accounting.

##### i) 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 interest bearing financial liabilities includes borrowings with fixed interest rates.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

##### ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company transacts business in local currency as well as in foreign currency. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

| Exposure gain/(loss) | As at<br>March 31, 2020 |            | As at<br>March 31, 2019 |            |
|----------------------|-------------------------|------------|-------------------------|------------|
|                      | Change +1%              | Change -1% | Change +1%              | Change -1% |
| Trade Payable        | (1.62)                  | 1.62       | (7.68)                  | 7.68       |
| Trade Receivable     | 0.50                    | (0.50)     | 1.29                    | (1.29)     |

#### iii) Equity Price Risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Companies Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 4,545.64 lakhs. A decrease of 10% on the NSE market index could have an impact of approximately ₹ 454.56 lakhs on the OCI or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

## B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### i) Trade receivables

Customer credit risk is managed by Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets (trade receivable). The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Further, the Company's customer base majorly includes Original Equipment Manufacturers (OEMs), Large Corporates and Tier-1 vendors of OEMs. Based on the past trend of recoverability of outstanding trade receivables, the Company has not incurred material losses on account of bad debts. Hence, no adjustment has been made on account of Expected Credit Loss (ECL) model.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments As at March 31, 2020 :

|                             | On Demand        | Less than 1 year | 1 to 5 years | > 5 years | Total            |
|-----------------------------|------------------|------------------|--------------|-----------|------------------|
| Borrowings                  | 6,500.00         | -                | 11.62        | -         | 6,511.62         |
| Trade and other payables    | 12,262.68        | -                | -            | -         | 12,262.68        |
| Other financial liabilities | -                | 1,896.45         | -            | -         | 1,896.45         |
| <b>Total</b>                | <b>18,762.68</b> | <b>1,896.45</b>  | <b>11.62</b> | <b>-</b>  | <b>20,670.75</b> |

| As at March 31, 2019        | On demand     | Less than 1 year | 1 to 5 years | > 5 years | Total            |
|-----------------------------|---------------|------------------|--------------|-----------|------------------|
| Borrowings                  | 5,015         | -                | 32.72        | -         | 5,048.03         |
| Trade and other payables    | 18,874        | -                | -            | -         | 18,874.22        |
| Other financial liabilities | -             | 2,896.60         | -            | -         | 2,896.60         |
| <b>Total</b>                | <b>23,890</b> | <b>2,896.60</b>  | <b>32.72</b> | <b>-</b>  | <b>26,818.85</b> |

- 47** | The management has analysed that no significant warranty claim is received by the Company in earlier years against the goods manufactured by the Company and further, the seller of traded goods warrants the Company that products will be free from defects in materials and workmanship under normal use and service and agrees to replace any defective parts under the conditions of standard warranty accompanying the products. Therefore, the Company has not made any provision for warranties and claims in its books of accounts for the year ended March 31, 2020.
- 48** | Revenue is measured by the Company at the fair value of consideration received/ receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of variable consideration such as price adjustment to be passed on to the customers based on various parameters like negotiation based on savings on material and other factors. Accordingly, revenue for the current year is net of price differences.

## Notes to the Standalone financial statements

### For the year ended March 31, 2020 (Contd.)

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

- 49** Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 issued, the tax rates have changed with effect from April 1, 2019, and the Company plans to pay tax at reduced rate. Consequent to this, the Company has recomputed provision for income tax for the year ended March 31, 2020 and accordingly, remeasured its deferred tax basis rates prescribed in the said ordinance. Accordingly, the impact of the same has been charged to the statement of profit and loss during the year.
- 50** With the regard to the binding offer issued for aquisition of auto component business with OK Play Group, the company due to pandemic situation and extended lockdowns disrupting business continuity, the proposed acquisition is being put on hold pending for further review and appropriate decision in future.
- 51** With respect to the fact that the negotiation for acquiring the balance stake from the JV partner, Gill Austem in repect of Lumax Gill-Austem Auto Technologies Private Limited is in advance stage, the management is hopeful for favorable outcome and thus the company does not foresee any material impairment in this regard due to going concern of the JV Company i.e. Lumax Gill-Austem Auto Technologies Private Limited.
- 52** The Company's business activity falls within a single business segment i.e. manufacturing and trading of Automotive Components and therefore, segment reporting in terms of Ind-AS 108 on Segmental Reporting is not applicable.
- 53** World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. during the lock-down period which has been extended till May 17, 2020, However, production and supply of goods has commenced during the month of April and May 2020 on various dates at all the manufacturing locations of the Company
- The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
- 54** Ind AS financial statements of Transferor Company which has been merged were audited by another firm of Chartered Accountants who had expressed an unqualified opinion on March 31, 2019 financial statements.

The accompanying notes form an integral part of these financial statements

As per our report of even date

**S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E / E300005

**per Vikas Mehra**

Partner

Membership. No. 094421

Place : New Delhi

Date : June 17, 2020

For and on behalf of the Board of Directors of  
**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman

DIN : 00085848

**Ashish Dubey**

Chief Financial Officer

Place : New Delhi

Date : June 17, 2020

**Anmol Jain**

Managing Director

DIN : 00004993

**Anil Tyagi**

Company Secretary

Membership No.- A16825

# Independent Auditor's Report

To the Members of Lumax Auto Technologies Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Lumax Auto Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures comprising of the consolidated Balance sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the 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 Group, its joint ventures as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, joint ventures 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 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 audit opinion on the consolidated Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 56 to the financial statements, which describes the uncertainties arising due to Covid-19 pandemic on the Group operations and its joint venture and estimates as assessed by the management. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

## Independent Auditor's Report (Contd.)

| Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Various pricing liabilities and its impact on recognition of revenue (as described in Note 50 of the [Consolidated] Ind AS financial statements)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>Revenue is measured by the Holding Company at the fair value of consideration received/ receivable from its customers and in determining the transaction price for the sale of products, the Holding Company considers the effects of variable consideration such as price adjustment to be passed on to the customers based on various parameters like negotiation based on savings on material and other factors.</p> <p>The Holding Company business requires passing on these credits to the customers once negotiation are finally settled for the sales made by the Holding Company during the year. The estimated liabilities based on various negotiation documents/ consideration at year end is shown in note 50 to the financial statements and the consequential impact on revenue is disclosed in note 50 to the financial statements.</p> <p>We have considered this as a key audit matter on account of the significant judgement and estimate involved in calculation of price adjustments to be recorded as at the year end.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Assessed the Holding Company's accounting policy for revenue recognition including the policy for recording price adjustments in terms of Ind AS 115.</li> <li>Obtained an understanding of the revenue process, and the assumptions used by the management in the process of calculation of price adjustments as per the customer contracts, including design and implementation of controls, validation of management review controls and tested the operating effectiveness of these controls.</li> <li>Evaluated management's methodology and assumptions used in the calculations of price adjustments as per customer contracts.</li> <li>Tested completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments as per customer contracts.</li> <li>Tested, on sample basis, credit notes issued and payments made as per customer contracts/ agreed price negotiations</li> <li>Performed various analytical procedures to identify any unusual trends and identify unusual items for further testing.</li> </ul> |

### Other Information

The Holding Company's Board of Directors are responsible for the other information. The other information comprises of the information included in the Annual report but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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 for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated

Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and

## Independent Auditor's Report (Contd.)

are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 Holding 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures 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 consolidated Ind AS 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 Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 the entities or business activities within the Group and its joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



## Independent Auditor's Report (Contd.)

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's 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 Matter

- (a) We did not audit the financial statements and other financial information, in respect of six subsidiaries, whose Ind AS financial statements include total assets of ₹ 18,768.54 lakhs as at March 31, 2020, and total revenues of ₹ 17,964.47 lakhs and net cash outflows of ₹ 629.69 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 30.10 lakhs for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of one and joint venture and one joint venture of one of the subsidiary Company, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the

amounts and disclosures included in respect of these subsidiaries, joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other 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 auditors on separate financial statements and the other financial information of subsidiaries, and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon 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 Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of

## Independent Auditor's Report (Contd.)

the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, and joint ventures, none of the directors of the Group's companies, its joint ventures, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, and joint ventures, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and one of its subsidiary to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. Further this clause does not apply to the remaining seven subsidiaries and joint ventures of the company;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 auditors on separate financial statements as

also the other financial information of the subsidiaries, and joint ventures, as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its and joint ventures in its consolidated Ind AS financial statements – Refer Note 40(b) to the consolidated Ind AS financial statements;
- ii. The Group, its and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, and joint ventures, incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 20094421AAAACS2281

Place of Signature: New Delhi

Date: June 17, 2020

## **Annexure 1** To the Independent Auditor's Report of even date on the consolidated financial statements of Lumax Auto Technologies Limited

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

In conjunction with our audit of the consolidated financial statements of Lumax Auto Technologies Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Lumax Auto Technologies Limited (the "Holding Company") its subsidiaries (together, the "Group") and its joint ventures which are the companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding Company, its subsidiaries and joint ventures which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

## Annexure 1 To the Independent Auditor's Report of even date on the consolidated financial statements of Lumax Auto Technologies Limited (Contd.)

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Group, and its joint venture which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls

over financial reporting of the Company, insofar as it relates to its subsidiaries and joint venture incorporated in India, is based on the corresponding report of the auditors of such, subsidiaries and joint venture incorporated in India. Further, the auditors of three subsidiaries and one joint venture Company have not issued report on adequacy and operating effectiveness of the internal control over financial reporting as they are of the view that these companies are exempt with respect to reporting requirement on internal financial controls over financial reporting vide MCA notification no. G.S.R. 583(E) dated June 13, 2017 hence, the same is not covered by us in our report on internal financial controls over financial reporting.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 20094421AAAACS2281

Place of Signature: New Delhi

Date: June 17, 2020

# Consolidated Balance Sheet

As at March 31, 2020

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

|                                                                              | Notes          | As at<br>March 31, 2020 | As at<br>March 31, 2019<br>(Restated #) |
|------------------------------------------------------------------------------|----------------|-------------------------|-----------------------------------------|
| <b>ASSETS</b>                                                                |                |                         |                                         |
| <b>I. Non-current assets</b>                                                 |                |                         |                                         |
| Property, plant and equipment                                                | 3 (a)          | 30,742.38               | 28,720.06                               |
| Capital work in progress                                                     | 3 (b)          | 2,074.02                | 2,225.06                                |
| Intangible assets                                                            | 4              | 195.12                  | 135.89                                  |
| Goodwill                                                                     | 4(c)           | 16.64                   | 16.64                                   |
| Right-to-use asset                                                           | 5              | 2,733.67                | -                                       |
| Investment property                                                          | 6              | 1,815.92                | 1,873.33                                |
| Investment in subsidiaries and joint venture                                 | 7              | 75.17                   | 45.82                                   |
| Income tax assets(net)                                                       | 8              | 322.02                  | 273.79                                  |
| Financial assets                                                             |                |                         |                                         |
| - Investments                                                                | 9              | 5,014.16                | 10,127.67                               |
| - Loans                                                                      | 10             | 581.11                  | 487.43                                  |
| - Other financial assets                                                     | 11             | 150.00                  | 5.00                                    |
| Deferred tax assets (net)                                                    | 12             | 99.92                   | 169.33                                  |
| Other non- current assets                                                    | 13             | 1,660.04                | 1,119.78                                |
| Assets classified as held for sale                                           | 14             | -                       | 366.22                                  |
| <b>Total non current assets</b>                                              | <b>(A)</b>     | <b>45,480.17</b>        | <b>45,566.02</b>                        |
| <b>II. Current assets</b>                                                    |                |                         |                                         |
| Inventories                                                                  | 15             | 6,442.61                | 5,951.34                                |
| Financial assets                                                             |                |                         |                                         |
| - Investments                                                                | 9              | 1,130.70                | 1,851.10                                |
| - Loans                                                                      | 10             | 81.32                   | 94.58                                   |
| - Trade receivables                                                          | 16             | 19,277.49               | 27,754.79                               |
| - Cash and cash equivalents                                                  | 17             | 3,695.76                | 2,600.86                                |
| - Other bank balances                                                        | 18             | 6,666.05                | 3,048.12                                |
| - Others financial assets                                                    | 11             | 195.30                  | 124.58                                  |
| Other current assets                                                         | 13             | 2,793.82                | 2,041.05                                |
|                                                                              |                | <b>40,283.05</b>        | <b>43,466.43</b>                        |
| Assets classified as held for sale                                           |                | 366.22                  | 3,999.45                                |
| <b>Total current assets</b>                                                  | <b>(B)</b>     | <b>40,649.27</b>        | <b>47,465.87</b>                        |
| <b>Total Assets</b>                                                          | <b>(A+B)</b>   | <b>86,129.44</b>        | <b>93,031.89</b>                        |
| <b>EQUITY AND LIABILITIES</b>                                                |                |                         |                                         |
| <b>I. Equity</b>                                                             |                |                         |                                         |
| Equity share capital                                                         | 19             | 1,363.15                | 1,363.15                                |
| Other equity                                                                 | 20             | 43,252.61               | 46,651.19                               |
| <b>Total equity</b>                                                          | <b>(A)</b>     | <b>44,615.76</b>        | <b>48,014.34</b>                        |
| <b>Non controlling interest</b>                                              |                | <b>4,214.07</b>         | <b>4,231.41</b>                         |
| <b>II. Liabilities</b>                                                       |                |                         |                                         |
| <b>Non- current liabilities</b>                                              |                |                         |                                         |
| Borrowings                                                                   | 21             | 1,676.23                | 822.75                                  |
| Other non-current liabilities                                                | 23             | 2,135.46                | -                                       |
| Provisions                                                                   | 22             | 545.55                  | 806.31                                  |
| Deferred tax liabilities (net)                                               | 12             | 1,372.26                | 2,067.81                                |
| <b>Total Non Current Liabilities</b>                                         | <b>(B)</b>     | <b>5,729.50</b>         | <b>3,696.87</b>                         |
| <b>III. Current liabilities</b>                                              |                |                         |                                         |
| Financial liabilities                                                        |                |                         |                                         |
| - Borrowings                                                                 | 21             | 7,152.41                | 5,819.81                                |
| - Trade payables                                                             | 24             |                         |                                         |
| - total outstanding dues of micro and small enterprises                      |                | 885.97                  | 2,576.60                                |
| - total outstanding dues of creditors other than micro and small enterprises |                | 14,853.38               | 21,315.94                               |
| - Other financial liabilities                                                | 25             | 3,916.15                | 4,036.74                                |
| Provisions                                                                   | 22             | 1,188.27                | 631.15                                  |
| Other current liabilities                                                    | 23             | 3,573.93                | 2,687.02                                |
| Current tax liabilities (Net)                                                | 8              | -                       | 22.01                                   |
| <b>Total Current Liabilities</b>                                             | <b>(C)</b>     | <b>31,570.11</b>        | <b>37,089.27</b>                        |
| <b>Total Liabilities</b>                                                     |                | <b>37,299.61</b>        | <b>40,786.14</b>                        |
| <b>Total equity and liabilities</b>                                          | <b>(A+B+C)</b> | <b>86,129.44</b>        | <b>93,031.89</b>                        |

# Due to merger of wholly owned subsidiary refer note 38(c)

The accompanying notes form an integral part of these financial statements

As per our report of even date

**S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E / E300005

**per Vikas Mehra**

Partner

Membership. No. 094421

Place : New Delhi

Date : June 17, 2020

For and on behalf of the Board of Directors of  
**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman

DIN : 00085848

**Ashish Dubey**

Chief Financial Officer

Place : New Delhi

Date : June 17, 2020

**Anmol Jain**

Managing Director

DIN : 00004993

**Anil Tyagi**

Company Secretary

Membership No.- A16825

# Consolidated Statement of Profit & Loss

For the year ended March 31, 2020

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

|                                                                                                                     | Notes | For the Period Ended<br>March 31, 2020 | For the Period Ended<br>March 31, 2019<br>(Restated#) |
|---------------------------------------------------------------------------------------------------------------------|-------|----------------------------------------|-------------------------------------------------------|
| <b>Continuing Operations</b>                                                                                        |       |                                        |                                                       |
| <b>I</b> Revenue from contracts with customer                                                                       | 26    | 1,14,091.38                            | 1,18,697.87                                           |
| <b>II</b> Other income                                                                                              | 27    | 1,810.15                               | 1,395.34                                              |
| <b>III Total income</b>                                                                                             |       | <b>1,15,901.53</b>                     | <b>1,20,093.21</b>                                    |
| <b>IV Expenses</b>                                                                                                  |       |                                        |                                                       |
| Cost of raw material and components consumed                                                                        | 28    | 60,082.54                              | 63,998.34                                             |
| Cost of moulds consumed                                                                                             | 29    | 1,987.73                               | 1,160.29                                              |
| Purchases of traded goods                                                                                           | 28(a) | 15,484.12                              | 14,772.24                                             |
| (Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods                             | 30    | (315.60)                               | 494.70                                                |
| Employee benefits expense                                                                                           | 31    | 13,477.81                              | 13,229.47                                             |
| Finance costs                                                                                                       | 32    | 956.24                                 | 317.87                                                |
| Depreciation and amortisation expense                                                                               | 33    | 3,450.92                               | 2,706.58                                              |
| Other expenses                                                                                                      | 34    | 14,279.39                              | 14,026.38                                             |
| <b>V Total expenses</b>                                                                                             |       | <b>1,09,403.15</b>                     | <b>1,10,705.87</b>                                    |
| <b>VI Profit before share of a joint venture, exceptional items and tax from continuing operations (III-V)</b>      |       | <b>6,498.38</b>                        | <b>9,387.34</b>                                       |
| <b>VII</b> Share of loss of a Joint Venture                                                                         |       | 30.10                                  | 25.44                                                 |
| <b>VIII Profit before exceptional items and tax from continuing operations</b>                                      |       | <b>6,468.28</b>                        | <b>9,361.90</b>                                       |
| Exceptional Item                                                                                                    | 35    | -                                      | 603.11                                                |
| <b>IX Profit before tax from continuing operations</b>                                                              |       | <b>6,468.28</b>                        | <b>8,758.79</b>                                       |
| <b>X Tax expense:</b>                                                                                               |       |                                        |                                                       |
| Current tax                                                                                                         | 12    | 1,988.12                               | 2,692.07                                              |
| MAT credit (entitlement)/utilised                                                                                   | 12    | -                                      | 284.52                                                |
| Adjustment of tax relating to earlier years                                                                         | 12    | (50.01)                                | 9.77                                                  |
| Deferred tax                                                                                                        | 12    | (570.27)                               | 149.38                                                |
| <b>Total tax expense</b>                                                                                            |       | <b>1,367.84</b>                        | <b>3,135.74</b>                                       |
| <b>XI Profit for the year from continuing operations (IX - X)</b>                                                   |       | <b>5,100.44</b>                        | <b>5,623.05</b>                                       |
| <b>Discontinued operations</b>                                                                                      |       |                                        |                                                       |
| Profit before tax for the year from Discontinued operations                                                         | 14    | 948.58                                 | 1,758.42                                              |
| Less: Tax expenses of discontinued operations                                                                       | 14    | 123.29                                 | 492.42                                                |
| <b>XII Profit for the year from discontinued operations</b>                                                         |       | <b>825.29</b>                          | <b>1,266.00</b>                                       |
| <b>XIII Profit for the year (XI + XII)</b>                                                                          |       | <b>5,925.73</b>                        | <b>6,889.05</b>                                       |
| <b>XIV Other comprehensive income</b>                                                                               |       |                                        |                                                       |
| <b>Other comprehensive income not to be reclassified to statement of profit or loss in subsequent period</b>        |       |                                        |                                                       |
| Re-measurement losses on defined benefit plans                                                                      | 36    | (29.14)                                | (9.34)                                                |
| Income tax effect                                                                                                   | 36    | 7.24                                   | 4.56                                                  |
| Loss on FVTOCI equity securities                                                                                    | 36    | (5,113.50)                             | (1,879.81)                                            |
| Income tax effect                                                                                                   | 36    | 48.87                                  | 154.70                                                |
| <b>XV Other comprehensive loss for the year, net of tax</b>                                                         |       | <b>(5,086.53)</b>                      | <b>(1,729.89)</b>                                     |
| <b>XVI Total comprehensive income of the year (Comprising net profit for the year and other comprehensive loss)</b> |       | <b>839.20</b>                          | <b>5,159.16</b>                                       |

## Consolidated Statement of Profit & Loss

For the year ended March 31, 2020 (Contd.)

|                                                                        | Notes | For the Period Ended<br>March 31, 2020 | For the Period Ended<br>March 31, 2019<br>(Restated#) |
|------------------------------------------------------------------------|-------|----------------------------------------|-------------------------------------------------------|
| <b>XVII Profit attributable to:</b>                                    |       |                                        |                                                       |
| a) Owners of Lumax Auto Technologies Limited                           |       |                                        |                                                       |
| - Profit for the year from Continuing operations                       |       | 4,978.60                               | 5,322.78                                              |
| - Profit for the year from Discontinued operations                     |       | 825.29                                 | 1,266.00                                              |
|                                                                        |       | <b>5,803.89</b>                        | <b>6,588.78</b>                                       |
| b) Non- controlling interests                                          |       |                                        |                                                       |
| - Profit for the year from Continuing operations                       |       | 121.84                                 | 300.27                                                |
| - Profit for the year from Discontinued operations                     |       | -                                      | -                                                     |
|                                                                        |       | <b>121.84</b>                          | <b>300.27</b>                                         |
| c) Total Profit attributable to: (a+b)                                 |       |                                        |                                                       |
| - Profit for the year from Continuing operations                       |       | 5,100.44                               | 5,623.05                                              |
| - Profit for the year from Discontinued operations                     |       | 825.29                                 | 1,266.00                                              |
|                                                                        |       | <b>5,925.73</b>                        | <b>6,889.05</b>                                       |
| <b>XVIII Other comprehensive Loss attributable to:</b>                 |       |                                        |                                                       |
| a) Owners of Lumax Auto Technologies Limited                           |       |                                        |                                                       |
| - Other comprehensive loss for the year from continuing operations     |       | (5,093.40)                             | (1,734.82)                                            |
| - Other comprehensive loss for the year from discontinued operations   |       | -                                      | -                                                     |
|                                                                        |       | <b>(5,093.40)</b>                      | <b>(1,734.82)</b>                                     |
| b) Non- controlling interests                                          |       |                                        |                                                       |
| - Other comprehensive income for the year from continuing operations   |       | 6.87                                   | 4.93                                                  |
| - Other comprehensive income for the year from discontinued operations |       | -                                      | -                                                     |
|                                                                        |       | <b>6.87</b>                            | <b>4.93</b>                                           |
| c) Total other comprehensive income (a+b)                              |       |                                        |                                                       |
| - Other comprehensive loss for the year from continuing operations     |       | (5,086.53)                             | (1,729.89)                                            |
| - Other comprehensive loss for the year from discontinued operations   |       | -                                      | -                                                     |
|                                                                        |       | <b>(5,086.53)</b>                      | <b>(1,729.89)</b>                                     |
| <b>XIX Total comprehensive income attributable to:</b>                 |       |                                        |                                                       |
| a) Owners of Lumax Auto Technologies Limited                           |       | 710.49                                 | 4,853.96                                              |
| b) Non- controlling interests                                          |       | 128.71                                 | 305.20                                                |
| <b>XX Earnings per share (per share of face value ₹ 2 each) :</b>      | 37    |                                        |                                                       |
| Earnings per share for continuing operation:                           |       |                                        |                                                       |
| - Basic and Diluted                                                    |       | 7.30                                   | 7.81                                                  |
| Earnings per share for discontinued operation:                         |       |                                        |                                                       |
| - Basic and Diluted                                                    |       | 1.21                                   | 1.86                                                  |
| Earnings per share for continuing and discontinued operation:          |       |                                        |                                                       |
| - Basic and Diluted                                                    |       | 8.52                                   | 9.67                                                  |

# Due to merger of wholly owned subsidiary refer note 38(c)

The accompanying notes form an integral part of these financial statements

As per our report of even date

**S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E / E300005

**per Vikas Mehra**

Partner

Membership. No. 094421

Place : New Delhi

Date : June 17, 2020

For and on behalf of the Board of Directors of  
**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman

DIN : 00085848

**Ashish Dubey**

Chief Financial Officer

Place : New Delhi

Date : June 17, 2020

**Anmol Jain**

Managing Director

DIN : 00004993

**Anil Tyagi**

Company Secretary

Membership No.- A16825



# Consolidated Cash Flow Statement

For the year ended March 31, 2020

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

|                                                                               | For the Period Ended<br>March 31, 2020 | For the Period Ended<br>March 31, 2019<br>(Restated #) |
|-------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------|
| <b>Cash Flow from Operating Activities</b>                                    |                                        |                                                        |
| <b>Profit before tax from continuing operations</b>                           | 6,468.28                               | 8,758.79                                               |
| <b>Profit before tax from discontinued operations</b>                         | 948.58                                 | 1,758.42                                               |
| Non-cash adjustments:                                                         |                                        |                                                        |
| <b>Adjustment to reconcile profit before tax to net cash flows</b>            |                                        |                                                        |
| Depreciation of property, plant and equipment                                 | 2,422.72                               | 2,974.51                                               |
| Amortisation of intangible assets                                             | 970.78                                 | 149.25                                                 |
| Depreciation on investment properties                                         | 57.41                                  | 57.41                                                  |
| (Profit)/Loss on sale of Property, plant and equipment                        | (18.25)                                | (39.15)                                                |
| Dividend Income                                                               | (282.13)                               | (120.75)                                               |
| Liabilities/ provisions no longer required, written back                      | (197.63)                               | (79.20)                                                |
| Share of loss of a joint venture                                              | 30.10                                  | 25.44                                                  |
| Provision for doubtful debt                                                   | 105.10                                 | 14.32                                                  |
| Outstanding Balance written off                                               | 56.77                                  | 166.72                                                 |
| Unrealised exchange (gain)/loss                                               | 42.08                                  | (34.37)                                                |
| Rent income                                                                   | (202.31)                               | -                                                      |
| Interest income                                                               | (445.65)                               | (199.99)                                               |
| Interest expenses                                                             | 956.24                                 | 317.87                                                 |
| Unrealised loss / (gain) on investment in mutual fund                         | 103.00                                 | (124.00)                                               |
| <b>Operating profit before working capital changes</b>                        | <b>11,015.09</b>                       | <b>13,625.27</b>                                       |
| <b>Movements in working capital :</b>                                         |                                        |                                                        |
| Decrease in trade receivables                                                 | 8,330.12                               | 288.28                                                 |
| Increase in financial assets                                                  | (213.24)                               | (484.01)                                               |
| Increase in other assets                                                      | (1,495.97)                             | (532.67)                                               |
| Increase in inventories                                                       | (491.27)                               | (1,018.08)                                             |
| (Decrease) in trade payable and other payable                                 | (10,689.23)                            | (3,102.95)                                             |
| Increase in current liabilities, provisions, financial liability              | 3,152.18                               | 500.13                                                 |
| <b>Cash generated from operations</b>                                         | <b>9,607.68</b>                        | <b>9,275.97</b>                                        |
| <b>Direct taxes paid</b>                                                      | (1,985.49)                             | (3,647.75)                                             |
| <b>Net cash generated from operating activities (A)</b>                       | <b>7,622.19</b>                        | <b>5,628.22</b>                                        |
| <b>Cash flows from investing activities</b>                                   |                                        |                                                        |
| Purchase of fixed assets (including capital in progress and capital advances) | (3,545.21)                             | (9,199.19)                                             |
| Proceeds from sale of property plant and equipment                            | 2,238.91                               | 84.94                                                  |
| Investment in Joint venture                                                   |                                        |                                                        |
| Non - Controlling Interest                                                    | 326.00                                 | 897.96                                                 |
| Dividend Received                                                             | 282.13                                 | 120.75                                                 |
| Investments in subsidiary and Joint ventures                                  | (59.46)                                | (12.39)                                                |
| Redemption / (purchase) of mutual fund                                        | 814.98                                 | (315.48)                                               |
| Realised Gain on investment in mutual fund                                    | (197.58)                               | 65.48                                                  |
| (Investment in)/Proceeds from maturity of bank deposits                       | (3,617.93)                             | (1,410.14)                                             |
| Acquisition of subsidiary from Joint venture                                  | -                                      | 690.87                                                 |
| Rent received                                                                 | 202.31                                 | -                                                      |
| Interest received                                                             | 362.74                                 | 164.40                                                 |
| <b>Net cash used in investing activities (B)</b>                              | <b>(3,193.11)</b>                      | <b>(8,912.80)</b>                                      |

# Consolidated Cash Flow Statement

For the year ended March 31, 2020 (Contd.)

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

|                                                                    | For the Period Ended<br>March 31, 2020 | For the Period Ended<br>March 31, 2019<br>(Restated #) |
|--------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------|
| <b>Cash flows from financing activities</b>                        |                                        |                                                        |
| Proceeds/ (Repayment) from long term borrowings (net)              | 853.49                                 | 75.98                                                  |
| Proceeds/ (Repayments of) from short term borrowing (net)          | 1,332.60                               | 5,819.81                                               |
| Dividend paid (including tax thereon)                              | (4,580.43)                             | (1,926.57)                                             |
| Interest paid                                                      | (939.84)                               | (317.87)                                               |
| <b>Net cash generating/(used in) from financing activities (C)</b> | <b>(3,334.18)</b>                      | <b>3,651.35</b>                                        |
| <b>Net Increase in cash and cash equivalents (A + B + C)</b>       | <b>1,094.90</b>                        | <b>366.77</b>                                          |
| Cash and cash equivalents at the beginning of the year             | 2,600.86                               | 2,234.09                                               |
| <b>Cash and cash equivalents at the end of the year</b>            | <b>3,695.76</b>                        | <b>2,600.86</b>                                        |
| <b>Components of cash and cash equivalents</b>                     |                                        |                                                        |
| Cash on hand                                                       | 10.59                                  | 7.22                                                   |
| Cheques/ drafts on hand                                            |                                        |                                                        |
| Balance with banks                                                 |                                        |                                                        |
| - On current accounts                                              | 3,138.94                               | 1,281.32                                               |
| - On cash credit account                                           | -                                      | 4.63                                                   |
| - Deposits with original maturity of less than three months        | 546.23                                 | 1,307.69                                               |
| <b>Total cash and cash equivalents (refer note 13)</b>             | <b>3,695.76</b>                        | <b>2,600.86</b>                                        |

# Due to merger of wholly owned subsidiary refer note 38(c)

The accompanying notes form an integral part of these financial statements

As per our report of even date

**S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E / E300005

**per Vikas Mehra**

Partner

Membership. No. 094421

Place : New Delhi

Date : June 17, 2020

For and on behalf of the Board of Directors of

**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman

DIN : 00085848

**Ashish Dubey**

Chief Financial Officer

Place : New Delhi

Date : June 17, 2020

**Anmol Jain**

Managing Director

DIN : 00004993

**Anil Tyagi**

Company Secretary

Membership No.- A16825

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2020

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

|                                                                                      | Share capital (1) * | Other Equity      |                 |                    |                 | Minority Interests (3) | Total equity (1+2)             |
|--------------------------------------------------------------------------------------|---------------------|-------------------|-----------------|--------------------|-----------------|------------------------|--------------------------------|
|                                                                                      |                     | Retained earnings | Capital Reserve | Securities premium | General reserve | FVTOCI reserve         | Total reserves and surplus (2) |
| As at April 01, 2018                                                                 | 1,363.15            | 27706.34          | 289.31          | 4,528.55           | 1,726.40        | 9,504.89               | 43,755.49                      |
| Less: Amount reclassified on account of merger as at April 01, 2018 (Refer Note 38C) | -                   | (15,265.35)       | (300.37)        | -                  | (405.58)        | (151.76)               | (16,123.06)                    |
| Add: Amount reclassified on account of merger as at April 01, 2018 (Refer Note 38C)  | -                   | 15,265.35         | 300.37          | -                  | 405.58          | 151.76                 | 16,123.06                      |
| <b>Total as at April 01, 2018 (Restated #)</b>                                       | <b>1,363.15</b>     | <b>27,706.34</b>  | <b>289.31</b>   | <b>4,528.55</b>    | <b>1,726.40</b> | <b>9,504.89</b>        | <b>43,755.49</b>               |
| Add: Profit for the year                                                             | -                   | 6,588.78          | -               | -                  | -               | -                      | 6,588.78                       |
| Add: Other comprehensive income/(loss)                                               | -                   | -                 | -               | -                  | -               | (1,734.82)             | (1,734.82)                     |
| <b>Total comprehensive income</b>                                                    | <b>1,363.15</b>     | <b>34,295.12</b>  | <b>289.31</b>   | <b>4,528.55</b>    | <b>1,726.40</b> | <b>7,770.07</b>        | <b>48,609.45</b>               |
| Less: Dividend Paid (including dividend distribution tax)                            | -                   | (1,926.57)        | -               | -                  | -               | -                      | (1,926.57)                     |
| Acquisition / Adjustments**                                                          | -                   | -                 | -               | -                  | -               | (31.69)                | (31.69)                        |
| <b>As at March 31, 2019 (Restated #)</b>                                             | <b>1,363.15</b>     | <b>32,368.55</b>  | <b>289.31</b>   | <b>4,528.55</b>    | <b>1,726.40</b> | <b>7,738.38</b>        | <b>46,651.19</b>               |
| Add: Profit for the year                                                             | -                   | 5,803.89          | -               | -                  | -               | -                      | 5,803.89                       |
| Add: Other comprehensive income/(loss)                                               | -                   | (21.90)           | -               | -                  | -               | (5,071.50)             | (5,093.40)                     |
| Add: Transfers***                                                                    | -                   | -                 | -               | -                  | -               | (0.70)                 | (0.70)                         |
| <b>Total comprehensive income</b>                                                    | <b>-</b>            | <b>5,781.99</b>   | <b>-</b>        | <b>-</b>           | <b>-</b>        | <b>(5,072.20)</b>      | <b>709.79</b>                  |
| Less: Dividend Paid                                                                  | -                   | (3,407.87)        | -               | -                  | -               | -                      | (3,407.87)                     |
| Less: Dividend Distribution Tax                                                      | -                   | (700.50)          | -               | -                  | -               | -                      | (700.50)                       |
| <b>As at March 31, 2020</b>                                                          | <b>1,363.15</b>     | <b>34,042.18</b>  | <b>289.31</b>   | <b>4,528.55</b>    | <b>1,726.40</b> | <b>2,666.18</b>        | <b>43,252.61</b>               |
|                                                                                      |                     |                   |                 |                    |                 |                        | <b>44,615.77</b>               |

\*Nos. 681.58 Lakhs (March 31, 2019: Nos. 681.58 Lakhs) equity shares of ₹ 2 each (March 31, 2019 ₹ 2 each)

# Due to merger of wholly owned subsidiaries refer note 38(c)

\*\* Lumax Gill - Austem Auto Technologies Private Limited established as a subsidiary of the group due to the exercise of the casting vote. w.e.f. April 01, 2018

\*\*\* On account of share issue during the year.

The accompanying notes form an integral part of these financial statements

As per our report of even date

**S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E / E300005

**per Vikas Mehra**

Partner

Membership. No. 094421

Place : New Delhi

Date : June 17, 2020

For and on behalf of the Board of Directors of

**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman

DIN : 00085848

**Ashish Dubey**

Chief Financial Officer

Place : New Delhi

Date : June 17, 2020

**Anmol Jain**

Managing Director

DIN : 00004993

**Anil Tyagi**

Company Secretary

Membership No.- A16825

# Notes to the Consolidated financial statements

## For the year ended March 31, 2020

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

### 1. CORPORATE INFORMATION

The Consolidated financial statements comprise financial statements of Lumax Auto Technologies Limited (the Holding Company) its subsidiaries (collectively, the Group) and Joint ventures for the year ended March 31, 2020. The Holding Company is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Group is located 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi- 110046.

The Group is principally engaged in the manufacturing of automotive components. Information on the Group's structure is provided in Note 38. Information on other related party relationships of the Group is provided in Note 41.

During the year, The Holding company has received approval from the National Company Law Tribunal (NCLT) on October 31, 2019 (filed with Registrar of Companies on November 09, 2019) in respect of Scheme of Amalgamation in accordance with Section 230 to 232 of the Companies Act 2013, among the Holding Company and its Subsidiary Lumax DK Auto Industries Limited ("LDK"). Appointed date as per Scheme is April 01, 2018 and accordingly, the Holding Company has given effect of the Scheme in these financial results in accordance with the Scheme and applied principles of Appendix C to Ind-AS-103 - 'Business Combinations of entities under Common Control' w.e.f April 01, 2018. Further March 31, 2019 of LDK was audited by another firm of Chartered Accountants. (Refer note 38 (c) for detailed disclosures in this regard).

The financial statements were authorised for issue in accordance with a resolution of the directors on June 17, 2020.

### 2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements.

These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

#### 2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting

Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

The consolidated financial statements have been prepared on a historical cost basis, except for the financial assets and liabilities which have been measured at fair value or revalued amount.

The consolidated Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs (₹ 00,000), except wherever otherwise stated.

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries and its joint venture as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on March 31, 2020.

#### Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Holding Company investment in each subsidiary and the Holding Company portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the

Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 2.3 Summary of significant accounting policies

#### A. Changes in accounting policies and disclosures

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

Several other amendments apply for the first time for the year ending 31 March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

#### i. Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor. The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application being April 01, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Group

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability.

Refer note 5 for detailed impact on adoption of Ind AS 116 "Leases" on the financial statements of the Group.

#### ii. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

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

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities

3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances.

The Group determines whether to consider each uncertain tax treatment separately or together with

one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Group has considered, for example; (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

#### iii. Amendments to Ind AS 109: Prepayment Features with Negative Compensation

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

These amendments have no impact on the Consolidated financial statements of the Group.



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

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

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period.

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

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

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

#### v. Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to

the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group is in compliance with the said amendment.

#### Annual Improvements to Ind AS 2018

##### i. Ind AS 103 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

##### ii. Ind AS 111 Joint Arrangements

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### iii. Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

#### iv. Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

#### B. Investment in subsidiaries and Joint Venture

The investment in subsidiary and Joint venture are carried at cost as per IND AS 27. The Group regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Group controls an investee when it is exposed, or has rights, to variable returns from its

involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if and only if it has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with IND AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

#### C. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for the purpose of trading
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### D. Foreign currencies

##### Functional and presentational currency

The Group's financial statements are presented in Indian Rupees (₹) which is also the Group's functional currency.

##### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

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

#### E. Property, plant and equipment

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price (net of Input Tax Credit) and any directly attributable cost to bring assets to working condition. When significant parts of property, plant and equipment are required to be replaced at intervals, Group depreciates them

separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Items of stores and spares that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

#### Depreciation on property, plant and equipment

Depreciation is calculated on a straight-line basis over the estimated useful lives as estimated by the management which is in line with the Schedule II to the Companies Act, 2013. The Group has used the following useful lives to provide depreciation on its Property, plant and equipment which is in line with schedule II:

| Assets                 | Useful Lives estimated by the management (in years) |
|------------------------|-----------------------------------------------------|
| Lease hold land        | 99                                                  |
| Factory Building       | 30                                                  |
| Other Building         | 30 to 60                                            |
| Computers              | 3                                                   |
| Office equipment's     | 5                                                   |
| Furniture and fixtures | 10                                                  |
| Vehicles               | 5                                                   |

The management has estimated, supported by independent assessment by professionals, the useful life of the following class of asset, which are higher/different than that indicated in Schedule II.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Assets                         | Useful Lives estimated by the management (in years) |
|--------------------------------|-----------------------------------------------------|
| Plant and Machineries          | 9-21                                                |
| Plant and Machineries (Robots) | 12                                                  |
| Moulds                         | 9                                                   |

Leasehold land and leasehold improvement is amortised on a straight line basis over the period of lease term.

The residual value of property, plant and equipment is considered at 2%.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

#### F. Intangible assets

##### **Recognition and measurement**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

##### **Amortisation and useful lives**

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and amortization method of the intangible asset with a useful finite life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

| Intangible Assets  | Estimated Useful Life (Years)                                  |
|--------------------|----------------------------------------------------------------|
| Computer Software  | Over the estimated economic useful lives of 4 years            |
| Technical Know-how | Over the period of Technical Assistance Agreement i.e. 8 years |

Gain or loss arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### G. Investment Property

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalized to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. When significant parts of investment property are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. All other repair and maintenance cost are expensed when incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying a valuation model as per Ind AS 113 "Fair value measurement". Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

Investment properties are depreciated using straight line method over their estimated useful life.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

Transfer of property from investment property to the property, plant and equipment is made when the property is no longer held for long term rental yields or for capital appreciation or both at carrying amount of the property transferred.

#### H. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### I. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Group as a lessee

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

##### i. Right-of-use assets

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

Land & Building: 2-12 years

Equipments : 15 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

##### ii. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

##### iii. Short-term leases and leases of low-value assets

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

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### Land under Finance lease

The Group has lands allotted by authorities for a lease term of ninety-nine years. These lands were acquired by paying the consideration, which reflected the prevalent market price and upfront payment of all future lease rentals. There are no further lease rental obligations upon the Group to be paid to the Authority. There are no restrictions on usage or transfer of the land to any party by the Group. In view of aforesaid facts and circumstances, the Group has classified these lands as finance lease.

#### J. Inventories

Inventories which comprise raw material, work in progress, finished goods, traded goods and stores and spares are valued at the lower of cost and net realisable value.

The basis of determining costs for various categories of inventories is as follows:

- **Raw materials, components, stores and spares:** Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted moving average basis.
- **Work-in-progress and finished goods:** Cost includes direct material plus appropriate share of labour, manufacturing overheads based on normal operating capacity. Cost is determined on a weighted moving average basis.

- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Stores and spares which do not meet the definition of Property, plant and equipment are accounted as inventories.

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

Scraps are valued at net realisable value

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in production of finished goods 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 its net realisable value. The comparison of cost and net realizable value is made on an item-by-item basis.

#### K. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses on non-financial asset, including impairment on inventories, are recognized in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

#### L. Revenue from contract with customer

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

However, Goods and services tax (GST), is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### M. Sale of goods

Revenue from sale of goods (including tools) is recognized at the point in time when control of the inventory is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group allocated a portion of the transaction price to goods bases on its relative Consolidated prices and also considers the following:

#### Schemes

The Group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as discounts. Revenue from contract with customer is presented deducting cost of all these schemes.

#### Contract balances

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### Contract liabilities

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



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### N. Interest Income

For all debt instruments measured at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected estimated cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss. Interest income is included under the head "other income" in the statement of profit and loss.

Interest income on bank deposits and advances to vendors is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

#### O. Dividend Income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### P. Rental Income

Rental income arising from operating leases are accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

#### Q. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### R. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Group operates defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purpose. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

The Group presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### S. Provisions

##### General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

#### T. Taxes

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### U. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

#### V. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

#### W. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

#### X. Cash dividend to equity holders of the parent

The Group recognises a liability to make cash dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### Y. Segment reporting

##### Identification of segments

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operates.

#### Z. Assets held for sale

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

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is

highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

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

Non-current assets held for sale to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

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

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 14. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### AA. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

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

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

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents, if any

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosure of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

#### BB. Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

##### Financial Assets

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortised cost (debt instruments)

A financial asset is measured at the amortised cost if both the following conditions are met

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

#### Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each

reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

#### De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when:

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

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Financial Liabilities

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings etc.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

##### *Financial liabilities at Amortized cost*

##### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

##### *De-recognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### CC. Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

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

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as an expense in the statement of profit and loss.

#### DD. Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefit is not probable.

Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities.

The only adjustments that are made are to harmonise accounting policies.

- The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

#### 2.4 Standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2020.



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

##### 3 (a) Property, plant and equipment (net)

The details of property, plant and equipment (net) :

|                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Freehold land            | 2,404.11                | 767.86                  |
| Leasehold Land           | 1,016.03                | 1,022.12                |
| Building                 | 2,363.40                | 2,480.30                |
| Buildings (Non- Factory) | 6,176.32                | 5,882.67                |
| Lease Hold Improvement   | 69.12                   | 74.21                   |
| Plant and Equipments     | 17,147.84               | 16,902.34               |
| Furniture and Fixtures   | 867.57                  | 743.63                  |
| Office Equipments        | 275.96                  | 250.68                  |
| Vehicles                 | 314.04                  | 465.60                  |
| Computers                | 107.98                  | 130.65                  |
| <b>Total</b>             | <b>30,742.38</b>        | <b>28,720.06</b>        |

##### 3 (b) Capital work in progress

The details of capital work in progress:

|                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Capital work in progress | 2,074.02                | 2,225.06                |
| <b>Total</b>             | <b>2,074.02</b>         | <b>2,225.06</b>         |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 3.1 Property, plant and equipment

|                                                                                           | Freehold land   | Leasehold Land  | Building        | Buildings (Non-Factory)* | Lease Hold Improvement | Plant and equipments | Furniture and fixtures | Office equipments | Vehicles        | Computers     | Total            |
|-------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|--------------------------|------------------------|----------------------|------------------------|-------------------|-----------------|---------------|------------------|
| <b>Cost or valuation</b>                                                                  |                 |                 |                 |                          |                        |                      |                        |                   |                 |               |                  |
| As at April 01, 2018                                                                      | 767.86          | 1,288.80        | 3,935.22        | 3,106.32                 | -                      | 27,308.35            | 511.64                 | 484.98            | 1,090.81        | 588.77        | 39,082.75        |
| Less: Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 38C) | (274.06)        | (421.89)        | (2,414.43)      | (136.87)                 | -                      | (9,175.83)           | (69.54)                | (145.06)          | (176.99)        | (134.74)      | (12,949.41)      |
| Add: Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 38C)  | 274.06          | 421.89          | 2,414.43        | 136.87                   | -                      | 9,175.83             | 69.54                  | 145.06            | 176.99          | 134.74        | 12,949.41        |
| <b>As at April 01, 2018</b>                                                               | <b>767.86</b>   | <b>1,288.80</b> | <b>3,935.22</b> | <b>3,106.32</b>          | <b>-</b>               | <b>27,308.35</b>     | <b>511.64</b>          | <b>484.98</b>     | <b>1,090.81</b> | <b>588.77</b> | <b>39,082.75</b> |
| Additions                                                                                 | -               | 1113            | 92.82           | 3,122.60                 | 76.20                  | 3,571.46             | 549.73                 | 163.81            | 148.46          | 112.15        | 7,848.36         |
| Disposals                                                                                 | -               | (0.18)          | (17.49)         | -                        | -                      | (13.01)              | (7.07)                 | -                 | (86.41)         | (1.00)        | (125.16)         |
| Adjustment (Refer Note 35)                                                                | -               | -               | -               | -                        | -                      | (313.84)             | (1.07)                 | -                 | -               | -             | (314.91)         |
| Acquisition Adjustment**                                                                  | -               | -               | -               | -                        | -                      | 1,005.95             | 37.04                  | 9.42              | -               | 8.02          | 1,060.43         |
| Asset held for sale***                                                                    | -               | (210.44)        | (229.65)        | -                        | -                      | (1,389.89)           | (60.99)                | (58.17)           | (17.58)         | (44.64)       | (2,011.36)       |
| <b>As at March 31, 2019</b>                                                               | <b>767.86</b>   | <b>1,089.31</b> | <b>3,780.90</b> | <b>6,228.92</b>          | <b>76.20</b>           | <b>30,169.02</b>     | <b>1,029.28</b>        | <b>600.04</b>     | <b>1,135.28</b> | <b>663.30</b> | <b>45,540.11</b> |
| Additions                                                                                 | 1,636.25        | -               | 62.68           | 366.36                   | 16.59                  | 2,421.66             | 235.77                 | 98.10             | 33.67           | 50.37         | 4,921.45         |
| Disposals                                                                                 | -               | -               | -               | -                        | -                      | (227.96)             | (4.81)                 | (8.85)            | (53.02)         | (34.43)       | (329.07)         |
| <b>As at March 31, 2020</b>                                                               | <b>2,404.11</b> | <b>1,089.31</b> | <b>3,843.58</b> | <b>6,595.28</b>          | <b>92.79</b>           | <b>32,362.71</b>     | <b>1,260.24</b>        | <b>689.29</b>     | <b>1,115.93</b> | <b>679.25</b> | <b>50,132.49</b> |
| <b>Depreciation and Impairments</b>                                                       |                 |                 |                 |                          |                        |                      |                        |                   |                 |               |                  |
| As at April 01, 2018                                                                      | -               | 77.79           | 1,155.11        | 322.97                   | -                      | 10,768.59            | 256.45                 | 345.42            | 527.79          | 477.75        | 13,931.87        |
| Less: Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 38C) | -               | (39.65)         | (646.10)        | -21.54                   | -                      | -4274.56             | -42.81                 | -99.77            | -71.26          | -117.5        | (5,313.19)       |
| Add: Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 38C)  | -               | 39.65           | 646.10          | 21.54                    | -                      | 4,274.56             | 42.81                  | 99.77             | 71.26           | 117.50        | 5,313.19         |
| <b>As at April 01, 2018</b>                                                               | <b>-</b>        | <b>77.79</b>    | <b>1,155.11</b> | <b>322.97</b>            | <b>-</b>               | <b>10,768.59</b>     | <b>256.45</b>          | <b>345.42</b>     | <b>527.79</b>   | <b>477.75</b> | <b>13,931.87</b> |
| Depreciation Charge for the year on continuing operations                                 | -               | 10.76           | 203.27          | 23.28                    | 1.99                   | 1,962.36             | 39.78                  | 57.80             | 203.75          | 80.92         | 2,583.91         |
| Depreciation Charge for the year on Discontinued Operations                               | -               | -               | 1.65            | -                        | -                      | 97.18                | 5.57                   | 9.09              | 3.07            | 8.12          | 124.68           |
| Disposal                                                                                  | -               | (0.05)          | (11.31)         | -                        | -                      | (4.73)               | (3.19)                 | -                 | (59.18)         | (0.91)        | (79.37)          |
| Asset held for sale***                                                                    | -               | (21.31)         | (48.12)         | -                        | -                      | (230.89)             | (18.05)                | (65.01)           | (5.75)          | (35.73)       | (424.86)         |
| Adjustment (Refer Note 35)                                                                | -               | -               | -               | -                        | -                      | (48.80)              | (0.19)                 | -                 | -               | -             | (48.99)          |
| Acquisition Adjustment**                                                                  | -               | -               | -               | -                        | -                      | 722.97               | 5.28                   | 2.06              | -               | 2.50          | 732.81           |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

|                                  | Freehold land | Leasehold Land | Building | Buildings (Non-Factory)* | Lease Hold Improvement | Plant and equipments | Furniture and fixtures | Office equipments | Vehicles | Computers | Total     |
|----------------------------------|---------------|----------------|----------|--------------------------|------------------------|----------------------|------------------------|-------------------|----------|-----------|-----------|
| <b>As at March 31, 2019</b>      | -             | 6719           | 1,300.60 | 346.25                   | 1.99                   | 13,266.68            | 285.65                 | 349.36            | 669.68   | 532.65    | 16,820.05 |
| Depreciation Charge for the year |               | 6.09           | 179.58   | 72.71                    | 21.68                  | 2,163.42             | 109.69                 | 72.21             | 181.62   | 72.00     | 2,879.00  |
| Disposal                         | -             | -              | -        | -                        | -                      | (209.28)             | (2.67)                 | (8.24)            | (49.41)  | (33.39)   | (302.98)  |
| Adjustment                       | -             | -              | -        | -                        | -                      | (5.96)               | -                      | -                 | -        | -         | (5.96)    |
| <b>As at March 31, 2020</b>      | -             | 73.28          | 1,480.18 | 418.96                   | 23.67                  | 15,214.86            | 392.67                 | 413.33            | 801.89   | 571.26    | 19,390.11 |
| <b>Net Block</b>                 |               |                |          |                          |                        |                      |                        |                   |          |           |           |
| <b>As at March 31, 2020</b>      | 2,404.11      | 1,016.03       | 2,363.40 | 6,176.32                 | 69.12                  | 17,147.84            | 867.57                 | 275.96            | 314.04   | 107.98    | 30,742.38 |
| <b>As at March 31, 2019</b>      | 767.86        | 1,022.12       | 2,480.30 | 5,882.67                 | 74.21                  | 16,902.34            | 743.63                 | 250.68            | 465.60   | 130.65    | 28,720.06 |
| <b>As at April 01, 2018</b>      | 767.86        | 1,211.01       | 2,780.11 | 2,783.35                 | -                      | 16,539.76            | 255.19                 | 139.56            | 563.02   | 111.02    | 25,150.88 |

\*All property, plant and equipment are held in name of the holding company and its subsidiary, except Building (non factory) situated, at Gurugram, Cost amounting to ₹ 421.36 lakhs, net block amounting to ₹ 403.01 lakhs (March 31, 2019: ₹ 409.89 lakhs) for which lease deed is yet to be registered with the appropriate authority. Further assets acquired on merger are also in process of being transferred in name of the Holding Company.

\*\* Lumax Gill - Austem Auto Technologies Private Limited established as a subsidiary of the group due to the exercise of the casting vote. w.e.f. April 01, 2018

\*\*\* Assets held for Sale includes leasehold land and buildings at Ranjangaon, Maharashtra net value of which is ₹ 177.28 Lakhs and ₹ 188.94 Lakhs respectively. Assets held for Sale other than these relates to discontinued operations which are disclosed in Note 14.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 4 INTANGIBLE ASSETS

##### a) Details of intangible assets:

|                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| <b>Intangible assets</b> |                         |                         |
| - Computer software      | 195.12                  | 135.89                  |
| <b>Total</b>             | <b>195.12</b>           | <b>135.89</b>           |

##### b) Disclosures regarding gross block of intangible assets, accumulated amortisation and net block are as given below:

|                                                                                          | Technical<br>Know How | Computer<br>Software | Total           |
|------------------------------------------------------------------------------------------|-----------------------|----------------------|-----------------|
| <b>Cost</b>                                                                              |                       |                      |                 |
| At April 01, 2018                                                                        | 266.17                | 713.45               | 979.62          |
| Less: Reclassification of assets aquired on merger as at April 01, 2018 (Refer Note 38C) | -                     | (115.31)             | (115.31)        |
| Add: Reclassification of assets aquired on merger as at April 01, 2018 (Refer Note 38C)  | -                     | 115.31               | 115.31          |
| <b>As at April 01, 2018</b>                                                              | <b>266.17</b>         | <b>713.45</b>        | <b>979.62</b>   |
| Add: Additions                                                                           | -                     | 99.48                | 99.48           |
| Less: Deduction                                                                          | -                     | -                    | -               |
| Adjustment (Refer Note 35)                                                               | (79.65)               | -                    | (79.65)         |
| Acquisition Adjustment*                                                                  | -                     | 0.77                 | 0.77            |
| Assets held for sale (Refer Note 14)                                                     | -                     | (76.02)              | (76.02)         |
| <b>At March 31, 2019</b>                                                                 | <b>186.52</b>         | <b>737.68</b>        | <b>924.20</b>   |
| Add: Additions                                                                           | -                     | 141.71               | 141.71          |
| Less: Disposals                                                                          | -                     | (55.54)              | (55.54)         |
| <b>At March 31, 2020</b>                                                                 | <b>186.52</b>         | <b>965.57</b>        | <b>1,010.37</b> |
| <b>Amortisation</b>                                                                      |                       |                      |                 |
| At April 01, 2018                                                                        | 195.33                | 551.13               | 746.46          |
| Less: Reclassification of assets aquired on merger as at April 01, 2018 (Refer Note 38C) | -                     | (85.68)              | (85.68)         |
| Add: Reclassification of assets aquired on merger as at April 01, 2018 (Refer Note 38C)  | -                     | 85.68                | 85.68           |
| <b>As at April 01, 2018</b>                                                              | <b>195.33</b>         | <b>551.13</b>        | <b>746.46</b>   |
| Add: Amortisation charge for the year on continuing operations                           | 0.74                  | 64.36                | 65.10           |
| Add: Amortisation charge for the year on discontinued operations                         | -                     | 15.30                | 15.30           |
| Assets held for sale (Refer Note 14)                                                     | -                     | (28.42)              | (28.42)         |
| Adjustment (Refer Note 35)                                                               | (10.81)               | -                    | (10.81)         |
| Acquisition Adjustment*                                                                  | -                     | 0.68                 | 0.68            |
| <b>At March 31, 2019</b>                                                                 | <b>185.26</b>         | <b>603.05</b>        | <b>788.31</b>   |
| Add: Amortisation charge for the year                                                    | 0.72                  | 78.27                | 78.99           |
| Less: Disposals                                                                          | -                     | (52.05)              | (52.05)         |
| <b>At March 31, 2020</b>                                                                 | <b>185.98</b>         | <b>707.55</b>        | <b>815.26</b>   |
| <b>Net book value</b>                                                                    |                       |                      |                 |
| <b>At March 31, 2020</b>                                                                 | <b>0.54</b>           | <b>258.02</b>        | <b>195.12</b>   |
| At March 31, 2019                                                                        | 1.26                  | 134.63               | 135.89          |
| As at April 01, 2018                                                                     | 70.84                 | 162.32               | 233.16          |

\* Lumax Gill - Austem Auto Technologies Private Limited established as a subsidiary of the group due to the exercise of the casting vote. w.e.f. April 01, 2018

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### c) Details of Goodwill :

|              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------|-------------------------|-------------------------|
| A. Goodwill  | 16.64                   | 16.64                   |
| <b>Total</b> | <b>16.64</b>            | <b>16.64</b>            |

## 5 RIGHT-TO-USE ASSETS

(i) The Group lease asset primarily consist of leases for land and buildings and equipment of various lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

(ii) The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

(iii) Disclosures regarding gross block of right to use assets, accumulated amortisation and net block are as given below:

|                                       | Equipments    | Land and Building | Total           |
|---------------------------------------|---------------|-------------------|-----------------|
| <b>Cost</b>                           |               |                   |                 |
| At April 1, 2019                      | 230.60        | 1,366.71          | 1,597.31        |
| Add: Additions                        | 205.84        | 1,366.00          | 1,571.83        |
| Less: Disposals                       | -             | -                 | -               |
| <b>At March 31, 2020</b>              | <b>436.44</b> | <b>2,732.71</b>   | <b>3,169.15</b> |
| <b>Amortisation</b>                   |               |                   |                 |
| At April 1, 2019                      | -             | -                 | -               |
| Add: Amortisation charge for the year | 20.98         | 414.50            | 435.48          |
| Less: Disposals                       | -             | -                 | -               |
| <b>At March 31, 2020</b>              | <b>20.98</b>  | <b>414.50</b>     | <b>435.48</b>   |
| <b>Net book value</b>                 |               |                   |                 |
| <b>At March 31, 2020</b>              | <b>415.46</b> | <b>2,318.21</b>   | <b>2,733.67</b> |
| At April 1, 2019                      | 230.60        | 1,366.71          | 1,597.31        |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

- (iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

|                                            | Equipments    | Land and Building | Total           |
|--------------------------------------------|---------------|-------------------|-----------------|
| <b>Cost</b>                                |               |                   |                 |
| At April 1, 2019                           | 230.60        | 1,366.71          | 1,597.31        |
| Add: Additions                             | 205.84        | 1,365.99          | 1,571.83        |
| Add : Finance cost accrued during the year | 1.08          | 198.18            | 199.26          |
| Less: Disposals                            | -             | -                 | -               |
| Less: Payment of lease liabilities         | (17.10)       | (482.06)          | (499.16)        |
| <b>At March 31, 2020</b>                   | <b>420.42</b> | <b>2,448.82</b>   | <b>2,869.24</b> |
| <b>Current</b>                             |               |                   | <b>733.79</b>   |
| <b>Non Current</b>                         |               |                   | <b>2,135.46</b> |

- (v) The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by ₹ 135.57 lakhs (Increase in Depreciation expense and finance cost by ₹ 435.48 lakhs and ₹ 199.26 lakhs respectively with corresponding decrease in other expense by ₹ 499.16 lakhs). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by ₹ 499.16 lakhs each. Total Deferred tax expense and deferred tax liabilities are decreased by ₹ 21.36 lakhs.
- (vi) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.66% Per annum.
- (vii) Rental expense recorded for short-term leases was ₹ 238.90 lakhs for the year ended March 31, 2020. (refer note 34)
- (viii) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## 6 INVESTMENT PROPERTY

|                                                                                             | Freehold Land | Buildings       | Total           |
|---------------------------------------------------------------------------------------------|---------------|-----------------|-----------------|
| <b>Gross carrying amount</b>                                                                |               |                 |                 |
| <b>As At April 01, 2018</b>                                                                 | <b>594.63</b> | <b>1,694.95</b> | <b>2,289.58</b> |
| Less: Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 38(c)) | (594.63)      | (1,694.95)      | (2,289.58)      |
| Add: Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 38(c))  | 594.63        | 1,694.95        | 2,289.58        |
| <b>As At April 01, 2018</b>                                                                 | <b>594.63</b> | <b>1,694.95</b> | <b>2,289.58</b> |
| Additions / (Deductions)                                                                    | -             | -               | -               |
| <b>At March 31, 2019</b>                                                                    | <b>594.63</b> | <b>1,694.95</b> | <b>2,289.58</b> |
| Deductions                                                                                  | -             | -               | -               |
| <b>At March 31, 2020</b>                                                                    | <b>594.63</b> | <b>1,694.95</b> | <b>2,289.58</b> |
| <b>Depreciation and Impairments</b>                                                         |               |                 |                 |
| <b>As At April 01, 2018</b>                                                                 | <b>-</b>      | <b>358.83</b>   | <b>358.83</b>   |
| Add: Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 38(c))  | -             | (358.83)        | (358.83)        |
| Less: Reclassification of assets acquired on merger as at April 01, 2018 (Refer Note 38(c)) | -             | 358.83          | 358.83          |
| <b>As At April 01, 2018</b>                                                                 | <b>-</b>      | <b>358.83</b>   | <b>358.83</b>   |
| Depreciation Charge for the year                                                            | -             | 57.41           | 57.41           |
| <b>At March 31, 2019</b>                                                                    | <b>-</b>      | <b>416.25</b>   | <b>416.25</b>   |
| Depreciation Charge for the year                                                            | -             | 57.41           | 57.41           |
| <b>At March 31, 2020</b>                                                                    | <b>-</b>      | <b>473.66</b>   | <b>473.66</b>   |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

|                                          | Freehold Land | Buildings       | Total           |
|------------------------------------------|---------------|-----------------|-----------------|
| <b>Net Block</b>                         |               |                 |                 |
| <b>At March 31, 2020</b>                 | <b>594.63</b> | <b>1,221.29</b> | <b>1,815.92</b> |
| <b>At March 31, 2019</b>                 | <b>594.63</b> | <b>1,278.70</b> | <b>1,873.33</b> |
| <b>At March 31, 2018</b>                 | <b>594.63</b> | <b>1,336.12</b> | <b>1,930.74</b> |
| <b>Fair Value of Investment Property</b> |               |                 |                 |
| <b>At March 31, 2019</b>                 |               |                 | <b>4,328.45</b> |
| <b>At March 31, 2020</b>                 |               |                 | <b>4,466.67</b> |

**(i) Amount recognised in statement of profit and loss from investment property**

|                                                                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| Rental Income*                                                       | 453.55                  | 409.94                  |
| Direct operating expenses from property that generated rental Income | 32.89                   | -                       |
| <b>Profit from Investment property before depreciation</b>           | <b>420.66</b>           | <b>409.94</b>           |
| Depreciation                                                         | 57.41                   | 57.41                   |
| <b>Profit from Investment property</b>                               | <b>363.25</b>           | <b>352.52</b>           |

\*The amount of rental income includes income from subsidiary and the same has been eliminated in the consolidated financial statements and hence no income from subsidiary investment property has been credited to the statement of profit and loss.

**(ii) Contractual obligations**

There are no contractual obligations to purchase, construct or develop investment property

**(iii) Estimation of Fair Value**

Fair value investment property is ascertained on the basis of market rates as determined by the independent registered valuer. Fair value hierarchy disclosures for investment properties have been provided in Note 46.

**(iv) Description of valuation techniques used and key inputs to valuation on investment properties:**

| Particulars                                                                                                                                                                                                                                                                                                                                        | Technique   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Land and Building situated at Plot No. 69, Bidadi Industrial area 2nd Phase, Sector-2, Sy. No (s): Parts of 32, 56 to 59, Bidadi Hobli, Ramanagara Taluka, District Ramanagara, Bangalore, Karnataka-562109.<br>Land Area - 15484 sq mt<br>Land Value - ₹1006.46 lakhs<br>Building built up area - 7132.15 sqmt<br>Building Value - ₹1677.48 lakhs | Market Rate |
| Land and Building situated at Plot No. 164, Sector-5, IMT Manesar Gurgaon-122050, Haryana.<br>Land Area - 5400 sq mt<br>Land Value - ₹1323 lakhs<br>Building built up area - 2487.413 sqmt<br>Building Value - ₹459.67 lakhs                                                                                                                       | Market Rate |



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 7 INVESTMENT IN A SUBSIDIARIES AND A JOINT VENTURE

##### Details of Investment

|                                                                                               | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| - Investment in Joint ventures                                                                |                         |                         |
| <i>unquoted, valued at cost</i>                                                               |                         |                         |
| <b>Sipal Engineering Private Limited</b>                                                      | 51.77                   | 41.27                   |
| 7.19 lakhs shares (As at March 31, 2019 - 7.19 lakhs) equity shares of ₹10 each fully paid up |                         |                         |
| <b>Lumax Ituran Telematics Private Limited</b>                                                | 23.40                   | 4.55                    |
| 9.30 lakhs shares (As at March 31, 2019 - 3.35 lakhs) equity shares of ₹10 each fully paid up |                         |                         |
| <b>Total</b>                                                                                  | <b>75.17</b>            | <b>45.82</b>            |

#### 8 CURRENT TAX LIABILITIES/ (ASSETS) - NET

|                                 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------|-------------------------|-------------------------|
| Current tax asset               | 322.02                  | 273.79                  |
| Current tax liabilities         | -                       | 22.01                   |
| <b>Current tax liabilities</b>  | <b>-</b>                | <b>22.01</b>            |
| <b>Current tax assets (net)</b> | <b>322.02</b>           | <b>273.79</b>           |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 9 | INVESTMENTS

|                                                                                                                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Non Current Investments</b>                                                                                     |                         |                         |
| <b>Investments in equity instruments of other entities (Valued at fair value through other comprehensive income)*</b> |                         |                         |
| <b>Lumax Industries Limited</b>                                                                                       | 4,554.64                | 9,526.13                |
| 5.25 lakhs (As at March 31, 2019 - 5.25 lakhs) equity shares of ₹10 each fully paid up                                |                         |                         |
| <b>Investment in equity instruments (Unquoted)</b>                                                                    |                         |                         |
| <b>Lumax Ancillary Limited</b>                                                                                        | 459.52                  | 601.54                  |
| 3.00 lakhs (As at March 31, 2019 - 3.00 lakhs) equity shares of ₹10 each fully paid up                                |                         |                         |
|                                                                                                                       | <b>5,014.16</b>         | <b>10,127.67</b>        |
| <b>B. Current investments**</b>                                                                                       |                         |                         |
| <b>Investment in Mutual funds</b>                                                                                     |                         |                         |
| 0.32 lakhs units (As at March 31, 2019 - 0.63 - lakhs) of ₹10 each fully paid up                                      | 768.83                  | 1,851.10                |
| <b>Investment in Equity Instruments Quoted</b>                                                                        |                         |                         |
| <b>AXIS Bank Limited</b>                                                                                              | 45.48                   | -                       |
| 0.12 lakhs (As at March 31, 2019 - NIL) equity shares of ₹2 each fully paid up                                        |                         |                         |
| <b>ICICI Bank Limited</b>                                                                                             | 61.51                   | -                       |
| 0.19 lakhs (As at March 31, 2019 - NIL) equity shares of ₹2 each fully paid up                                        |                         |                         |
| <b>Larsen &amp; Toubro Limited</b>                                                                                    | 60.64                   | -                       |
| 0.08 lakhs (As at March 31, 2019 - NIL) equity shares of ₹2 each fully paid up                                        |                         |                         |
| <b>Oil and Natural Gas Corporation Limited</b>                                                                        | 78.55                   | -                       |
| 1.15 lakhs (As at March 31, 2019 - NIL) equity shares of ₹5 each fully paid up                                        |                         |                         |
| <b>Reliance Industries Limited</b>                                                                                    | 72.39                   | -                       |
| 0.07 lakhs (As at March 31, 2019 - NIL) equity shares of ₹10 each fully paid up                                       |                         |                         |
| <b>State Bank of India Limited</b>                                                                                    | 43.31                   | -                       |
| 0.22 lakhs (As at March 31, 2019 - NIL) equity shares of ₹1 each fully paid up                                        |                         |                         |
|                                                                                                                       | <b>1,130.70</b>         | <b>1,851.10</b>         |
| <b>Current</b>                                                                                                        | <b>1,130.70</b>         | <b>1,851.10</b>         |
| <b>Non- current</b>                                                                                                   | <b>5,014.16</b>         | <b>10,127.67</b>        |
| Aggregate Market value of Quoted Investments (Refer Note 46)                                                          | <b>5,685.34</b>         | <b>11,377.23</b>        |
| Aggregate value of unquoted Investments (Refer Note 46)                                                               | <b>459.52</b>           | <b>601.54</b>           |

#### Non- current Investments

\*Investment in equity instrument where the business model of the group is not for trading, the group has opted for irrevocable option to present subsequent changes in the fair value of an investment in an equity instrument through Other Comprehensive income (FVTOCI).

#### Current Investments

\*\*Investment in current investments, the group has opted irrevocable option to present subsequent changes in the fair value of an investment in an equity instrument through Fair value through profit or loss (FVTPL).

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 10 | LOANS

|                     | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------|-------------------------|-------------------------|
| <b>Non Current</b>  |                         |                         |
| <b>Loans</b>        |                         |                         |
| Loan to Employees   | 12.19                   | 43.78                   |
| Security Deposit    | 568.92                  | 443.65                  |
|                     | <b>581.11</b>           | <b>487.43</b>           |
| <b>Current</b>      |                         |                         |
| <b>Loans</b>        |                         |                         |
| Security Deposit    | 2.18                    | 63.37                   |
| Loan to Employees   | 79.14                   | 31.22                   |
|                     | <b>81.32</b>            | <b>94.58</b>            |
| <b>Current</b>      | <b>81.32</b>            | <b>94.58</b>            |
| <b>Non- current</b> | <b>581.11</b>           | <b>487.43</b>           |

#### 11 | OTHER FINANCIAL ASSETS

|                                                                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Other financial assets</b>                                            |                         |                         |
| <b>Non- current</b>                                                      |                         |                         |
| Deposits with remaining maturity for more than 12 months (Refer Note 18) | 150.00                  | 5.00                    |
|                                                                          | <b>150.00</b>           | <b>5.00</b>             |
| <b>Current</b>                                                           |                         |                         |
| Interest accrued but not due                                             | 158.92                  | 76.02                   |
| Other recoverables                                                       | 36.38                   | 48.56                   |
|                                                                          | <b>195.30</b>           | <b>124.58</b>           |
| <b>Total</b>                                                             | <b>345.30</b>           | <b>129.58</b>           |
| <b>Current</b>                                                           | <b>195.30</b>           | <b>124.58</b>           |
| <b>Non- Current</b>                                                      | <b>150.00</b>           | <b>5.00</b>             |
|                                                                          | <b>345.30</b>           | <b>129.58</b>           |

#### Break up of financial assets carried at amortised cost:

|                                           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------------------|-------------------------|-------------------------|
| Loans (Refer Note 10)                     | 91.34                   | 75.00                   |
| Trade receivables (Refer Note 16)         | 19,277.49               | 27,754.79               |
| Cash and cash equivalents (Refer Note 17) | 3,695.76                | 2,600.86                |
| Other bank balances (Refer Note 18)       | 6,666.05                | 3,048.12                |
| Other financial assets (Refer Note 11)    | 345.30                  | 129.58                  |
| Security deposits (Refer Note 10)         | 571.10                  | 507.02                  |
| <b>Total</b>                              | <b>30,647.04</b>        | <b>34,115.37</b>        |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 12 INCOME TAX

##### (a) The major components of income tax expense for the years ended are:

###### Statement of profit and loss:

|                                                                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Current income tax:</b>                                            |                         |                         |
| Current income tax charge on continuing operations                    | 1,988.12                | 2,692.07                |
| Current income tax charge on discontinued operations                  | 123.29                  | 492.42                  |
| MAT Credit utilised                                                   | -                       | 284.52                  |
| Adjustments in respect of current income tax for earlier years        | (50.01)                 | 9.77                    |
| <b>Deferred tax :</b>                                                 |                         |                         |
| Relating to origination and reversal of temporary differences         | (570.27)                | 149.38                  |
| <b>Income tax expense reported in the statement of profit or loss</b> | <b>1,491.13</b>         | <b>3,628.16</b>         |

##### (b) OCI section

###### Deferred tax related to items recognised in Other Comprehensive Income during the year:

|                                                               | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Tax effect on loss on remeasurements of defined benefit plans | 7.24                    | 4.56                    |
| Tax effect on loss on financial assets                        | 48.87                   | 154.70                  |
| <b>Income tax charged to Other Comprehensive Income</b>       | <b>56.11</b>            | <b>159.26</b>           |

##### (c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

|                                                                                             | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Accounting profit before income tax for continuing operations</b>                        | <b>6,858.90</b>         | <b>9,923.01</b>         |
| <b>Accounting profit before income tax for discontinued operations</b>                      | <b>948.58</b>           | <b>1,758.42</b>         |
| At India's statutory income tax rate of 25.168% (March 31, 2019: 34.944%, 27.82% & 29.12%)  | 2,177.47                | 4,122.81                |
| <b>Non-deductible expenses for tax purposes:</b>                                            |                         |                         |
| Permanent differences                                                                       | 78.60                   | (90.20)                 |
| Dividend (Dividend Income exempt u/s 10(34))                                                | (191.45)                | (438.88)                |
| Others                                                                                      | (29.52)                 | 24.66                   |
| <b>Difference in tax rate</b>                                                               | <b>(493.96)</b>         | <b>-</b>                |
| <b>At the effective income tax rate of 19.74 % (March 31, 2019: 30.98 %)</b>                | <b>1,541.14</b>         | <b>3,618.39</b>         |
| Income tax expense reported in the statement of profit and loss for continuing operations   | 1,417.85                | 3,125.97                |
| Income tax expense reported in the statement of profit and loss for discontinued operations | 123.29                  | 492.42                  |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (d) Deferred tax liability

|                                                                                                                                  | Balance sheet           |                         |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Deferred tax assets relates to the following :</b>                                                                            |                         |                         |
| Impact of expenditures charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis | 466.01                  | 525.99                  |
| Impact of allowance for doubtful debts                                                                                           | 49.19                   | 36.46                   |
| Deferred tax on Right to use (net)                                                                                               | 21.36                   | -                       |
| Others (including brought forward losses)                                                                                        | 138.45                  | -                       |
|                                                                                                                                  | <b>675.01</b>           | <b>562.45</b>           |
| <b>Deferred tax liability relates to the following :</b>                                                                         |                         |                         |
| Accelerated depreciation for tax purposes                                                                                        | 1,984.83                | 2,481.39                |
| Un-realised gain on Mutual Fund                                                                                                  | (17.16)                 | 20.45                   |
|                                                                                                                                  | <b>1,967.67</b>         | <b>2,501.84</b>         |
| Re-measurement gains/ (losses) on defined benefit plans                                                                          |                         |                         |
| Deferred Gain on financial assets                                                                                                | 79.60                   | 128.43                  |
| <b>Total deferred tax liability (Net)</b>                                                                                        | <b>1,372.26</b>         | <b>2,067.81</b>         |

#### (e) Deferred tax assets relates to the following :

|                                                                                                                                  | Balance sheet           |                         |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Deferred tax assets relates to the following :</b>                                                                            |                         |                         |
| Impact of expenditures charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis | 191.07                  | 149.42                  |
| Accelerated depreciation for tax purposes                                                                                        | (91.18)                 | 54.28                   |
| Others                                                                                                                           | 0.03                    | 0.20                    |
|                                                                                                                                  | <b>99.92</b>            | <b>203.90</b>           |
| <b>Deferred tax liability relates to the following :</b>                                                                         |                         |                         |
| Others                                                                                                                           | -                       | 34.57                   |
|                                                                                                                                  | <b>-</b>                | <b>34.57</b>            |
| <b>Total deferred tax Asset (Net)</b>                                                                                            | <b>99.92</b>            | <b>169.33</b>           |

**Note:** Deferred tax assets and deferred tax liabilities of the Group and its joint venture are set off to the extent the respective Company has legal rights.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 13 | OTHER ASSETS

(Unsecured, considered good, unless otherwise stated)

The details of other assets:

|                                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>Non- current</b>                              |                         |                         |
| Advances for property, plant and equipment       | 676.34                  | 661.84                  |
| Income tax refund receivable                     | 546.47                  | 146.16                  |
| Balances with statutory/government authorities * | 436.46                  | 311.00                  |
| Deposit under protest                            | 0.78                    | 0.78                    |
| <b>Total (A)</b>                                 | <b>1,660.04</b>         | <b>1,119.78</b>         |
| <b>Current</b>                                   |                         |                         |
| Balance with statutory / government authorities  | 1,021.77                | 591.49                  |
| Advance to suppliers                             | 1,445.67                | 1,002.67                |
| Prepaid expenses                                 | 171.68                  | 250.57                  |
| Other advances                                   | 154.69                  | 196.32                  |
| <b>Total (B)</b>                                 | <b>2,793.82</b>         | <b>2,041.05</b>         |
| <b>Total (A+B)</b>                               | <b>4,453.86</b>         | <b>3,160.83</b>         |
| <b>Current</b>                                   | <b>2,793.82</b>         | <b>2,041.05</b>         |
| <b>Non -current</b>                              | <b>1,660.04</b>         | <b>1,119.78</b>         |

\*Balance with government authority includes the amount of subsidy claim receivable on the capital investment made by the holding Company in the state of Maharashtra.

#### 14 | ASSETS HELD FOR SALE

(i) Details of assets held for sale

|                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------|-------------------------|-------------------------|
| <b>Non- current</b>    |                         |                         |
| Assets held for sale   | -                       | 366.22                  |
| <b>Total (A)</b>       | <b>-</b>                | <b>366.22</b>           |
| <b>Current</b>         |                         |                         |
| Assets held for sale * | 366.22                  | 3,999.45                |
| <b>Total (B)</b>       | <b>366.22</b>           | <b>3,999.45</b>         |
| <b>Total (A+B)</b>     | <b>366.22</b>           | <b>4,365.67</b>         |
| <b>Current</b>         | <b>366.22</b>           | <b>3,999.45</b>         |
| <b>Non -current</b>    | <b>-</b>                | <b>366.22</b>           |

\* The Holding Company classified certain items of Property Plant and Equipment retired from active use are held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. In respect of the property which was expected to be sold above the cost for which the Holding Company has entered into an agreement during the year, the management based on discussions is of the view that considering the present situation the transaction shall be reviewed both from timing and value perspective and thus have been carried at cost in the books of accounts as the management in any case expects the realisable value to be more than cost.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (iii) Discontinued Operations

During the last year the Holding Company's Board of Directors had decided to discontinue & dispose plant and machinery and relevant stock relating to the PCB Business to Lumax Industries Ltd (Related Party) on arm's length basis. The sales of these assets took place during the current year which resulted in a profit of ₹ 948.58 Lakhs which has been shown under Discontinued Operation during in the statement of profit and loss.

##### a) The result of discontinued operation for the year are presented below:

|                                                                                         | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Revenue</b>                                                                          |                                      |                                      |
| Revenue from discontinued operations                                                    | -                                    | 17,145.12                            |
| Other income                                                                            | 948.58                               | 15.82                                |
|                                                                                         | <b>948.58</b>                        | <b>17,160.94</b>                     |
| <b>Expenses</b>                                                                         |                                      |                                      |
| Cost of raw material and components consumed                                            | -                                    | 12,146.87                            |
| (Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods | -                                    | 112.41                               |
| Excise duty on sale of goods                                                            | -                                    | -                                    |
| Employee benefits expense                                                               | -                                    | 803.62                               |
| Finance costs                                                                           | -                                    | 203.17                               |
| Depreciation and amortisation expense                                                   | -                                    | 140.01                               |
| Other expenses                                                                          | -                                    | 1,996.44                             |
|                                                                                         | -                                    | <b>15,402.52</b>                     |
| <b>Profit before tax</b>                                                                | <b>948.58</b>                        | <b>1,758.42</b>                      |
| Less : Tax expenses                                                                     | 123.29                               | 492.42                               |
| <b>Profit after tax</b>                                                                 | <b>825.29</b>                        | <b>1,266.00</b>                      |

##### b) The net cash flows attributable to the discontinued operations are as below:

|                                     | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Operating activities                | 2,702.40                             | (1,530.12)                           |
| Investing activities                | 2,245.00                             | 336.51                               |
| Financing activities                | -                                    | 1,200.63                             |
| <b>Net cash inflows/ (outflows)</b> | <b>4,947.40</b>                      | <b>7.02</b>                          |

##### c) Earnings per share

|                                                                     |      |      |
|---------------------------------------------------------------------|------|------|
| Basic, diluted profit for the year from discontinued operations (₹) | 1.21 | 1.86 |
|---------------------------------------------------------------------|------|------|

##### d) The major classes of assets as held for Sale:

|                               | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------|-------------------------|-------------------------|
| Property, plant and equipment | -                       | 1,297.05                |
| Inventories                   | -                       | 2,702.40                |
|                               | -                       | <b>3,999.45</b>         |



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 15 INVENTORIES

##### a) Details of inventories:

|                                                                                     | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Raw materials (at cost)</b>                                                      | 2,335.33                | 2,617.80                |
| (includes material in transit ₹ 133.90 lakhs (As at March 31, 2019 ₹ 142.49 lakhs)) |                         |                         |
| <b>Work-in-progress (at cost)</b>                                                   | 367.63                  | 526.67                  |
| <b>Finished goods (at lower of cost and net realisable value)</b>                   | 698.28                  | 823.26                  |
| (includes sales in transit ₹ 346.84 lakhs (As at March 31, 2019 ₹ 340.83 lakhs))    |                         |                         |
| <b>Traded goods</b>                                                                 | 1,622.56                | 1,011.06                |
| (includes goods in transit ₹ 74.00 lakhs (As at March 31, 2019 ₹ 15.15 lakhs))      |                         |                         |
| Moulds                                                                              | 1,077.73                | 586.87                  |
| Stores and spares                                                                   | 341.07                  | 385.68                  |
| <b>Total inventories, at the lower of cost and net realisable value</b>             | <b>6,442.61</b>         | <b>5,951.34</b>         |

##### Contract Balances

#### 16 TRADE RECEIVABLES

##### a) Details of trade receivables:

|                                                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------|-------------------------|-------------------------|
| Trade receivables                                      | 14,241.78               | 18,767.57               |
| Receivables from other related parties (refer note 41) | 5,035.71                | 8,987.22                |
| <b>Total Trade receivables</b>                         | <b>19,277.49</b>        | <b>27,754.79</b>        |

##### b) Break-up for security details:

|                                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------|-------------------------|-------------------------|
| <b>Trade receivables</b>                          |                         |                         |
| Secured, considered good                          | 261.60                  | 370.96                  |
| Unsecured, considered good                        | 19,015.89               | 27,383.83               |
| Doubtful                                          | 193.39                  | 88.29                   |
| <b>Total</b>                                      | <b>19,470.88</b>        | <b>27,843.08</b>        |
| Allowance for trade receivables - credit impaired | (193.39)                | (88.29)                 |
| <b>Total</b>                                      | <b>19,227.49</b>        | <b>27,754.79</b>        |

- c) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- d) Trade receivables are non-interest bearing and are generally on terms of not more than 30-90 days.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 17 CASH AND CASH EQUIVALENTS

|                                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------|-------------------------|-------------------------|
| <b>Balances with banks:</b>                             |                         |                         |
| - On current accounts                                   | 3,138.94                | 1,281.32                |
| - Deposits with original maturity of less than 3 months | 546.23                  | 1,307.69                |
| - on cash credit accounts                               | -                       | 4.63                    |
| <b>Cash on hand</b>                                     | 10.59                   | 7.22                    |
| <b>Total</b>                                            | <b>3,695.76</b>         | <b>2,600.86</b>         |

#### 18 OTHER BANK BALANCES

|                                                                                                                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Other bank balances</b>                                                                                             |                         |                         |
| - Deposits having remaining maturity of more than 12 months                                                            | 150.00                  | 605.00                  |
| - Deposits with remaining maturity more than 3 months but less than 12 months                                          | 6,643.51                | 2,435.04                |
| - on unpaid dividend account *                                                                                         | 22.54                   | 13.08                   |
| <b>Total</b>                                                                                                           | <b>6,816.05</b>         | <b>3,053.12</b>         |
| Less: Deposits having remaining maturity of more than 12 months disclosed under other financial assets (refer note 11) | 150.00                  | 5.00                    |
| <b>Total</b>                                                                                                           | <b>6,666.05</b>         | <b>3,048.12</b>         |

\* The Group can utilise the balance only towards settlement of unclaimed dividend.

For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

|                                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------|-------------------------|-------------------------|
| <b>Balances with banks:</b>                             |                         |                         |
| - On current accounts                                   | 3,138.94                | 1,281.32                |
| - On cash credit account                                | -                       | 4.63                    |
| - Deposits with original maturity of less than 3 months | 546.23                  | 1,307.69                |
| <b>Cash on hand</b>                                     | 10.59                   | 7.22                    |
| <b>Total</b>                                            | <b>3,695.76</b>         | <b>2,600.86</b>         |

#### Changes in liabilities arising from financing activities:

|                                                     | As at<br>March 31, 2019 | Cash flows<br>Proceeds/<br>Repayments | As at<br>March 31, 2020 |
|-----------------------------------------------------|-------------------------|---------------------------------------|-------------------------|
| Long term borrowings (including current maturities) | 1,153.74                | 1,186.83                              | 2,340.57                |
| Short term borrowings                               | 5,819.81                | 1,332.60                              | 7,152.41                |
| <b>Total liabilities from financing activities</b>  | <b>6,973.55</b>         | <b>2,519.44</b>                       | <b>9,492.99</b>         |

|                                                     | As at<br>March 31, 2018 | Cash flows<br>Proceeds/<br>Repayments | As at<br>March 31, 2019 |
|-----------------------------------------------------|-------------------------|---------------------------------------|-------------------------|
| Long term borrowings (including current maturities) | 1,077.76                | 75.98                                 | 1,153.74                |
| Short term borrowings                               | -                       | 5,819.81                              | 5,819.81                |
| <b>Total liabilities from financing activities</b>  | <b>1,077.76</b>         | <b>5,895.79</b>                       | <b>6,973.55</b>         |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 19 | SHARE CAPITAL

##### a) Details of share capital is as follows:

|                                                                                | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised share capital</b>                                                |                         |                         |
| 1805 lakhs (As at March 31, 2019 : 1805 lakhs), equity shares of ₹ 2 each)*    | 3,610.00                | 3,610.00                |
|                                                                                | <b>3,610.00</b>         | <b>3,610.00</b>         |
| <b>Issued, subscribed and fully paid up capital</b>                            |                         |                         |
| 681.58 lakhs (As at March 31, 2019 : 681.58 lakhs), equity shares of ₹ 2 each) | 1,363.15                | 1,363.15                |
|                                                                                | <b>1,363.15</b>         | <b>1,363.15</b>         |

\*Authorised share capital of the Company has been increased pursuant to the scheme of merger approved by National Company Law Tribunal ("NCLT") [Refer Note no 38(c)]. Consequently, the Company has filed form no INC-28 with the ROC on November 09, 2020.

##### b. Reconciliation of authorised share capital

|                                                                                                       | Equity Shares               |                 |
|-------------------------------------------------------------------------------------------------------|-----------------------------|-----------------|
|                                                                                                       | No. of shares<br>(in Lakhs) | Amount          |
| As at March 31, 2019                                                                                  | 750.00                      | 1,500.00        |
| Acquired from Lumax DK Auto Industries Limited due to merger w.e.f. april 01, 2018 [Refer note 38(c)] | 1,055.00                    | 2,110.00        |
| Total As on March 31, 2019                                                                            | 1,805.00                    | 3,610.00        |
| Increase/(Decrease) during the year                                                                   | -                           | -               |
| <b>As at March 31, 2020</b>                                                                           | <b>1,805.00</b>             | <b>3,610.00</b> |

##### c. Reconciliation of issued, subscribed and paid up share capital

|                                                                    | Equity Shares               |                 |
|--------------------------------------------------------------------|-----------------------------|-----------------|
|                                                                    | No. of shares<br>(in Lakhs) | Amount          |
| <b>Equity shares of ₹ 2 each issued, subscribed and fully paid</b> |                             |                 |
| As at April 01, 2018                                               | 681.58                      | 1,363.16        |
| Issued during the year                                             | -                           | -               |
| As at March 31, 2019                                               | 681.58                      | 1,363.16        |
| Issued during the year                                             | -                           | -               |
| <b>As at March 31, 2020</b>                                        | <b>681.58</b>               | <b>1,363.16</b> |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### d) Terms/ rights attached to equity shares:

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity is entitled to one vote per share.

The Group declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of any preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### e) Details of shareholders holding more than 5% shares in the company

| Name of the shareholder                                                  | As at<br>March 31, 2020     |                                      | As at<br>March 31, 2019     |                                      |
|--------------------------------------------------------------------------|-----------------------------|--------------------------------------|-----------------------------|--------------------------------------|
|                                                                          | No. of shares<br>(in Lakhs) | % holding<br>in the equity<br>shares | No. of shares<br>(in Lakhs) | % holding<br>in the equity<br>shares |
| Equity shares of ₹2 each fully paid                                      |                             |                                      |                             |                                      |
| Lumax Finance Private Limited, an enterprise with significant influence  | 121.11                      | 17.77%                               | 121.11                      | 17.77%                               |
| D. K. Jain, Director                                                     | -                           | -                                    | 82.76                       | 12.14%                               |
| Albula Investment Fund Limited, an enterprise with significant influence | 61.58                       | 9.04%                                | 61.58                       | 9.04%                                |
| D. K. Jain & Sons (HUF), an enterprise with significant influence        | 59.31                       | 8.70%                                | 59.05                       | 8.66%                                |
| Deepak Jain, Director                                                    | 99.52                       | 14.60%                               | 45.73                       | 6.71%                                |
| Anmol Jain, Managing Director                                            | 99.49                       | 14.60%                               | 43.11                       | 6.33%                                |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 20 | OTHER EQUITY

##### (a) Reconciliation of Other Equity

|                                                                                      | Retained earnings | Capital Reserve | Securities premium | General reserve | FVTOCI reserve    | Total            |
|--------------------------------------------------------------------------------------|-------------------|-----------------|--------------------|-----------------|-------------------|------------------|
| <b>As at April 01, 2018</b>                                                          | 27,706.34         | 289.31          | 4,528.55           | 1,726.40        | 9,504.89          | 43,755.49        |
| Less: Amount reclassified on account of merger as at April 01, 2018 (Refer Note 38C) | (15,265.35)       | (300.37)        | -                  | (405.58)        | (151.76)          | (16,123.06)      |
| Add: Amount reclassified on account of merger as at April 01, 2018 (Refer Note 38C)  | 15,265.35         | 300.37          | -                  | 405.58          | 151.76            | 16,123.06        |
| <b>Total as at April 01, 2018</b>                                                    | <b>27,706.34</b>  | <b>289.31</b>   | <b>4,528.55</b>    | <b>1,726.40</b> | <b>9,504.89</b>   | <b>43,755.49</b> |
| Profit for the year                                                                  | 6,588.78          | -               | -                  | -               | -                 | 6,588.78         |
| Other comprehensive income for the year (net of tax)                                 | -                 | -               | -                  | -               | (1,734.82)        | (1,734.82)       |
|                                                                                      | <b>34,295.12</b>  | <b>289.31</b>   | <b>4,528.55</b>    | <b>1,726.40</b> | <b>7,770.07</b>   | <b>48,609.45</b> |
| Less: Dividend Paid (including dividend distribution tax)                            | (1,926.57)        | -               | -                  | -               | -                 | (1,926.57)       |
| Less: Amount Transfer to General Reserve                                             | -                 | -               | -                  | -               | (31.69)           | (31.69)          |
| <b>As at March 31, 2019</b>                                                          | <b>32,368.55</b>  | <b>289.31</b>   | <b>4,528.55</b>    | <b>1,726.40</b> | <b>7,738.38</b>   | <b>46,651.19</b> |
| Profit for the year                                                                  | 5,803.89          | -               | -                  | -               | -                 | 5,803.89         |
| Transfer to General Reserve                                                          | -                 | -               | -                  | -               | (0.70)            | (0.70)           |
| Other comprehensive income for the year (net of tax)                                 | (21.90)           | -               | -                  | -               | (5,071.50)        | (5,093.40)       |
| <b>Total comprehensive income</b>                                                    | <b>5,781.99</b>   | <b>-</b>        | <b>-</b>           | <b>-</b>        | <b>(5,072.20)</b> | <b>709.79</b>    |
| Less : Dividend Paid                                                                 | (3,407.87)        | -               | -                  | -               | -                 | (3,407.87)       |
| Less: Dividend Distribution Tax Paid                                                 | (700.50)          | -               | -                  | -               | -                 | (700.50)         |
| <b>As at March 31, 2020</b>                                                          | <b>34,042.18</b>  | <b>289.31</b>   | <b>4,528.55</b>    | <b>1,726.40</b> | <b>2,666.18</b>   | <b>43,252.61</b> |

##### (b) Distributions made and proposed

|                                                                                                                                | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Holding Company</b>                                                                                                         |                         |                         |
| <b>Cash dividends on equity shares declared and paid</b>                                                                       |                         |                         |
| Final dividend for the year ended on March 31, 2019 ₹ 3 per share (As at March 31, 2018 ₹ 2 per share)                         | 2,044.80                | 1,363.15                |
| Interim dividend for the year ended on March 31, 2020 ₹ 2 per share (As at March 31, 2019 ₹ Nil)                               | 1,363.15                | -                       |
| Dividend Distribution Tax on final dividend                                                                                    | 602.13                  | 46.87                   |
| <b>Subsidiary company</b>                                                                                                      |                         |                         |
| Final cash dividends (share of minority) for the year ended on March 31, 2019: ₹ 15 per share (March 31, 2018: ₹ 15 per share) | 234.93                  | 234.93                  |
| Dividend Distribution Tax on final dividend                                                                                    | 107.31                  | 281.62                  |
| Interim dividend (share of minority) for the year ended on March 31, 2020 ₹ 10 per share (As at March 31, 2019 ₹ Nil)          | 156.62                  | -                       |
| Dividend Distribution Tax on Interim dividend                                                                                  | 71.47                   | -                       |
|                                                                                                                                | <b>4,580.42</b>         | <b>1,926.57</b>         |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Distributions made and proposed

|                                                                                                                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Proposed dividends on Equity shares *</b>                                                                                      |                         |                         |
| <b>Holding Company</b>                                                                                                            |                         |                         |
| Final cash dividend for the year ended on March 31, 2020 ₹ 1 per Share (March 31, 2019: ₹ 3 per share)***                         | 681.58                  | 2,044.72                |
| Dividend distribution tax on dividend**                                                                                           | -                       | 361.28                  |
| <b>Subsidiary company</b>                                                                                                         |                         |                         |
| Final cash dividends (share of minority) for the year ended on March 31, 2020: ₹ 15 per share (March 31, 2019: ₹ 15 per share)*** | 78.31                   | 234.93                  |
| Dividend distribution tax on dividend                                                                                             | -                       | 107.31                  |

\* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2020.

\*\* Dividend distribution tax on proposed dividend of holding Company has been shown net of dividend distribution tax credit availed on account of dividend receivable from subsidiaries.

\*\*\* Subject to Deduction of TDS at applicable rates.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 21 | BORROWINGS

##### a) Details of long term borrowings:

|                                                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Term Loans</b>                                                  |                         |                         |
| Term Loan from banks (secured)**                                   | 2,262.50                | 1,012.50                |
| <b>Long term maturities of finance lease obligation</b>            |                         |                         |
| Vehicle loan from banks (secured)*                                 | 78.07                   | 141.24                  |
| Less: current maturity disclosed under other financial liabilities |                         |                         |
| - term loan (refer note 25)                                        | (612.50)                | (250.00)                |
| - vehicle loan (refer note 25)                                     | (51.84)                 | (80.99)                 |
| <b>Total borrowings</b>                                            | <b>1,676.23</b>         | <b>822.75</b>           |
| <b>Total current (disclosed under other financial liabilities)</b> | <b>664.34</b>           | <b>330.99</b>           |
| <b>Total non -current</b>                                          | <b>1,676.23</b>         | <b>822.75</b>           |
| Aggregate secured loans                                            | 2,340.57                | 1,153.74                |
| Aggregate unsecured loans                                          | -                       | -                       |

#### Loans taken by the Holding Company

\*Vehicle loan amounting ₹ 39.77 lakhs (Previous year ₹ 77.67 lakhs) from banks at interest @ 8%-10% are secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of three years from the date of availment.

#### Loan taken by the subsidiaries Company

\*\* 1. Term loan amounting to ₹ 1000 Lakhs (March 31, 2019 ₹ Nil) from HDFC Bank repayable in 16 equal quarterly installment of ₹ 62.50 lakhs each, and secured by hypothecation on Plant & Machinery and carries interest @ 9.75%.

\*\* 2. Term loan amounting to ₹ 562.50 Lakhs (March 31, 2019 ₹ 812.50 Lakhs) from Bank secured by Exclusive charge on fixed assets and carries interest @ 8% - 9%.

\*\* 3. Term loan in ₹ amounting ₹ 700 Lakhs (March 31, 2019 ₹ 200 lakhs) carried interest @ 9.80% p.a. The loan is repayable in 16 equal quarterly installments of ₹ 43.75 lakhs each. The loan is secured by extension of charges by way of hypothecation on the plant and machinery.

\* 4. Vehicle loan amounting ₹ 38.30 lakhs (March 31, 2019 ₹ 63.57 lakhs) from banks at interest @ 8%-10% are secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of three years from the date of availment.



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### b) Details of short term borrowings:

|                                                              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| <b>Loan repayable On Demand (from financial institution)</b> |                         |                         |
| Working capital loan repayable on demand*                    | 6,850.00                | 5,000.00                |
| On cash credit accounts                                      | 302.41                  | 819.81                  |
| <b>Total</b>                                                 | <b>7,152.41</b>         | <b>5,819.81</b>         |

#### WCDL taken by the Holding Company

\* Working capital demand loan ₹ 6500 lakhs (March 31, 2019: ₹ 4500 lakhs) from financial institution is repayable in 180 days from respective drawdown and carries interest @8.60% per annum, pari- pasu charged over the current assets of the company.

#### WCDL taken by the subsidiary Company

Working capital demand loan ₹ 350 lakhs (March 31, 2019: ₹500 lakhs) from financial institution is repayable in 180 days from respective drawdown and carries interest@9.50% per annum.

#### Cash Credits taken by the subsidiary Company

Cash Credit ₹ 302.41 lakhs (March 31, 2019: ₹819.91 lakhs) secured by way of Pari-passu first charge of hypothecation on entire stocks consisting of raw material, work in progress, finished goods kept at Company's godown, factories and book debts along with receivables of the Company, both present and future and carries Interest ranging from 8.6%-10.80% per annum.

#### Loan covenants

The Company has satisfied all debt covenants prescribed in the terms of bank loans. The other loans do not carry any debt covenant.

## 22 | PROVISIONS

|                                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| <b>Non Current</b>                     |                         |                         |
| <b>Provision for employee benefits</b> |                         |                         |
| Provision for gratuity                 | 75.91                   | 104.77                  |
| Provision for Leave encashment         | 469.64                  | 701.54                  |
|                                        | <b>545.55</b>           | <b>806.31</b>           |
| <b>Current</b>                         |                         |                         |
| <b>Provision for employee benefits</b> |                         |                         |
| Provision for gratuity                 | 631.84                  | 422.17                  |
| Provision for leave encashment         | 556.43                  | 208.97                  |
| <b>Total</b>                           | <b>1,188.27</b>         | <b>631.15</b>           |
| <b>Current</b>                         | <b>1,188.27</b>         | <b>631.15</b>           |
| <b>Non- Current</b>                    | <b>545.55</b>           | <b>806.31</b>           |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 23 | OTHER LIABILITIES

##### Details of other liabilities

|                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Non Current</b>                      |                         |                         |
| Lease Liabilities                       | 2,135.46                | -                       |
|                                         | <b>2,135.46</b>         | -                       |
| <b>Current</b>                          |                         |                         |
| Statutory dues                          | 900.28                  | 889.07                  |
| Lease Liabilities                       | 733.79                  | -                       |
| Advance from customers                  | 90.00                   | 155.36                  |
| Other liabilities (net) (Refer Note 50) | 1,849.86                | 1,642.59                |
| <b>Total</b>                            | <b>3,573.93</b>         | <b>2,687.02</b>         |
| <b>Current</b>                          | 3,573.93                | 2,687.02                |
| <b>Non-current</b>                      | 2,135.46                | -                       |

#### 24 | TRADE PAYABLES

|                                                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Trade payables</b>                                   |                         |                         |
| - Trade payables                                           | 11,927.19               | 18,695.90               |
| - Related parties (refer note 41)                          | 2,503.70                | 4,186.39                |
| <b>B. Other payables</b>                                   |                         |                         |
| - Other payables                                           | 1,308.46                | 1,010.24                |
| <b>Total</b>                                               | <b>15,739.35</b>        | <b>23,892.53</b>        |
| <b>Payables to Micro and Small Enterprises</b>             | 885.97                  | 2,576.60                |
| <b>Payables to Others than Micro and Small Enterprises</b> | 14,853.38               | 21,315.94               |

- (a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

|                                                                                                                                                                                                                                                                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Principal amount due to micro and small enterprises                                                                                                                                                                                                                                | 885.97                  | 2,576.60                |
| Interest due on above                                                                                                                                                                                                                                                              | 10.04                   | 26.71                   |
|                                                                                                                                                                                                                                                                                    | <b>896.01</b>           | <b>2,603.31</b>         |
| 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.                                                           | 31.89                   | 22.28                   |
| The amount of interest accrued and remaining unpaid at the end of each accounting year.                                                                                                                                                                                            | 98.66                   | 56.73                   |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due 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 | -                       | -                       |

Trade payables are non-interest bearing and are normally settled on 30-90 days terms.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 25 | OTHER FINANCIAL LIABILITIES

|                                                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>Other financial liabilities at amortised cost</b> |                         |                         |
| <b>Current</b>                                       |                         |                         |
| Current maturity of vehicle loan (refer note 21)     | 51.84                   | 44.95                   |
| Current maturity of long term loan (refer note 21)   | 612.50                  | 286.04                  |
| Amount payable for property, plant and equipment     | 797.62                  | 899.40                  |
| Accrued salaries                                     | 1,292.36                | 2,380.55                |
| Unsecured deposits from customers                    | 1,122.90                | 412.73                  |
| Unpaid dividends*                                    | 22.54                   | 13.08                   |
| Other Liabilities                                    | 16.40                   | -                       |
| <b>Total</b>                                         | <b>3,916.15</b>         | <b>4,036.74</b>         |
| <b>Total current</b>                                 | <b>3,916.15</b>         | <b>4,036.74</b>         |
| <b>Total non- current</b>                            | <b>-</b>                | <b>-</b>                |

\*Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. Accordingly, the Holding Company has transferred ₹ Nil during the current year (March 31, 2019; ₹ 1.50 Lakhs) to the Investor Education and Protection Fund.

#### Breakup of financial liabilities at amortised cost:

|                                                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Trade payables (refer note - 24)                                   | 15,739.35               | 23,892.53               |
| Borrowings non current (refer note - 21)                           | 1,676.23                | 822.75                  |
| Borrowings short term (refer note - 21)                            | 7,152.41                | 5,819.81                |
| Current maturity of long term loan (refer note - 25)               | 612.50                  | 286.04                  |
| Current maturity of vehicle loan (refer note - 25)                 | 51.84                   | 44.95                   |
| Unsecured deposits from customers (refer note - 25)                | 1,122.90                | 412.73                  |
| Unpaid dividends (refer note - 25)                                 | 22.54                   | 13.08                   |
| Accrued salaries (refer note - 25)                                 | 1,292.36                | 2,380.55                |
| Amount payable for property, plant and equipment (refer note - 25) | 797.62                  | 899.40                  |
| Other Liabilities (refer note - 25)                                | 16.40                   | -                       |
| <b>Total financial liabilities carried at amortised cost</b>       | <b>28,484.15</b>        | <b>34,571.84</b>        |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 26 | REVENUE FROM CONTRACTS WITH CUSTOMER

The details of revenue from contracts with customers is as follows:

|                                                      | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Sale of products</b>                              |                                      |                                      |
| Finished goods (also Refer Note 50)                  | 88,848.44                            | 94,215.34                            |
| Traded goods                                         | 20,762.44                            | 20,413.61                            |
| <b>Total sale of products (A)</b>                    | <b>1,09,610.88</b>                   | <b>1,14,628.95</b>                   |
| <b>Sale of services</b>                              |                                      |                                      |
| Sale of service                                      | 1,659.40                             | 2,075.78                             |
| Job work income                                      | 400.05                               | 412.38                               |
| <b>Total sale of service (B)</b>                     | <b>2,059.45</b>                      | <b>2,488.16</b>                      |
| <b>Other operating revenue:</b>                      |                                      |                                      |
| Scrap sale                                           | 121.44                               | 124.80                               |
| Mould and tool sale                                  | 2,299.60                             | 1,455.96                             |
| <b>Total other operating revenue (C)</b>             | <b>2,421.05</b>                      | <b>1,580.76</b>                      |
| <b>Revenue from contracts with customers (A+B+C)</b> | <b>1,14,091.38</b>                   | <b>1,18,697.87</b>                   |

#### 26.1 Contract Balances

|                   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-------------------|--------------------------------------|--------------------------------------|
| Trade Receivables | 19,277.49                            | 27,754.79                            |

#### 27 | OTHER INCOME

|                                                                       | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-----------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Other non-operating income</b>                                     |                                      |                                      |
| Interest income                                                       |                                      |                                      |
| - On fixed deposits                                                   | 429.46                               | 182.69                               |
| - Others                                                              | 16.18                                | 17.30                                |
| Discount received                                                     | 138.66                               | 90.85                                |
| Liabilities no longer required written back                           | 197.63                               | 79.20                                |
| Miscellaneous income                                                  | 377.91                               | 523.11                               |
| Rental Income                                                         | 240.43                               | 203.54                               |
| Dividend Income                                                       | 282.13                               | 120.75                               |
| Net gain on foreign currency transaction and translation              | 0.96                                 | 1.00                                 |
| Net change in fair value of investment in equity shares held at FVTPL | 94.58                                | 124.00                               |
| Government Grant                                                      | 13.97                                | 13.75                                |
| Gain on sales of fixed assets                                         | 18.25                                | 39.15                                |
| <b>Total</b>                                                          | <b>1,810.15</b>                      | <b>1,395.34</b>                      |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 28 | COST OF RAW MATERIALS AND COMPONENTS CONSUMED

|                                                      | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|------------------------------------------------------|--------------------------------------|--------------------------------------|
| Inventory at the beginning of the year               | 2,617.80                             | 4,005.95                             |
| Add: Purchases                                       | 59,800.07                            | 62,610.19                            |
| Less: Inventory at the end of the year               | (2,335.33)                           | (2,617.80)                           |
| <b>Cost of raw materials and components consumed</b> | <b>60,082.54</b>                     | <b>63,998.34</b>                     |

#### 28 (a) Purchase of Traded Goods

|                                 | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Automotive Lamps/Components     | 15,484.12                            | 14,772.24                            |
| <b>Purchase of Traded Goods</b> | <b>15,484.12</b>                     | <b>14,772.24</b>                     |

#### 29 | COST OF MOULDS CONSUMED

|                                        | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|----------------------------------------|--------------------------------------|--------------------------------------|
| Inventory at the beginning of the year | 586.87                               | 707.13                               |
| Add: Purchases made during the year    | 2,478.59                             | 1,350.14                             |
| Less: Inventory write off*             | -                                    | (166.72)                             |
| Less: Exceptional Item (Refer Note 35) | -                                    | (143.39)                             |
| Less: Inventory at the end of the year | (1,077.73)                           | (586.87)                             |
| <b>Cost of moulds consumed</b>         | <b>1,987.73</b>                      | <b>1,160.29</b>                      |

\* During the previous year the management of one of its subsidiary carried out a detailed verification of physical existence, usability, saleability of its inventories including reconciliation of accounts with vendor. Accordingly management had written off the inventory of ₹ 166.72 lakhs in previous year.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 30 | (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

|                                                                                                      | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Opening stock</b>                                                                                 |                                      |                                      |
| - Finished goods                                                                                     | 835.14                               | 1,037.95                             |
| - Traded goods                                                                                       | 1,011.06                             | 1,342.35                             |
| - Work-in progress                                                                                   | 526.67                               | 355.40                               |
| - Acquisition adjustment*                                                                            | -                                    | 131.87                               |
| <b>Total (A)</b>                                                                                     | <b>2,372.87</b>                      | <b>2,867.57</b>                      |
| <b>Closing stock</b>                                                                                 |                                      |                                      |
| - Finished goods                                                                                     | 698.28                               | 835.14                               |
| - Traded goods                                                                                       | 1,622.56                             | 1,011.06                             |
| - Work-in progress                                                                                   | 367.63                               | 526.67                               |
| <b>Total (B)</b>                                                                                     | <b>2,688.47</b>                      | <b>2,372.87</b>                      |
| <b>Changes in inventories of finished goods</b>                                                      |                                      |                                      |
| - Finished goods                                                                                     | 136.86                               | 202.81                               |
| - Traded goods                                                                                       | (611.50)                             | 331.29                               |
| - Work-in progress                                                                                   | 159.04                               | (171.27)                             |
| - Acquisition adjustment*                                                                            | -                                    | 131.87                               |
| <b>(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods (A-B)</b> | <b>(315.60)</b>                      | <b>494.70</b>                        |

\* Lumax Gill - Austem Auto Technologies Private Limited established as an subsidiary of the Group due to the exercise of the casting vote w.e.f. April 01, 2018.

#### 31 | EMPLOYEE BENEFITS EXPENSE

|                                            | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries, wages and bonus                  | 12,044.90                            | 11,923.33                            |
| Contributions to provident and other funds | 506.44                               | 431.78                               |
| Gratuity expense (Refer note 39)           | 189.49                               | 152.07                               |
| Staff welfare expense                      | 736.98                               | 722.29                               |
| <b>Total</b>                               | <b>13,477.81</b>                     | <b>13,229.47</b>                     |

#### 32 | FINANCE COSTS

|                             | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Interest on term loans      | 129.37                               | 7.17                                 |
| Interest on working capital | 554.28                               | 147.26                               |
| Interest paid to others     | 272.58                               | 163.44                               |
| <b>Total</b>                | <b>956.24</b>                        | <b>317.87</b>                        |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 33 | DEPRECIATION AND AMORTISATION EXPENSE

|                                              | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation of tangible assets (note 3)     | 2,879.03                             | 2,579.07                             |
| Amortisation of intangible assets (note 4)   | 78.99                                | 70.10                                |
| Depreciation of investment property (note 6) | 57.41                                | 57.41                                |
| Amortisation of Right to use asset (note 5)  | 435.48                               | -                                    |
| <b>Total</b>                                 | <b>3,450.92</b>                      | <b>2,706.58</b>                      |

#### 34 | OTHER EXPENSES

|                                                       | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| Freight and forwarding charges                        | 1,801.44                             | 1,877.99                             |
| Job work charges                                      | 1,972.03                             | 2,063.95                             |
| Power and fuel                                        | 1,962.75                             | 1,961.66                             |
| Consumables                                           | 1,252.85                             | 1,185.44                             |
| Travelling and conveyance                             | 879.14                               | 869.74                               |
| Packing material consumed                             | 991.10                               | 914.34                               |
| Rent                                                  | 238.90                               | 682.46                               |
| Legal and professional fees                           | 607.24                               | 409.33                               |
| <b>Repairs and maintenance</b>                        |                                      | -                                    |
| - Plant and machinery                                 | 1,247.84                             | 950.33                               |
| - Building                                            | 124.09                               | 142.22                               |
| - Others                                              | 399.79                               | 427.86                               |
| Communication cost                                    | 104.97                               | 108.72                               |
| Bank Charges                                          | 30.46                                | 22.02                                |
| Design, support and testing charges                   | 169.57                               | 66.10                                |
| Rates and taxes                                       | 253.01                               | 126.94                               |
| Payment to auditors (refer detail below)*             | 65.69                                | 72.15                                |
| Insurance                                             | 162.15                               | 88.99                                |
| CSR expenditure (refer details below)**               | 187.72                               | 131.61                               |
| Vehicle expenses                                      | -                                    | 2.99                                 |
| Printing and stationery                               | 86.76                                | 78.44                                |
| Advertisement and sales promotion                     | 182.73                               | 187.89                               |
| Director's sitting fees                               | 23.20                                | 25.04                                |
| Management fees                                       | 383.18                               | 170.19                               |
| Research and Development expenses                     | -                                    | 286.68                               |
| Loss on sales of Property, plant and equipments (net) | 1.38                                 | -                                    |
| Exchange difference (net)                             | 82.10                                | 73.21                                |
| Provision for doubtful debts and advances             | 105.10                               | 15.70                                |
| Outstanding balances written off                      | 56.77                                | 166.72                               |
| Rebate & Discount                                     | -                                    | 4.04                                 |
| Miscellaneous expenses                                | 631.34                               | 614.55                               |
| Royalty                                               | 198.12                               | 145.64                               |
| Warranty                                              | 77.97                                | 153.44                               |
| <b>Total</b>                                          | <b>14,279.39</b>                     | <b>14,026.38</b>                     |



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Payment to Auditor (excluding applicable taxes)

|                                  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|----------------------------------|--------------------------------------|--------------------------------------|
| <b>As Auditor:</b>               |                                      |                                      |
| Audit Fee                        | 35.75                                | 30.74                                |
| Tax Audit Fee                    | 1.75                                 | 2.95                                 |
| Limited Review                   | 9.00                                 | 13.40                                |
| <b>In other Capacity:</b>        |                                      |                                      |
| Certification fees               | -                                    | 3.23                                 |
| Reimbursement of expenses        | 2.18                                 | 5.21                                 |
| <b>Auditor of Subsidiaries</b>   |                                      |                                      |
| Audit Fee                        | 8.93                                 | 10.68                                |
| Tax Audit Fee                    | 3.06                                 | 1.06                                 |
| Limited Review                   | 2.78                                 | 2.28                                 |
| <b>In other Capacity:</b>        |                                      |                                      |
| Certification and Other services | 2.24                                 | 2.60                                 |
| <b>Total</b>                     | <b>65.69</b>                         | <b>72.15</b>                         |

#### Details of CSR expenditure:

|                                                                    | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| (a) Gross amount required to be spent by the group during the year | 171.50                               | 121.05                               |
| i) Construction/acquisition of any asset                           | -                                    | -                                    |
| ii) On purposes other than (i) above in cash                       | 187.72                               | 131.61                               |
|                                                                    | <b>187.72</b>                        | <b>131.61</b>                        |

#### 35 | EXCEPTIONAL ITEM

|                                 | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Exceptional item of subsidiary* | -                                    | 603.11                               |
| <b>Total</b>                    | <b>-</b>                             | <b>603.11</b>                        |

\*Exceptional items in previous year refers to impairment and write off assets of one of the product line in respect of one of the subsidiary Company.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 36 | COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

|                                                | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| Re-measurement losses on defined benefit plans | (29.14)                              | (9.34)                               |
| Deferred tax thereon                           | 7.24                                 | 4.56                                 |
| Loss on FVTOCI equity securities               | (5,113.50)                           | (1,879.81)                           |
| Deferred tax thereon                           | 48.87                                | 154.70                               |
|                                                | <b>(5,086.53)</b>                    | <b>(1,729.89)</b>                    |

#### 37 | EARNINGS PER SHARE (EPS)

- a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.
- b) Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

#### c) The following reflects the income and share data used in the basic and diluted EPS computations:

|                                                                                                                                   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Profit attributable to the equity holders of the Group</b>                                                                     |                                      |                                      |
| Continuing Operations (excluding non- controlling interest)                                                                       | 4,978.60                             | 5,322.78                             |
| Discontinued Operations                                                                                                           | 825.29                               | 1,266.00                             |
| <b>Total profit attributable to the equity holders of the Group</b>                                                               | <b>5,803.89</b>                      | <b>6,588.79</b>                      |
| Weighted average number of equity shares for basic and diluted EPS (in lakhs)                                                     | 681.58                               | 681.58                               |
| Basic and diluted earnings per share (face value ₹ 2 per share, PY ₹ 10 per share) for Continuing Operations (₹)                  | 7.30                                 | 7.81                                 |
| Basic and diluted earnings per share (face value ₹ 2 per share, PY ₹ 10 per share) for Discontinued Operations (₹)                | 1.21                                 | 1.86                                 |
| Basic and diluted earnings per share (face value ₹ 2 per share, PY ₹ 10 per share) for Continuing and Discontinued Operations (₹) | 8.52                                 | 9.67                                 |

- d) There has not been any transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 38 | GROUP INFORMATION

##### (a) Information about subsidiaries and joint ventures

The Consolidated financial statements of the Group includes subsidiaries and Joint venture listed in the below table:

| Name                                                  | Relationship  | Principal activities                   | Country of incorporation | % Equity interest |                |
|-------------------------------------------------------|---------------|----------------------------------------|--------------------------|-------------------|----------------|
|                                                       |               |                                        |                          | March 31, 2020    | March 31, 2019 |
| Lumax DK Auto Industries Limited (Refer Note 38(c))   | Subsidiary    | Manufacturing of Automobile Components | India                    | -                 | -              |
| Lumax Mannoh Allied Technologies Limited              | Subsidiary    | Manufacturing of Automobile Components | India                    | 55%               | 55%            |
| Lumax Integrated Ventures Private Limited             | Subsidiary    | Investment Company                     | India                    | 100%              | 100%           |
| Lumax Management Services Private Limited             | Subsidiary    | Service provider                       | India                    | 100%              | 100%           |
| Lumax Cornaglia Auto Technologies Private Limited     | Subsidiary    | Manufacturing of Automobile Components | India                    | 50%               | 50%            |
| Lumax Gill - Austem Auto Technologies Private Limited | Subsidiary    | Manufacturing of Automobile Components | India                    | 50%               | 50%            |
| Lumax FAE Technologies Limited                        | Subsidiary    | Manufacturing of Automobile Components | India                    | 51%               | 51%            |
| Lumax JOPP Allied Technologies Private Limited*       | Subsidiary    | Manufacturing of Automobile Components | India                    | 50%               | -              |
| Lumax Yokowo Technologies Private Limited             | Subsidiary    | Manufacturing of Automobile Components | India                    | 100%              | -              |
| Lumax Ituran Telematics Private Limited               | Joint venture | Manufacturing of Automobile Components | India                    | 50%               | 50%            |

\*During the year, Lumax Jopp Allied Technologies Private Limited (subsidiary company) started its commercial production at Manesar on February 27, 2020

##### (b) Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

| Name                                                  | Principal activities                   | Country of incorporation | % Equity interest held by non-controlling parties |                      |
|-------------------------------------------------------|----------------------------------------|--------------------------|---------------------------------------------------|----------------------|
|                                                       |                                        |                          | As at March 31, 2020                              | As at March 31, 2019 |
| Lumax Mannoh Allied Technologies Limited              | Manufacturing of Automobile Components | India                    | 45%                                               | 45%                  |
| Lumax Cornaglia Auto Technologies Private Limited     | Manufacturing of Automobile Components | India                    | 50%                                               | 50%                  |
| Lumax Gill - Austem Auto Technologies Private Limited | Manufacturing of Automobile Components | India                    | 50%                                               | 50%                  |
| Lumax FAE Technologies Limited                        | Manufacturing of Automobile Components | India                    | 49%                                               | 49%                  |
| Lumax JOPP Allied Technologies Private Limited        | Manufacturing of Automobile Components | India                    | 50%                                               | -                    |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (c) Scheme of Amalgamation

Lumax Auto Technologies Limited ("the Holding Company" or "Transferee Company") and its wholly owned subsidiary Company, namely "Lumax DK Auto Industries Limited" (Transferor Company), had filed the Scheme of Amalgamation, ("the Scheme") under section 230 to 232 of the Companies Act 2013 read with Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, (as amended from time to time) with National Company law tribunal ("NCLT"), which has been approved on **October 31, 2019** and filed with Registrar of Companies on **November 09, 2019**, accordingly the same has become effective from appointed date as per scheme which is April 01, 2018. The Holding Company has applied principles of Appendix C to Ind-AS 103 - 'Business Combinations of entities under Common Control' w.e.f. April 01, 2018.

The Transferor Company is engaged in the business of manufacturing of Automobile Components.

#### Accounting treatment

Below is the summary of accounting treatment which has been given effect to in these standalone financial statement, in accordance with accounting treatment prescribed in the scheme:

- The Holding Company has recorded the assets and liabilities of the transferor Company at the respective book values as appearing in the books of transferor Company, prepared in accordance with Indian Accounting Standard (Ind-AS).
- Amounts lying in the balance of the "Profit and Loss Account" in the books of account of the Transferor Company is taken by the Transferee Company to its balance in "Profit and Loss Account".
- The inter-company balances between the Transferee Company and the Transferor Company, appearing in the books of the Transferee Company have been cancelled. However, no elimination of inter company transactions has been made for transactions entered upto March 31, 2017.
- Pursuant to amalgamation, the value of investments amounting to ₹ 123.66 lakhs in "Lumax DK Auto Industries Limited" held by the Holding Company on the Appointed date has been cancelled with equity share capital of transferor company and the difference of ₹300.37 lakhs between the share-capital of the Transferor Company and the book value of the investments cancelled has been transferred to Capital Reserve in accordance with Ind AS 103 -Business Combinations and the scheme of amalgamation.
- Subject to the above, the reserves of the Transferor Company is incorporated in the books of the Transferee Company in the same form as they appeared in the financial statements, prepared in accordance with Indian Accounting Standards, of the Transferor Company.
- The Holding Company has restated the financial information as at and for year ended March 31, 2019 and also the corresponding comparative information as if the business combination has occurred from the beginning of the preceding period i.e. April 01, 2018 in accordance with Appendix C to Ind-AS 103 - 'Business Combinations of entities under Common Control' and the schemes.

#### Summary of Accounting treatment pursuant to scheme of amalgamation on Appointed date i.e. April 01, 2018

|                               | As at<br>March 31, 2018 |
|-------------------------------|-------------------------|
| <b>ASSETS</b>                 |                         |
| <b>I. Non-current assets</b>  |                         |
| Property, plant and equipment | 7,636.22                |
| Capital work in progress      | 23.09                   |
| Investment property           | 1,930.74                |
| Intangible assets             | 29.63                   |
| Financial assets              |                         |
| - Investments                 | 533.34                  |
| - Loans                       | 86.10                   |
| Income tax asset(net)         | 296.54                  |
| Other non- current assets     | 75.93                   |
|                               | <b>10,611.59</b>        |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

|                                                                                        | As at<br>March 31, 2018 |
|----------------------------------------------------------------------------------------|-------------------------|
| <b>II. Current assets</b>                                                              |                         |
| Inventories                                                                            | 846.96                  |
| Financial assets                                                                       |                         |
| - Investment                                                                           | 1,477.10                |
| - Loans                                                                                | 7.60                    |
| - Trade receivables                                                                    | 8,206.77                |
| - Cash and cash equivalents                                                            | 603.08                  |
| - Other bank balances                                                                  | 993.90                  |
| - Other financial assets                                                               | 32.25                   |
| Other current assets                                                                   | 104.13                  |
|                                                                                        | <b>12,271.79</b>        |
| <b>Total Assets (A)</b>                                                                | <b>22,883.38</b>        |
| <b>LIABILITIES</b>                                                                     |                         |
| <b>I. Non- current liabilities</b>                                                     |                         |
| Provisions                                                                             | 251.81                  |
| Deferred tax liabilities (net)                                                         | 792.61                  |
|                                                                                        | <b>1,044.42</b>         |
| <b>II. Current liabilities</b>                                                         |                         |
| Financial liabilities                                                                  |                         |
| - Trade payables                                                                       |                         |
| - Payables to Micro and Small Enterprises                                              | -                       |
| - Payables to other than Micro and Small Enterprises                                   | 4,932.94                |
| - Other financial liabilities                                                          | 449.42                  |
| Provisions                                                                             | 43.78                   |
| Other current liabilities                                                              | 166.10                  |
|                                                                                        | <b>5,592.24</b>         |
| <b>Total Liabilities (B)</b>                                                           | <b>6,636.66</b>         |
| <b>Net assets taken over</b>                                                           | <b>16,246.72</b>        |
| <b>Reserves of the Transferor Company</b>                                              |                         |
| Retained earning                                                                       | 15,265.35               |
| FVTOCI reserve                                                                         | 151.76                  |
| General reserve                                                                        | 405.58                  |
| <b>Total Reserve (C)</b>                                                               | <b>15,822.69</b>        |
| <b>Net Assets taken over (D) = (A) - (B) - (C)</b>                                     | <b>424.03</b>           |
| <b>Investment in the books of Lumax Auto Technologies Limited as on April 01, 2018</b> | <b>123.66</b>           |
| <b>Balance transferred to Capital Reserve</b>                                          | <b>300.37</b>           |

- (g) Further in accordance with the scheme, the authorised share capital of the Holding Company has been increased by merging the authorised share capital of transferor Company, resulting in increase in authorised equity share capital by ₹ 2,110 lakhs. Accordingly, the Authorised Capital of the Holding Company post merger stands to ₹ 3,610 lakhs divided into 1805 lakhs equity Shares of ₹ 2/- each.
- (h) The transferor company was wholly owned subsidiary of the Holding Company and its entire share capital was held by the Holding Company and its nominees. Upon the Scheme becoming effective, the shares held by the holding Company and its nominees in the Transferor Company stands cancelled and extinguished without any further application, act, instrument or deed and no shares shall be issued to the shareholders of the Transferor Company.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (d) Information regarding non-controlling interest

|                                                                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Accumulated balances of material non-controlling interest</b>                        | 4,214.07                | 4,231.41                |
| <b>Total Comprehensive income/(loss) allocated to material non-controlling interest</b> |                         |                         |
| - Lumax Mannoh Allied Technologies Limited                                              | 514.22                  | 567.83                  |
| - Lumax Cornaglia Auto Technologies Private Limited                                     | 22.52                   | (252.63)                |
| - Lumax Gill-Austem Auto Technologies Private Limited                                   | (367.47)                | (6.08)                  |
| - Lumax FAE Technologies Private Limited                                                | (3.63)                  | (3.94)                  |
| - Lumax JOPP Allied Technologies Private Limited                                        | (36.86)                 | -                       |

#### (e) Summarised statement of profit and loss for the year ended March 31, 2020

|                                                                                                                                              | Lumax Mannoh Allied Technologies Limited | Lumax Gill - Austem Auto Technologies Private Limited | Lumax Integrated Ventures Private Limited** | Lumax Cornaglia Auto Technologies Private Limited | Lumax Management Services Private Limited | Lumax FAE Technologies Private Limited | Lumax JOPP Allied Technologies Private Limited | Lumax Yokowo Technologies Private Limited |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------|---------------------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------------------|------------------------------------------------|-------------------------------------------|
| Total Income                                                                                                                                 | 12,647.38                                | 2,554.44                                              | 164.40                                      | 4,769.32                                          | 2,593.28                                  | 4.20                                   | 0.77                                           | -                                         |
| Consumption*                                                                                                                                 | 7,770.80                                 | 1,918.69                                              | 142.89                                      | 2,934.60                                          | -                                         | -                                      | 0.04                                           | -                                         |
| Other expenses (including Employee benefit and depreciation)                                                                                 | 3,264.98                                 | 1,318.23                                              | 37.80                                       | 1,709.19                                          | 2,435.75                                  | 11.60                                  | 73.49                                          | -                                         |
| Finance costs                                                                                                                                | 107.19                                   | 52.37                                                 | -                                           | 153.94                                            | 67.60                                     | -                                      | -                                              | -                                         |
| <b>Profit/(loss) before tax</b>                                                                                                              | <b>1,504.41</b>                          | <b>(734.85)</b>                                       | <b>(16.29)</b>                              | <b>(28.41)</b>                                    | <b>89.93</b>                              | <b>(7.40)</b>                          | <b>(72.76)</b>                                 | <b>-</b>                                  |
| Income tax                                                                                                                                   | 371.32                                   | -                                                     | 2.23                                        | (68.16)                                           | 63.74                                     | -                                      | 0.84                                           | -                                         |
| <b>Profit/(loss) for the year</b>                                                                                                            | <b>1,133.10</b>                          | <b>(734.85)</b>                                       | <b>(18.52)</b>                              | <b>39.74</b>                                      | <b>26.18</b>                              | <b>(7.40)</b>                          | <b>(73.60)</b>                                 | <b>-</b>                                  |
| <b>Total comprehensive income/(loss) for the year, net of tax (comprising net profit/(loss) for the year and other comprehensive income)</b> | <b>1,142.70</b>                          | <b>(734.94)</b>                                       | <b>(18.52)</b>                              | <b>45.04</b>                                      | <b>30.26</b>                              | <b>(7.40)</b>                          | <b>(73.72)</b>                                 | <b>-</b>                                  |
| Attributable to non-controlling Interests                                                                                                    | 514.22                                   | (367.47)                                              | -                                           | 22.52                                             | -                                         | (3.63)                                 | (36.86)                                        | -                                         |
| Dividends paid to non-controlling Interests (including DDT)                                                                                  | (472.05)                                 | -                                                     | -                                           | -                                                 | -                                         | -                                      | -                                              | -                                         |

\* Consumption included cost of raw material consumed, cost of mould consumed and changes in finished goods, raw material and work in progress and purchase of traded goods.

\*\* SIPAL Engineering Private Limited being step down associate of Lumax Integrated Ventures Private Limited has not been presented as a part of above disclosure.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (f) Summarised statement of profit and loss for the year ended March 31, 2019

|                                                                                                                                              | Lumax Mannoh Allied Technologies Limited | Lumax Gill - Austem Auto Technologies Private Limited | Lumax Integrated Ventures Private Limited | Lumax Cornaglia Auto Technologies Private Limited | Lumax Management Services Private Limited | Lumax FAE Technologies Private Limited |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------|-------------------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------------------|
| Total Income                                                                                                                                 | 14,466.11                                | 3,671.70                                              | 12.42                                     | 4,467.38                                          | 2,963.42                                  | 1.25                                   |
| Consumption*                                                                                                                                 | (9,398.41)                               | (2,392.60)                                            | (10.74)                                   | (2,653.26)                                        | -                                         | -                                      |
| Other expenses (including employee benefit and depreciation)                                                                                 |                                          |                                                       |                                           |                                                   |                                           |                                        |
| Finance costs                                                                                                                                | (3,335.74)                               | (1,274.64)                                            | (20.79)                                   | (1,711.71)                                        | (2,231.53)                                | (9.30)                                 |
| Exceptional Item                                                                                                                             | (5.55)                                   | (9.06)                                                | -                                         | (36.19)                                           | (7.17)                                    | -                                      |
| <b>Profit/(loss) before tax</b>                                                                                                              | <b>1,726.41</b>                          | <b>(4.60)</b>                                         | <b>(19.11)</b>                            | <b>(536.89)</b>                                   | <b>724.72</b>                             | <b>(8.04)</b>                          |
| Income tax                                                                                                                                   | (467.86)                                 | (7.44)                                                | 0.27                                      | 24.62                                             | (184.35)                                  | -                                      |
| <b>Profit/(loss) for the year</b>                                                                                                            | <b>1,258.55</b>                          | <b>(12.04)</b>                                        | <b>(18.85)</b>                            | <b>(512.27)</b>                                   | <b>540.37</b>                             | <b>(8.04)</b>                          |
| <b>Total comprehensive income/(loss) for the year, net of tax (comprising net profit/(loss) for the year and other comprehensive income)</b> | <b>1,261.84</b>                          | <b>(12.16)</b>                                        | <b>(18.85)</b>                            | <b>(505.25)</b>                                   | <b>544.17</b>                             | <b>(8.04)</b>                          |
| Attributable to non-controlling Interests                                                                                                    | 567.83                                   | (6.08)                                                | -                                         | (252.63)                                          | -                                         | (4.02)                                 |
| Dividends paid to non-controlling Interests                                                                                                  | -                                        | -                                                     | -                                         | -                                                 | -                                         | -                                      |

\* Consumption included cost of raw material consumed, cost of mould consumed and changes in finished goods, raw material and work in progress and purchase of traded goods.

#### (g) Summarised balance sheet as at March 31, 2020

|                                                                                 | Lumax Mannoh Allied Technologies Limited | Lumax Gill - Austem Auto Technologies Private Limited | Lumax Integrated Ventures Private Limited | Lumax Cornaglia Auto Technologies Private Limited | Lumax Management Services Private Limited | Lumax FAE Technologies Private Limited | Lumax JOPP Allied Technologies Private Limited | Lumax Yokowo Technologies Private Limited |
|---------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------|-------------------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------------------|------------------------------------------------|-------------------------------------------|
| Inventories and cash and cash equivalents, other bank balance                   | 3,019.64                                 | 261.52                                                | 4.24                                      | 1,717.50                                          | 132.38                                    | 54.46                                  | 30.60                                          | 1.00                                      |
| Non current assets and current assets except shown above                        | 4,533.38                                 | 1,649.30                                              | 51.83                                     | 4,988.34                                          | 7,131.24                                  | 1,813.27                               | 60.95                                          | -                                         |
| Trade and other payable and current liability, provisions                       | (3,448.97)                               | (1,171.92)                                            | (0.98)                                    | (2,625.83)                                        | (1,294.28)                                | (860.17)                               | (13.47)                                        | -                                         |
| Interest-bearing loans and borrowing and deferred tax liabilities (non-current) | (56.76)                                  | (104.22)                                              | (0.24)                                    | (1,437.40)                                        | (327.11)                                  | (630.32)                               | (0.81)                                         | -                                         |
| <b>Total equity</b>                                                             | <b>4,047.29</b>                          | <b>634.67</b>                                         | <b>54.85</b>                              | <b>2,642.61</b>                                   | <b>5,642.23</b>                           | <b>377.24</b>                          | <b>77.28</b>                                   | <b>1.00</b>                               |
| <b>Attributable to:</b>                                                         |                                          |                                                       |                                           |                                                   |                                           |                                        |                                                |                                           |
| Equity holders of parent                                                        | 2,226.01                                 | 317.34                                                | 54.85                                     | 1,321.30                                          | 5,642.23                                  | 188.62                                 | 38.64                                          | 0.50                                      |
| Non-controlling interest                                                        | 1,821.28                                 | 317.34                                                | -                                         | 1,321.30                                          | -                                         | 188.62                                 | 38.64                                          | 0.50                                      |



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (h) Summarised balance sheet as at March 31, 2019

|                                                                                 | Lumax Mannoh Allied Technologies Limited | Lumax Gill - Austem Auto Technologies Private Limited | Lumax Integrated Ventures Private Limited | Lumax Cornaglia Auto Technologies Private Limited | Lumax Management Services Private Limited | Lumax FAE Technologies Private Limited |
|---------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------|-------------------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------------------|
| Inventories and cash and cash equivalents, other bank balance                   | 2,989.20                                 | 361.16                                                | 146.69                                    | 700.25                                            | 219.80                                    | 170.04                                 |
| Non current assets and current assets except shown above                        | 3,751.96                                 | 1,688.65                                              | 69.63                                     | 3,677.57                                          | 6,733.95                                  | 420.65                                 |
| Trade and other payable and current liability, provisions                       | (2,676.34)                               | (584.65)                                              | (154.50)                                  | (1,426.94)                                        | (1,334.25)                                | (6.04)                                 |
| Interest-bearing loans and borrowing and deferred tax liabilities (non-current) | (111.23)                                 | (95.59)                                               | -                                         | (853.39)                                          | (590.03)                                  | (200.00)                               |
| <b>Total equity</b>                                                             | <b>3,953.59</b>                          | <b>1,369.59</b>                                       | <b>61.81</b>                              | <b>2,097.48</b>                                   | <b>5,029.47</b>                           | <b>384.65</b>                          |
| <b>Attributable to:</b>                                                         |                                          |                                                       |                                           |                                                   |                                           |                                        |
| Equity holders of parent                                                        | 2,174.47                                 | 684.79                                                | 61.81                                     | 1,048.74                                          | 5,029.47                                  | 196.17                                 |
| Non-controlling interest                                                        | 1,779.12                                 | 684.79                                                | -                                         | 1,048.74                                          | -                                         | 188.48                                 |

#### (i) Summarised Cash flow for the year ended March 31, 2020

|                                                             | Lumax Mannoh Allied Technologies Limited | Lumax Gill - Austem Auto Technologies Private Limited | Lumax Integrated Ventures Private Limited | Lumax Cornaglia Auto Technologies Private Limited | Lumax Management Services Private Limited | Lumax FAE Technologies Private Limited | Lumax JOPP Allied Technologies Private Limited | Lumax Yokowo Technologies Private Limited |
|-------------------------------------------------------------|------------------------------------------|-------------------------------------------------------|-------------------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------------------|------------------------------------------------|-------------------------------------------|
| Operating activities                                        | 1,036.22                                 | 708.71                                                | 7.12                                      | (539.93)                                          | 181.51                                    | 1,009.27                               | (77.28)                                        | -                                         |
| Investing activities                                        | (165.12)                                 | (676.51)                                              | (8.68)                                    | (458.34)                                          | (525.39)                                  | (1,450.77)                             | (44.42)                                        | -                                         |
| Financing activities                                        | (1,318.34)                               | (41.39)                                               | 2.00                                      | 997.83                                            | 256.46                                    | 325.92                                 | 151.00                                         | 1.00                                      |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>(447.24)</b>                          | <b>(9.19)</b>                                         | <b>0.44</b>                               | <b>(0.44)</b>                                     | <b>(87.42)</b>                            | <b>(115.58)</b>                        | <b>29.30</b>                                   | <b>1.00</b>                               |

#### (j) Summarised Cash flow for the year ended March 31, 2019

|                                                             | Lumax Mannoh Allied Technologies Limited | Lumax Gill - Austem Auto Technologies Private Limited | Lumax Integrated Ventures Private Limited | Lumax Management Services Private Limited | Lumax Cornaglia Auto Technologies Private Limited | Lumax FAE Technologies Private Limited |
|-------------------------------------------------------------|------------------------------------------|-------------------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------------------------------------|----------------------------------------|
| Operating activities                                        | 970.19                                   | (152.58)                                              | (17.69)                                   | 1,279.06                                  | (30.96)                                           | (402.42)                               |
| Investing activities                                        | (204.53)                                 | (110.16)                                              | -                                         | (4,429.08)                                | (712.70)                                          | (20.32)                                |
| Financing activities                                        | (629.39)                                 | (104.64)                                              | -                                         | 3,327.74                                  | 672.73                                            | 591.79                                 |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>136.27</b>                            | <b>(367.38)</b>                                       | <b>(17.69)</b>                            | <b>177.72</b>                             | <b>(70.93)</b>                                    | <b>169.05</b>                          |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (k) Interest in joint venture

The Group has a 50% interest in Lumax Ituran Telematics Private Limited, a joint venture involved in the manufacture of some of the Group's main product lines in automotive equipment in India. The Group's interest in Lumax Ituran Telematics Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

##### (a) Summarised balance sheet of Lumax Ituran Telematics Private Limited

|                                                                                 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------------------------------|-------------------------|-------------------------|
| Inventories and cash and cash equivalents, other bank balance                   | 16.05                   | 9.03                    |
| Non current assets and current assets except shown above                        | 66.86                   | 1.67                    |
| Trade and other payable and current liability, provisions                       | (29.80)                 | (1.68)                  |
| Interest-bearing loans and borrowing and deferred tax liabilities (non-current) | (6.41)                  | (0.03)                  |
| Equity                                                                          | 46.70                   | 8.99                    |
| Proportion of the Group's ownership                                             | 50%                     | 50%                     |
| Carrying amount of the investment                                               | 23.40                   | 4.55                    |

##### (b) Summarised statement of profit and loss of the Lumax Ituran Telematics Private Limited:

|                                              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------|-------------------------|-------------------------|
| Total Income                                 | 4.07                    | 0.66                    |
| Cost of raw material and components consumed | 3.56                    | -                       |
| Depreciation & amortisation                  | 2.16                    | 0.58                    |
| Employee benefit                             | 47.35                   | 46.36                   |
| Other expense                                | 32.17                   | 11.68                   |
| <b>Loss before tax</b>                       | <b>(81.17)</b>          | <b>(57.96)</b>          |
| Income tax expense                           | 0.04                    | 0.03                    |
| <b>Loss for the year</b>                     | <b>(81.21)</b>          | <b>(57.99)</b>          |
| <b>Total comprehensive loss for the year</b> | <b>(81.21)</b>          | <b>(57.99)</b>          |
| <b>Group's share of Loss for the year</b>    | <b>(40.61)</b>          | <b>(29.00)</b>          |

The group had no contingent liabilities or capital commitments relating to its interest in Lumax Ituran Telematics Private Limited as at March 31, 2020. The joint venture had no other contingent liabilities or capital commitments as at March 31, 2020. Lumax Ituran Telematics Private Limited cannot distribute its profits until it obtains the consent from the two venture partners.

- (c) SIPAL Engineering Private Limited being step down associate of Lumax Integrated Ventures Private Limited has not been presented as a part of the above disclosure.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 39 | GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group offers the employee benefit schemes of gratuity to its employees. Benefits payable to eligible employees of the Group with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service.

- a) During the year, the group has recognised the following amounts in the statement of profit and loss :

##### Defined contribution plans

|                                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Employer's contribution to provident fund & Other funds | 506.44                  | 431.78                  |

##### b) Defined Benefit Obligation

The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

|                                                                     | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                     | Gratuity                | Gratuity                |
| <b>Cost for the year included under employee benefit</b>            |                         |                         |
| Current service cost                                                | 150.00                  | 135.99                  |
| Past service cost                                                   | -                       | 1.00                    |
| Interest cost                                                       | 37.18                   | 28.42                   |
| Return on plan assets                                               | -                       | 0.26                    |
| Actuarial loss recognised in the year in other comprehensive income | 0.12                    | -                       |
| Transfer in /out                                                    | 2.18                    | (13.60)                 |
| <b>Net benefit expense</b>                                          | <b>189.49</b>           | <b>152.07</b>           |

##### c) Amounts recognised in statement of other comprehensive income (OCI)

|                                                                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                            | Gratuity                | Gratuity                |
| <b>Amounts recognised in statement of other comprehensive income (OCI)</b> |                         |                         |
| Opening amount recognised in OCI outside statement of profit and loss      | (56.11)                 | (41.44)                 |
| Remeasurement for the year - Obligation (Gain) / Loss                      | 27.12                   | 32.98                   |
| Remeasurement for the year - Plan Assets (Gain) / Loss                     | 2.02                    | 4.77                    |
| Total remeasurement Cost / (Credit) for the year recognised in OCI         | 29.14                   | (9.34)                  |
| Closing amount recognised in OCI outside statement of profit and loss      | (26.97)                 | (56.11)                 |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### d) Mortality table

|                                                                 | As at<br>March 31, 2020                                  | As at<br>March 31, 2019 |
|-----------------------------------------------------------------|----------------------------------------------------------|-------------------------|
|                                                                 | Gratuity                                                 | Gratuity                |
| <b>Mortality table</b>                                          | IALM(2012-14) ult                                        | IALM(2012-14) ult       |
| <b>Economic assumptions</b>                                     |                                                          |                         |
| 1 Discount rate                                                 | 6.20%                                                    | 7.60%                   |
| 2 Rate of increase in compensation levels - for first two years | 0.00%                                                    | 7.00%                   |
| - Thereafter                                                    | 8.00%                                                    | 7.00%                   |
| 3 Rate of return on plan assets                                 | 7.50%                                                    | 7.00%                   |
| <b>Demographic assumptions</b>                                  |                                                          |                         |
| 1 Expected average remaining working lives of employees (years) | 9.52                                                     | 9.59                    |
| 2 Retirement Age (years)                                        | 58 years                                                 | 58 years                |
| 3 Mortality Rate                                                | <b>Indian Assured Lives Mortality (2012-14) ultimate</b> |                         |
| <b>Withdrawal Rate</b>                                          |                                                          |                         |
| 1 unto 30 years                                                 | 8.00%                                                    | 8.00%                   |
| 2 Ages from 31-40                                               | 8.00%                                                    | 8.00%                   |
| 3 Ages from 41-50                                               | 8.00%                                                    | 8.00%                   |
| 4 Above 50 years                                                | 8.00%                                                    | 8.00%                   |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### e) Net (assets) / liabilities recognised in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

##### i. Gratuity

|                                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------------------------|-------------------------|-------------------------|
| Benefit obligation as at the beginning of the year | 1,212.77                | 1,054.63                |
| Transfer in/(out)                                  | 1.17                    | (13.32)                 |
| Current service cost                               | 150.00                  | 138.58                  |
| Interest cost                                      | 89.14                   | 77.54                   |
| Benefit paid                                       | (66.20)                 | (53.89)                 |
| Actuarial loss                                     | 29.35                   | 9.22                    |
| <b>Gross Liability</b>                             | <b>1,416.24</b>         | <b>1,212.77</b>         |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

**f) Table showing changes in the fair value of plan assets :**

|                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------------|-------------------------|-------------------------|
| Opening fair value of plan assets       | 685.98                  | 554.42                  |
| Transfer in/(out)                       | (1.01)                  | -                       |
| Expected return on plan assets          | 50.88                   | 45.29                   |
| Contribution made during the year       | 43.28                   | 136.26                  |
| Benefits paid                           | (57.25)                 | (50.85)                 |
| Mortality charges                       | (10.26)                 | (0.41)                  |
| Amount paid on settlement               | (1.76)                  | (0.30)                  |
| Actuarial gain/(loss) on plan assets    | (1.40)                  | 1.57                    |
| <b>Closing fair Value of Plan asset</b> | <b>708.46</b>           | <b>685.98</b>           |

**g) Benefit asset / liability :**

|                                             | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------|-------------------------|-------------------------|
| Present value of defined benefit obligation | 1,416.23                | 1,212.77                |
| Fair value of plan assets                   | 708.46                  | 685.98                  |
| <b>Net liability</b>                        | <b>707.77</b>           | <b>526.79</b>           |

**h) Major category of plan assets (As a % of total plan assets)**

|                             | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------|-------------------------|-------------------------|
| Investment with the insurer | 100%                    | 100%                    |

**i) A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 is as shown below:**

|                                                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------|-------------------------|-------------------------|
|                                                            | Gratuity                | Gratuity                |
| <b>A. Discount rate</b>                                    |                         |                         |
| Effect on DBO due to 1% increase in Discount Rate          | 932.61                  | 602.31                  |
| Effect on DBO due to 1% decrease in Discount Rate          | (1,023.57)              | (541.22)                |
| <b>B. Salary escalation rate</b>                           |                         |                         |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 1,021.43                | 542.45                  |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | (865.86)                | (594.80)                |
| <b>C. Withdrawal rate</b>                                  |                         |                         |
| Effect on DBO due to 1% increase in Withdrawal rate        | 974.09                  | 558.73                  |
| Effect on DBO due to 1% decrease in Withdrawal rate        | (939.76)                | (562.11)                |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### j) The expected benefit payments in future years is as follows:

|                                                                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------------------|-------------------------|-------------------------|
| March 31, 2020                                                         | -                       | 100.09                  |
| March 31, 2021                                                         | 200.12                  | 76.91                   |
| March 31, 2022                                                         | 142.65                  | 78.96                   |
| March 31, 2023                                                         | 140.14                  | 80.08                   |
| March 31, 2024                                                         | 112.09                  | -                       |
| March 31, 2025                                                         | 184.89                  | -                       |
| March 31, 2026 to March 31, 2030 (PY March 31, 2025 to March 31, 2029) | 922.03                  | 1,034.45                |

## 40 COMMITMENTS AND CONTINGENCIES

### a) Capital and other commitments

- (1) Estimated amount of contracts remaining to be executed on capital account and not provided for:

Capital commitments are ₹ 1,475.69 lakhs (₹266.73 lakhs, net of advances.)

### (2) Undrawn committed borrowing facility

The Company has availed fund based and non fund based working capital limits amounting to ₹ 19,500 lakhs (March 31, 2019 : ₹ 14,000 lakhs) from banks. An amount of ₹ 9,285.16 lakhs remain undrawn as at March 31, 2020 (March 31, 2019 : ₹ 5,904.40 lakhs). Further The limit availed is secured by way of Pari-passu first charge of hypothecation on entire stocks consisting of raw material, work in progress, finished goods kept at Company's godown, factories and book debts along with receivables of the Company, both present and future.

### (b) Contingent liabilities

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Claims against the group not acknowledged as debts</b>                                                                                                                                                                                                                                                                                                                                                                                                                                         |                         |                         |
| <b>Holding Company</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                         |
| Company has received assessment order from Maharashtra Value Added Tax (MVAT) department in the earlier years towards dis-allowance of Input Tax Credit availed by Company alongwith interest and penalty for Financial Year 2013-14, amounting to ₹ 88.02 lakhs. The Company has filled an appeal to Deputy Commissioner of Sales Tax (Appeals), Pune. During the year the company has paid demand of ₹34.28 lakhs and balance has been waived by the MVAT department under Amnesty Scheme 2019. | -                       | 88.02                   |
| In respect of A.Y. 2012 - 13, the assessing officer has added to the income of the Company, a notional amount of disallowance under Rule 14A of the Income Tax Act, 1961 and others amounting to ₹ 11.85 lakhs against which demand raised for tax amounting ₹ 3.85 lakhs. The Company has preferred an appeal with CIT(A) against the same. The Company has preferred an appeal with ITAT against order of CIT(A) but no relief is allowed to the company till date.                             | 3.85                    | 3.85                    |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| In respect of assessment year ("A.Y.") 2015 - 16, the assessing officer has added to the income of the Company, a notional amount of disallowance under Rule 14A of the Income Tax Act, 1961 amounting to ₹ 8.11 lakhs against which demand raised against the same amounting to ₹ 2.76 lakhs. The Company has preferred an appeal with Commissioner of Income Tax (Appeals) "(CIT(A))" against the same and got rejected and further the Company filed appeal with ITAT.)                                                                                                                                                                                               | 2.76                    | 2.76                    |
| Company has received assessment order from Maharashtra Value Added Tax (MVAT) department in the earlier years towards dis-allowance of Input Tax Credit availed by Company alongwith interest for Financial Year 2014-15, amounting to ₹46.32 lakhs (Vat ₹24.53 lakhs, CST ₹0.17 lakhs & Interest ₹21.62 lakhs). During the year the Company has paid demand of ₹21.47 lakhs and balance has been waived by the MVAT department under Amnesty Scheme 2019.                                                                                                                                                                                                               | -                       | 46.32                   |
| In respect of A.Y. 2017-18, the CPC has served notice for adjustment u/s 143(1) (a)(iv) to the income of the Company on account of late deposit of PF and ESI amounting to ₹ 49.32 lakhs based on wrong reporting of date of deposit by Tax Auditor in Tax Audit Report. The Company has filed Revised Return and Tax Auditor has filed Revised Tax Audit Report and company offered ₹13.95 lakhs being actual late deposit. The Company is of the view that revised returned income will be accepted by Assessing Officer at the time of Regular Assessment u/s 143(3) to be completed by December 31, 2019 based on revised Tax Audit Report filed by the Tax Auditor. | 13.95                   | 13.95                   |
| Income Tax (A.Y. - 2003-04, 2007-08 recoverable from Stanley Electric Co. Ltd., Japan & Thai Stanley Electric Public Co. Ltd , Thailand [erstwhile shareholders of Stanley Electric Engineering India Pvt. Ltd. (which was acquired by LDK)] pursuant to share Transfer Agreement dated December 12, 2012. During the year Company has received favourable order from ITAT dated April 22, 2019. Further, Company has not received notice of further appeal been filed by the Department. Hence the case is considered as closed.                                                                                                                                        | -                       | 456.97                  |
| Director General of Foreign Trade                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -                       | 20.98                   |
| Demand from Employee State Insurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.90                    | 0.90                    |
| The Company has received income tax order under Section 143(3) dated December 30, 2019 related to AY 2018-19 on account of search and seizure operation for which Company has received demand of ₹ 1,033.28 lakhs including interest u/s 234ABC in respect of above matter for which the Company has filed the appeal and rectification letter to income tax authorities. Based on opinion obtained from the expert management is confident that matter shall be settled in their favour and hence no provision is considered necessary.                                                                                                                                 | 1,033.28                | -                       |



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| During the year Company has received the show cause notice cum demand from the Assistant Commissioner of the Goods and Service Tax, Nasik Aurangabad, alleging that the company has availed the cenvat credit of ₹ 0.049 lakhs twice on the same invoice one in the month of January 2017 and then again in the subsequent month. Furthermore, Company has also availed the cenvat credit of ₹ 0.98 lakhs during the month of March 2017 and April 2017. Thus there is demand cum show cause notice of ₹ 1.03 lakhs for inadmissible credit availed by the Company.                                                                | 1.03                    | -                       |
| During the year Company has received demand cum show cause notice of ₹ 17.15 lakhs from the Assistant Commissioner of Goods and Service Tax alleging that the company has availed the cenvat credit on the basis of invoices which are not fulfilling the particulars as specified under Rule 4A of the Service Tax Rules, 1994.                                                                                                                                                                                                                                                                                                   | 17.15                   | -                       |
| During the year Company has received demand cum show cause Notice dated January 24, 2020 from the department alleged that the company has availed the duty drawback on the basis of unrealised sale proceeds and thus the duty drawback of ₹ 19.24 lakhs should be recovered from the company against such shipping bills.<br><br>The company has filed the reply to the assistant commissioner of customs inland container depot, tkd, dated February 07, 2020 against the above show cause notice where in the company has surrendered the Duty Drawback of ₹ 0.52 lakhs along with interest to the ICD, Tughlakabad, New Delhi. | 19.24                   | -                       |
| <b>Subsidiaries:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         |                         |
| Company has taken bank guarantee out of non fund limit with HDFC Bank Limited amounting to ₹ 400 lakhs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 127.58                  | -                       |
| The Company has received assessment order from Maharashtra Value Added Tax department towards non-furnishing of "C" forms by Company along with interest and penalty for Financial Year 2012-13, amounting to ₹ 2.23 Lakh. The Company has filed an appeal against the said order with appropriate authorities. During the year the company has paid the amount and the case is closed.                                                                                                                                                                                                                                            | -                       | 2.23                    |

- (c) The Holding Company had entered into an agreement with the Bhosari Unit Workmen Union on September 13, 2003, vide which option for VRS was given to the workers of the Holding Company. Accordingly, benefits under the said scheme were paid to 27 workmen who opted for the scheme. Out of these 27 workmen, 20 workmen later filed a case against the Holding Company on the grounds of Unfair Labour Practices at the Labour court. The Court has passed an order in the favour of the workmen on June 26, 2019. Further, the Holding Company has challenged the said order and filed revision application dated July 26, 2019 in the Industrial Court, Pune on the grounds that the said order is defective and bad at law. The Holding Company is of the view, based on the advice of the case advocate, that the final outcome of the case would be in the favour of the Holding Company and hence, no provision has been made in the books of accounts.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 41 | RELATED PARTY DISCLOSURES

##### Names of related parties and related party relationship

| S. No. | Relationship                                                                                       | Name of Related Parties                                                               |
|--------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1      | Key Management Personnel                                                                           | Mr. D K Jain (Chairman)                                                               |
|        |                                                                                                    | Mr. Anmol Jain (Managing Director)                                                    |
|        |                                                                                                    | Mr. Deepak Jain (Director)                                                            |
|        |                                                                                                    | Mr. Tomoki More (Director)                                                            |
|        |                                                                                                    | Mr. Shuji Horie (Director)                                                            |
|        |                                                                                                    | Mr. Naval Khanna (Director)                                                           |
|        |                                                                                                    | Mr. Sanjay Mehta (Director)                                                           |
|        |                                                                                                    | Mr. Ashish Dubey (CFO)                                                                |
|        |                                                                                                    | Mr. Anil Tyagi (Company Secretary)                                                    |
| 2      | Relatives of Key Management Personnel                                                              | Mrs. Shivani Jain (Wife of Mr. Anmol Jain)                                            |
|        |                                                                                                    | Mrs. Poysha Goyal Jain (Wife of Deepak Jain)                                          |
|        |                                                                                                    | Mrs. Usha Jain (Wife of Mr. D K Jain)                                                 |
| 3      | Non Executive Director                                                                             | Mr. Arun Kumar Malhotra                                                               |
|        |                                                                                                    | Mr. Avinash Parkash Gandhi                                                            |
|        |                                                                                                    | Mr. Kanchan Kumar Gandhi                                                              |
|        |                                                                                                    | Mr. Roop Salotra                                                                      |
|        |                                                                                                    | Mr. Milap Jain                                                                        |
|        |                                                                                                    | Mr. Dhiraj Dhar Gupta                                                                 |
|        |                                                                                                    | Mrs. Diviya Chanana                                                                   |
| 4      | Joint Venture                                                                                      | Lumax Ituran Telematics Private Limited                                               |
| 5      | Step down subsidiary companies (subsidiary of "LIV")                                               | Lumax Energy Solutions Private Limited ("LESPL")<br>Velomax Mobility Private Limited. |
| 6      | Associates of Step down subsidiary (Associates of "LIV")                                           | SIPAL Engineering Private Limited                                                     |
| 7      | Enterprises owned or significantly influenced by Key Management Personnel and / or their relatives | Lumax Industries Limited                                                              |
|        |                                                                                                    | Lumax Finance Private Limited                                                         |
|        |                                                                                                    | Lumax Ancillary Limited                                                               |
|        |                                                                                                    | Mahavir Udyog                                                                         |
|        |                                                                                                    | D. K. Jain & Sons                                                                     |
|        |                                                                                                    | Bharat Enterprises                                                                    |
|        |                                                                                                    | Dhanesh Kumar Jain & Family Trust                                                     |
|        |                                                                                                    | Lumax Tours & Travels Limited                                                         |
|        |                                                                                                    | Lumax Charitable Foundation                                                           |
|        |                                                                                                    | Mannoh Industrial Co. Ltd.                                                            |
|        |                                                                                                    | PT MTAT Indonesia                                                                     |
|        |                                                                                                    | Officine Metallurgiche G. Cornaglia SPA (Italy)                                       |
|        |                                                                                                    | Cor-Filters (Italy)                                                                   |
|        |                                                                                                    | M&T Allied Technologies Co. Ltd.                                                      |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                     | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                  | Joint Venture  |                | TOTAL            |                  |
|-------------------------------------------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|------------------|----------------|----------------|------------------|------------------|
|                                                 | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019   | March 31, 2020 | March 31, 2019 | March 31, 2020   | March 31, 2019   |
| <b>TRANSACTIONS</b>                             |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| <b>Sale of Raw Materials and Components</b>     |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| Lumax Industries Ltd                            | -                                                                  | -              | 73.18                                                                                        | 11,221.08        | -              | -              | 73.18            | 11,221.08        |
| Lumax Ancillary Ltd                             | -                                                                  | -              | 391.19                                                                                       | 487.78           | -              | -              | 391.19           | 487.78           |
| Bharat Enterprises                              | -                                                                  | -              | 1.39                                                                                         | -                | -              | -              | 1.39             | -                |
| M&T Allied Technologies Co. Ltd.                | -                                                                  | -              | 12.22                                                                                        | 19.22            | -              | -              | 12.22            | 19.22            |
| Mannoh Industrial Co. Ltd.                      | -                                                                  | -              | 4.44                                                                                         | 30.05            | -              | -              | 4.44             | 30.05            |
| PT MTAT Indonesia                               | -                                                                  | -              | 2.26                                                                                         | -                | -              | -              | 2.26             | -                |
| <b>Total</b>                                    | -                                                                  | -              | <b>484.68</b>                                                                                | <b>11,758.13</b> | -              | -              | <b>484.68</b>    | <b>11,758.13</b> |
| <b>Sale of Traded Goods</b>                     |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| Lumax Industries Ltd                            | -                                                                  | -              | 0.35                                                                                         | 3.03             | -              | -              | 0.35             | 3.03             |
| Lumax Ancillary Ltd                             | -                                                                  | -              | -                                                                                            | 0.29             | -              | -              | -                | 0.29             |
| Lumax Charitable Foundation                     | -                                                                  | -              | 7.66                                                                                         | -                | -              | -              | 7.66             | -                |
| <b>Total</b>                                    | -                                                                  | -              | <b>8.01</b>                                                                                  | <b>3.32</b>      | -              | -              | <b>8.01</b>      | <b>3.32</b>      |
| <b>Sale of Finished Goods</b>                   |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| Lumax Industries Ltd                            | -                                                                  | -              | 15,367.83                                                                                    | 21,767.88        | -              | -              | 15,367.83        | 21,767.88        |
| Lumax Ancillary Ltd                             | -                                                                  | -              | 805.13                                                                                       | 399.66           | -              | -              | 805.13           | 399.66           |
| Officine Metallurgiche G. Cornaglia SPA (Italy) | -                                                                  | -              | 4.90                                                                                         | -                | -              | -              | 4.90             | -                |
| Cor-Filters (Italy)                             | -                                                                  | -              | 124.74                                                                                       | 158.56           | -              | -              | 124.74           | 158.56           |
| <b>Total</b>                                    | -                                                                  | -              | <b>16,302.62</b>                                                                             | <b>22,326.10</b> | -              | -              | <b>16,302.62</b> | <b>22,326.10</b> |
| <b>Sale of Capital Goods</b>                    |                                                                    |                |                                                                                              |                  |                |                |                  |                  |
| Lumax Ancillary Ltd                             | -                                                                  | -              | 1.42                                                                                         | 0.82             | -              | -              | 1.42             | 0.82             |
| Lumax Industries Ltd                            | -                                                                  | -              | 2,661.80                                                                                     | -                | -              | -              | 2,661.80         | -                |
| <b>Total</b>                                    | -                                                                  | -              | <b>2,663.22</b>                                                                              | <b>0.82</b>      | -              | -              | <b>2,663.22</b>  | <b>0.82</b>      |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                       | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                 | Joint Venture  |                | TOTAL           |                 |
|-----------------------------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|-----------------|----------------|----------------|-----------------|-----------------|
|                                   | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019  | March 31, 2020 | March 31, 2019 | March 31, 2020  | March 31, 2019  |
| <b>Availing of Services</b>       |                                                                    |                |                                                                                              |                 |                |                |                 |                 |
| Lumax Industries Ltd              | -                                                                  | -              | 40.14                                                                                        | 237.13          | -              | -              | 40.14           | 237.13          |
| Lumax Tours & Travels Ltd         | -                                                                  | -              | 249.35                                                                                       | 323.12          | -              | -              | 249.35          | 323.12          |
| Francisco Alberro S.A.U           | -                                                                  | -              | 132.99                                                                                       | -               | -              | -              | 132.99          | -               |
| Lumax Ancillary Ltd               | -                                                                  | -              | 20.77                                                                                        | 15.30           | -              | -              | 20.77           | 15.30           |
| Sipal Engineering Private Limited | -                                                                  | -              | -                                                                                            | -               | -              | 2.72           | -               | 2.72            |
| <b>Total</b>                      | -                                                                  | -              | <b>443.25</b>                                                                                | <b>575.55</b>   | -              | <b>2.72</b>    | <b>443.25</b>   | <b>578.27</b>   |
| <b>Rendering of Services</b>      |                                                                    |                |                                                                                              |                 |                |                |                 |                 |
| Lumax Ancillary Ltd               | -                                                                  | -              | 0.15                                                                                         | 1.01            | -              | -              | 0.15            | 1.01            |
| Lumax Industries Ltd              | -                                                                  | -              | 1,556.97                                                                                     | 1,721.77        | -              | -              | 1,556.97        | 1,721.77        |
| Bharat Enterprises                | -                                                                  | -              | -                                                                                            | 0.02            | -              | -              | -               | 0.02            |
| Lumax Tours & Travels Ltd         | -                                                                  | -              | 2.25                                                                                         | 1.19            | -              | -              | 2.25            | 1.19            |
| Mahavir Udyog                     | -                                                                  | -              | 7.25                                                                                         | -               | -              | -              | 7.25            | -               |
| <b>Total</b>                      | -                                                                  | -              | <b>1,566.62</b>                                                                              | <b>1,723.99</b> | -              | -              | <b>1,566.62</b> | <b>1,723.99</b> |
| <b>Rent Received</b>              |                                                                    |                |                                                                                              |                 |                |                |                 |                 |
| Lumax Tours & Travels Ltd         | -                                                                  | -              | 7.08                                                                                         | 3.07            | -              | -              | 7.08            | 3.07            |
| Lumax Industries Ltd              | -                                                                  | -              | 246.11                                                                                       | 214.21          | -              | -              | 246.11          | 214.21          |
| <b>Total</b>                      | -                                                                  | -              | <b>253.19</b>                                                                                | <b>217.28</b>   | -              | -              | <b>253.19</b>   | <b>217.28</b>   |
| <b>Rent Paid</b>                  |                                                                    |                |                                                                                              |                 |                |                |                 |                 |
| Mrs. Usha Jain                    | -                                                                  | 21.18          | -                                                                                            | -               | -              | -              | -               | 21.18           |
| Lumax Industries Ltd              | -                                                                  | -              | 34.69                                                                                        | 57.53           | -              | -              | 34.69           | 57.53           |
| Mr. D.K.Jain                      | 33.44                                                              | 10.77          | -                                                                                            | -               | -              | -              | 33.44           | 10.77           |
| <b>Total</b>                      | <b>33.44</b>                                                       | <b>31.95</b>   | <b>34.69</b>                                                                                 | <b>57.53</b>    | -              | -              | <b>68.12</b>    | <b>89.48</b>    |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                      | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                  | Joint Venture  |                | TOTAL           |                  |
|--------------------------------------------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|------------------|----------------|----------------|-----------------|------------------|
|                                                  | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019   | March 31, 2020 | March 31, 2019 | March 31, 2020  | March 31, 2019   |
| <b>Purchases of Raw Materials and Components</b> |                                                                    |                |                                                                                              |                  |                |                |                 |                  |
| Bharat Enterprises                               | -                                                                  | -              | 297.63                                                                                       | 215.46           | -              | -              | 297.63          | 215.46           |
| Lumax Industries Ltd                             | -                                                                  | -              | 1,105.38                                                                                     | 5,789.52         | -              | -              | 1,105.38        | 5,789.52         |
| Lumax Ancillary Ltd                              | -                                                                  | -              | 6,375.48                                                                                     | 6,931.25         | -              | -              | 6,375.48        | 6,931.25         |
| Mahavir Udyog                                    | -                                                                  | -              | 0.62                                                                                         | -                | -              | -              | 0.62            | -                |
| M&T Allied Technologies Co. Ltd.                 | -                                                                  | -              | 265.90                                                                                       | 967.56           | -              | -              | 265.90          | 967.56           |
| PT MTAT Indonesia                                | -                                                                  | -              | 33.90                                                                                        | 77.57            | -              | -              | 33.90           | 77.57            |
| Mannoh Industrial Co. Ltd.                       | -                                                                  | -              | 0.51                                                                                         | 0.23             | -              | -              | 0.51            | 0.23             |
| Officine Metallurgiche G. Cornaglia SPA (Italy)  | -                                                                  | -              | 90.67                                                                                        | 63.27            | -              | -              | 90.67           | 63.27            |
| Cor-Filters (Italy)                              | -                                                                  | -              | -                                                                                            | 4.90             | -              | -              | -               | 4.90             |
| <b>Total</b>                                     | -                                                                  | -              | <b>8,170.09</b>                                                                              | <b>14,049.76</b> | -              | -              | <b>8,170.09</b> | <b>14,049.76</b> |
| <b>Purchases of Finished Goods</b>               |                                                                    |                |                                                                                              |                  |                |                |                 |                  |
| Bharat Enterprises                               | -                                                                  | -              | -                                                                                            | -                | -              | -              | -               | -                |
| Lumax Industries Ltd                             | -                                                                  | -              | 6,131.30                                                                                     | 5,610.09         | -              | -              | 6,131.30        | 5,610.09         |
| Lumax Ancillary Ltd                              | -                                                                  | -              | 1,572.61                                                                                     | 1,483.21         | -              | -              | 1,572.61        | 1,483.21         |
| <b>Total</b>                                     | -                                                                  | -              | <b>7,703.91</b>                                                                              | <b>7,093.30</b>  | -              | -              | <b>7,703.91</b> | <b>7,093.30</b>  |
| <b>Purchases of other</b>                        |                                                                    |                |                                                                                              |                  |                |                |                 |                  |
| Lumax Industries Ltd                             | -                                                                  | -              | 3.12                                                                                         | 2.21             | -              | -              | 3.12            | 2.21             |
| Lumax Ancillary Ltd                              | -                                                                  | -              | 0.24                                                                                         | 1.63             | -              | -              | 0.24            | 1.63             |
| <b>Total</b>                                     | -                                                                  | -              | <b>3.36</b>                                                                                  | <b>3.84</b>      | -              | -              | <b>3.36</b>     | <b>3.84</b>      |
| <b>Reimbursement of Expenses</b>                 |                                                                    |                |                                                                                              |                  |                |                |                 |                  |
| Lumax Industries Ltd                             | -                                                                  | -              | 250.13                                                                                       | 293.77           | -              | -              | 250.13          | 293.77           |
| Lumax Ancillary Ltd                              | -                                                                  | -              | 17.49                                                                                        | 52.39            | -              | -              | 17.49           | 52.39            |
| Lumax Tours & Travels Ltd                        | -                                                                  | -              | 2.56                                                                                         | 4.33             | -              | -              | 2.56            | 4.33             |
| <b>Total</b>                                     | -                                                                  | -              | <b>270.18</b>                                                                                | <b>350.49</b>    | -              | -              | <b>270.18</b>   | <b>350.49</b>    |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                     | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                   | Joint Venture  |                | TOTAL          |                   |
|-------------------------------------------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|-------------------|----------------|----------------|----------------|-------------------|
|                                                 | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019    | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019    |
| <b>Purchase of Capital Goods</b>                |                                                                    |                |                                                                                              |                   |                |                |                |                   |
| <b>Purchase of Packing Material</b>             |                                                                    |                |                                                                                              |                   |                |                |                |                   |
| Lumax Industries Ltd                            | -                                                                  | -              | 0.67                                                                                         | 3.35              | -              | -              | 0.67           | 3.35              |
| Lumax Ancillary Limited                         | -                                                                  | -              | 0.26                                                                                         | 0.03              | -              | -              | 0.26           | 0.03              |
| Mahavir Udyog                                   | -                                                                  | -              | 19.92                                                                                        | 59.24             | -              | -              | 19.92          | 59.24             |
| <b>Total</b>                                    |                                                                    |                | <b>20.85</b>                                                                                 | <b>62.62</b>      | -              | -              | <b>20.85</b>   | <b>62.62</b>      |
| <b>Other Reimbursement to/(from)</b>            |                                                                    |                |                                                                                              |                   |                |                |                |                   |
| Bharat Enterprises                              | -                                                                  | -              | (0.28)                                                                                       | 14.60             | -              | -              | (0.28)         | 14.60             |
| Lumax Industries Ltd                            | -                                                                  | -              | 71.09                                                                                        | (1,280.31)        | -              | -              | 71.09          | (1,280.31)        |
| Lumax Ancillary Ltd                             | -                                                                  | -              | 4.68                                                                                         | 85.82             | -              | -              | 4.68           | 85.82             |
| Lumax Charitable Foundation                     | -                                                                  | -              | 8.44                                                                                         | -                 | -              | -              | 8.44           | -                 |
| Lumax Finance Private Limited                   | -                                                                  | -              | (0.57)                                                                                       | -                 | -              | -              | (0.57)         | -                 |
| Lumax Tours & Travels Ltd                       | -                                                                  | -              | 1.88                                                                                         | -                 | -              | -              | 1.88           | -                 |
| Officine Metallurgiche G. Cornaglia SPA (Italy) | -                                                                  | -              | 50.24                                                                                        | -                 | -              | -              | 50.24          | -                 |
| Mannoh Industrial Co. Ltd.                      | -                                                                  | -              | 41.71                                                                                        | 26.40             | -              | -              | 41.71          | 26.40             |
| <b>Total</b>                                    |                                                                    |                | <b>177.18</b>                                                                                | <b>(1,153.49)</b> | -              | -              | <b>177.18</b>  | <b>(1,153.49)</b> |
| <b>CSR Expenditure</b>                          |                                                                    |                |                                                                                              |                   |                |                |                |                   |
| Lumax Charitable Foundation                     | -                                                                  | -              | 182.57                                                                                       | 136.93            | -              | -              | 182.57         | 136.93            |
| <b>Total</b>                                    |                                                                    |                | <b>182.57</b>                                                                                | <b>136.93</b>     | -              | -              | <b>182.57</b>  | <b>136.93</b>     |
| <b>Investments Made</b>                         |                                                                    |                |                                                                                              |                   |                |                |                |                   |
| Lumax Ituran Telematics Private Limited         | -                                                                  | -              | -                                                                                            | -                 | 59.46          | 33.54          | 59.46          | 33.54             |
| <b>Total</b>                                    |                                                                    |                | -                                                                                            | -                 | <b>59.46</b>   | <b>33.54</b>   | <b>59.46</b>   | <b>33.54</b>      |
| <b>Royalty Paid</b>                             |                                                                    |                |                                                                                              |                   |                |                |                |                   |
| Mannoh Industrial Co. Ltd.                      | -                                                                  | -              | 138.12                                                                                       | 145.64            | -              | -              | 138.12         | 145.64            |
| <b>Total</b>                                    |                                                                    |                | <b>138.12</b>                                                                                | <b>145.64</b>     | -              | -              | <b>138.12</b>  | <b>145.64</b>     |
| <b>Technical Fees</b>                           |                                                                    |                |                                                                                              |                   |                |                |                |                   |
| Mannoh Industrial Co. Ltd.                      | -                                                                  | -              | 6.83                                                                                         | 22.09             | -              | -              | 6.83           | 22.09             |
| Officine Metallurgiche G. Cornaglia SPA (Italy) | -                                                                  | -              | -                                                                                            | 48.70             | -              | -              | -              | 48.70             |
| <b>Total</b>                                    |                                                                    |                | <b>6.83</b>                                                                                  | <b>70.79</b>      | -              | -              | <b>6.83</b>    | <b>70.79</b>      |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                    | Key Management Personnel and Relatives of Key Management Personnel |                 | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                | Joint Venture  |                | TOTAL          |                 |
|--------------------------------|--------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|-----------------|
|                                | March 31, 2020                                                     | March 31, 2019  | March 31, 2020                                                                               | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019  |
| <b>Managerial Remuneration</b> |                                                                    |                 |                                                                                              |                |                |                |                |                 |
| Mr. Anmol Jain                 | 169.18                                                             | 159.58          | -                                                                                            | -              | -              | -              | 169.18         | 159.58          |
| Mr. D.K. Jain                  | 197.08                                                             | 195.16          | -                                                                                            | -              | -              | -              | 197.08         | 195.16          |
| Mr. Deepak Jain                | 15.48                                                              | 15.48           | -                                                                                            | -              | -              | -              | 15.48          | 15.48           |
| Mrs. Shivani Jain              | 88.75                                                              | 187.66          | -                                                                                            | -              | -              | -              | 88.75          | 187.66          |
| Mrs. Poysha Goyal Jain         | 90.94                                                              | 187.66          | -                                                                                            | -              | -              | -              | 90.94          | 187.66          |
| Mr. Sanjay Mehta               | 132.56                                                             | 126.76          | -                                                                                            | -              | -              | -              | 132.56         | 126.76          |
| Mr. Naval Khanna               | 80.15                                                              | 76.61           | -                                                                                            | -              | -              | -              | 80.15          | 76.61           |
| Mr. Shuji Horie                | -                                                                  | 59.53           | -                                                                                            | -              | -              | -              | -              | 59.53           |
| Mr. Tomoki More                | 96.37                                                              | -               | -                                                                                            | -              | -              | -              | 96.37          | -               |
| Mr. Ashish Dubey               | 59.08                                                              | 56.98           | -                                                                                            | -              | -              | -              | 59.08          | 56.98           |
| Mr. Anil Tyagi                 | 16.91                                                              | -               | -                                                                                            | -              | -              | -              | 16.91          | -               |
| Ms. Swapnal Patane             | -                                                                  | 6.00            | -                                                                                            | -              | -              | -              | -              | 6.00            |
| <b>Director Sitting Fees</b>   |                                                                    |                 |                                                                                              |                |                |                |                |                 |
| Mr. Arun Kumar Malhotra        | 3.60                                                               | 4.80            | -                                                                                            | -              | -              | -              | 3.60           | 4.80            |
| Mr. Avinash Parkash Gandhi     | 4.20                                                               | 3.00            | -                                                                                            | -              | -              | -              | 4.20           | 3.00            |
| Mr. Kanchan Kumar Gandhi       | 2.80                                                               | 3.80            | -                                                                                            | -              | -              | -              | 2.80           | 3.80            |
| Mr. Roop Salotra               | 5.00                                                               | 5.40            | -                                                                                            | -              | -              | -              | 5.00           | 5.40            |
| Mr. Milap Jain                 | 4.80                                                               | 5.20            | -                                                                                            | -              | -              | -              | 4.80           | 5.20            |
| Mrs. Diviya Chanana            | 2.80                                                               | 2.40            | -                                                                                            | -              | -              | -              | 2.80           | 2.40            |
| Mr. Dhiraaj Dhar Gupta         | -                                                                  | 0.80            | -                                                                                            | -              | -              | -              | -              | 0.80            |
| <b>Total</b>                   | <b>969.71</b>                                                      | <b>1,096.82</b> | <b>-</b>                                                                                     | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>969.71</b>  | <b>1,096.82</b> |
| <b>Commission Paid</b>         |                                                                    |                 |                                                                                              |                |                |                |                |                 |
| Mr. Anmol Jain                 | 110.02                                                             | 216.70          | -                                                                                            | -              | -              | -              | 110.02         | 216.70          |
| Mr. D.K. Jain                  | 72.15                                                              | 197.50          | -                                                                                            | -              | -              | -              | 72.15          | 197.50          |
| Mrs. Shivani Jain              | 73.82                                                              | -               | -                                                                                            | -              | -              | -              | 73.82          | -               |
| Mrs. Poysha Goyal Jain         | 71.64                                                              | -               | -                                                                                            | -              | -              | -              | 71.64          | -               |
| Mr. Deepak Jain                | 59.73                                                              | 71.30           | -                                                                                            | -              | -              | -              | 59.73          | 71.30           |
| <b>Total</b>                   | <b>387.36</b>                                                      | <b>485.50</b>   | <b>-</b>                                                                                     | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>387.36</b>  | <b>485.50</b>   |



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                | Joint Venture  |                | TOTAL           |                |
|----------------------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|----------------|----------------|----------------|-----------------|----------------|
|                            | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020  | March 31, 2019 |
| <b>Dividend Paid</b>       |                                                                    |                |                                                                                              |                |                |                |                 |                |
| Mr.Annmol Jain             | 497.47                                                             | 86.22          | -                                                                                            | -              | -              | -              | 497.47          | 86.22          |
| Mr.D.K.Jain                | -                                                                  | 165.53         | -                                                                                            | -              | -              | -              | -               | 165.53         |
| Mr.Deepak Jain             | 497.62                                                             | 91.47          | -                                                                                            | -              | -              | -              | 497.62          | 91.47          |
| Mrs. Usha Jain             | -                                                                  | 46.37          | -                                                                                            | -              | -              | -              | -               | 46.37          |
| Mrs.Shivani Jain           | -                                                                  | 4.50           | -                                                                                            | -              | -              | -              | -               | 4.50           |
| D.K.Jain And Family Trust  | -                                                                  | -              | 10.20                                                                                        | 4.08           | -              | -              | 10.20           | 4.08           |
| D.K.Jain And Sons (HUF)    | -                                                                  | -              | 296.54                                                                                       | 118.10         | -              | -              | 296.54          | 118.10         |
| Lumax Finance Pvt. Ltd.    | -                                                                  | -              | 605.57                                                                                       | 242.23         | -              | -              | 605.57          | 242.23         |
| Mannoh Industrial Co. Ltd. | -                                                                  | -              | 391.56                                                                                       | 234.93         | -              | -              | 391.56          | 234.93         |
| <b>Total</b>               | <b>995.08</b>                                                      | <b>394.09</b>  | <b>1303.87</b>                                                                               | <b>599.34</b>  | <b>-</b>       | <b>-</b>       | <b>2,298.95</b> | <b>993.43</b>  |
| <b>Dividend Received</b>   |                                                                    |                |                                                                                              |                |                |                |                 |                |
| Lumax Industries Ltd       | -                                                                  | -              | 275.63                                                                                       | 120.75         | -              | -              | 275.63          | 120.75         |
| <b>Total</b>               | <b>-</b>                                                           | <b>-</b>       | <b>275.63</b>                                                                                | <b>120.75</b>  | <b>-</b>       | <b>-</b>       | <b>275.63</b>   | <b>120.75</b>  |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                     | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                 | Joint Venture  |                | TOTAL           |                 |
|-------------------------------------------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|-----------------|----------------|----------------|-----------------|-----------------|
|                                                 | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019  | March 31, 2020 | March 31, 2019 | March 31, 2020  | March 31, 2019  |
| <b>BALANCE AT THE YEAR END</b>                  |                                                                    |                |                                                                                              |                 |                |                |                 |                 |
| <b>Receivables</b>                              |                                                                    |                |                                                                                              |                 |                |                |                 |                 |
| Mr. Sanjay Mehta                                | 9.50                                                               | -              | -                                                                                            | -               | -              | -              | 9.50            | -               |
| Mahavir Udyog                                   | -                                                                  | -              | 3.00                                                                                         | -               | -              | -              | 3.00            | -               |
| Bharat Enterprises                              | -                                                                  | -              | 0.46                                                                                         | -               | -              | -              | 0.46            | -               |
| Lumax Industries Ltd                            | -                                                                  | -              | 4,709.27                                                                                     | 8,683.78        | -              | -              | 4,709.27        | 8,683.78        |
| Lumax Ancillary Ltd                             | -                                                                  | -              | 246.34                                                                                       | 301.45          | -              | -              | 246.34          | 301.45          |
| Lumax Tours & Travels Ltd                       | -                                                                  | -              | 2.03                                                                                         | 1.99            | -              | -              | 2.03            | 1.99            |
| Mannoh Industrial Co. Ltd.                      | -                                                                  | -              | 0.64                                                                                         | -               | -              | -              | 0.64            | -               |
| PT MTAT Indonesia                               | -                                                                  | -              | 6.36                                                                                         | -               | -              | -              | 6.36            | -               |
| Officine Metallurgiche G. Cornaglia SPA (Italy) | -                                                                  | -              | 4.90                                                                                         | -               | -              | -              | 4.90            | -               |
| Cor-Filters (Italy)                             | -                                                                  | -              | 62.71                                                                                        | -               | -              | -              | 62.71           | -               |
| <b>Total</b>                                    | <b>9.50</b>                                                        | <b>-</b>       | <b>5,035.71</b>                                                                              | <b>8,987.22</b> | <b>-</b>       | <b>-</b>       | <b>5,045.21</b> | <b>8,987.22</b> |
| <b>Investment</b>                               |                                                                    |                |                                                                                              |                 |                |                |                 |                 |
| Lumax Industries Ltd                            | -                                                                  | -              | 4,554.64                                                                                     | 9,526.13        | -              | -              | 4,554.64        | 9,526.13        |
| Lumax Ancillary Ltd.                            | -                                                                  | -              | 459.52                                                                                       | -               | -              | -              | 459.52          | -               |
| SIPAL Engineering Private Limited               | -                                                                  | -              | -                                                                                            | -               | 71.91          | 71.91          | 71.91           | 71.91           |
| Lumax Ituran Telematics Private Limited         | -                                                                  | -              | -                                                                                            | -               | 93.00          | 33.54          | 93.00           | 33.54           |
| <b>Total</b>                                    | <b>-</b>                                                           | <b>-</b>       | <b>5,014.16</b>                                                                              | <b>9,526.13</b> | <b>164.91</b>  | <b>105.45</b>  | <b>5,179.07</b> | <b>9,631.58</b> |
| <b>Payables</b>                                 |                                                                    |                |                                                                                              |                 |                |                |                 |                 |
| Bharat Enterprises                              | -                                                                  | -              | 47.17                                                                                        | 41.73           | -              | -              | 47.17           | 41.73           |
| Lumax Ancillary Ltd                             | -                                                                  | -              | 1,453.05                                                                                     | 2,051.11        | -              | -              | 1,453.05        | 2,051.11        |
| Lumax Industries Ltd                            | -                                                                  | -              | 395.14                                                                                       | 1,836.28        | -              | -              | 395.14          | 1,836.28        |
| Lumax Tours & Travels Ltd                       | -                                                                  | -              | 13.06                                                                                        | 9.82            | -              | -              | 13.06           | 9.82            |
| Mahavir Udyog                                   | -                                                                  | -              | -                                                                                            | 5.68            | -              | -              | -               | 5.68            |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

| Particulars                                     | Key Management Personnel and Relatives of Key Management Personnel |                | Enterprises owned or significantly influenced by Key Management Personnel or their relatives |                 | Joint Venture  |                | TOTAL           |                 |
|-------------------------------------------------|--------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------|-----------------|----------------|----------------|-----------------|-----------------|
|                                                 | March 31, 2020                                                     | March 31, 2019 | March 31, 2020                                                                               | March 31, 2019  | March 31, 2020 | March 31, 2019 | March 31, 2020  | March 31, 2019  |
| Officine Metallurgiche G. Cornaglia SPA (Italy) | -                                                                  | -              | 201.21                                                                                       | 236.87          | -              | -              | 201.21          | 236.87          |
| Cor-Filters (Italy)                             | -                                                                  | -              | -                                                                                            | 4.90            | -              | -              | -               | 4.90            |
| Mannoh Industrial Co. Ltd.                      | -                                                                  | -              | 128.31                                                                                       | -               | -              | -              | 128.31          | -               |
| M&T Allied Technologies Co. Ltd.                | -                                                                  | -              | 15.65                                                                                        | -               | -              | -              | 15.65           | -               |
| PT MTAT Indonesia                               | -                                                                  | -              | 0.55                                                                                         | -               | -              | -              | 0.55            | -               |
| Mr.Anmol Jain                                   | 117.62                                                             | 235.06         | -                                                                                            | -               | -              | -              | 117.62          | 235.06          |
| Mr.D.K. Jain                                    | 72.15                                                              | 235.87         | -                                                                                            | -               | -              | -              | 72.15           | 235.87          |
| Mr.Deepak Jain                                  | 50.73                                                              | 72.14          | -                                                                                            | -               | -              | -              | 50.73           | 72.14           |
| Mrs. Shivani Jain                               | -                                                                  | 162.74         | -                                                                                            | -               | -              | -              | -               | 162.74          |
| Mrs. Poysha Goyal Jain                          | -                                                                  | 162.36         | -                                                                                            | -               | -              | -              | -               | 162.36          |
| Mr. Naval Khanna                                | 3.08                                                               | -              | -                                                                                            | -               | -              | -              | 3.08            | -               |
| Mr. Sanjay Mehta                                | 5.97                                                               | -              | -                                                                                            | -               | -              | -              | 5.97            | -               |
| Mr. Shuji Horie                                 | -                                                                  | 1.58           | -                                                                                            | -               | -              | -              | -               | 1.58            |
| <b>Total (Payables)</b>                         | <b>249.55</b>                                                      | <b>869.75</b>  | <b>2,254.15</b>                                                                              | <b>4,186.39</b> | <b>-</b>       | <b>-</b>       | <b>2,503.70</b> | <b>5,056.14</b> |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 42 | FINAL DIVIDEND

The Board of Directors of Holding Company has passed the resolution by way of circulation on June 17, 2020 for declaration of dividend @ 150% of ₹ 3 per equity share of face value of ₹ 2 each (included of ₹ 100% interim Dividend of ₹ 2 each paid) (March 31, 2019: ₹ 2 per share of face value of ₹ 2 each).

#### 43 | SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

##### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

##### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 39.

#### 44 | CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, all equity reserves attributable to the equity holders of the group. The primary objective of the Group's capital management is to maximise the shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Group reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

|                                                                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Borrowings including current maturities of long term borrowing (Refer Note no. 20) | 2,340.57                | 1,153.74                |
| Payable for purchase of fixed assets (Refer Note no. 25)                           | 797.62                  | 899.40                  |
| <b>Net debts</b>                                                                   | <b>3,138.19</b>         | <b>2,053.13</b>         |
| <b>Capital components</b>                                                          |                         |                         |
| Equity Share capital                                                               | 1,363.15                | 1,363.15                |
| Other equity                                                                       | 43,252.61               | 46,651.19               |
| <b>Total equity</b>                                                                | <b>44,615.76</b>        | <b>48,014.34</b>        |
| Capital and net debt                                                               | 47,753.95               | 50,067.47               |
| <b>Gearing ratio (%)</b>                                                           | <b>6.57%</b>            | <b>4.10%</b>            |

#### 45 | FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

##### a) Fair value of financial assets:

|                                                                                                                         | Carrying values         |                         | Fair values             |                         |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Financial assets measured at fair value</b>                                                                          |                         |                         |                         |                         |
| Investments in Quoted equity instruments of other entities (valued at fair value through other comprehensive income)*   | 4,554.64                | 9,526.13                | 4,554.64                | 9,526.13                |
| Investments in unquoted equity instruments of other entities (valued at fair value through other comprehensive income)* | 459.52                  | 601.54                  | 459.52                  | 601.54                  |
| Investments in Quoted short term investments valued at fair value                                                       | 1,130.70                | 1,851.10                | 1,130.70                | 1,851.10                |
| <b>Financial Instruments where carrying amounts that are reasonable approximations of fair values:</b>                  |                         |                         |                         |                         |
| Trade receivables                                                                                                       | 19,277.49               | 27,754.79               | 19,277.49               | 27,754.79               |
| Cash and cash equivalents                                                                                               | 3,695.76                | 2,600.86                | 3,695.76                | 2,600.86                |
| Other Bank balances                                                                                                     | 6,666.05                | 3,048.12                | 6,666.05                | 3,048.12                |
| Deposits with original maturity for more than 12 months from the reporting date                                         | 150.00                  | 5.00                    | 150.00                  | 5.00                    |
| Loans to employees                                                                                                      | 91.34                   | 75.00                   | 91.34                   | 75.00                   |
| Security deposit                                                                                                        | 571.10                  | 507.02                  | 571.10                  | 507.02                  |
| Interest accrued but not due                                                                                            | 158.92                  | 76.02                   | 158.92                  | 76.02                   |
| Other recoverables                                                                                                      | 36.38                   | 48.56                   | 36.38                   | 48.56                   |
| <b>Total</b>                                                                                                            | <b>36,791.90</b>        | <b>46,094.13</b>        | <b>36,791.90</b>        | <b>46,094.13</b>        |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### b) Fair value of financial liabilities:

|                                                         | Carrying values         |                         | Fair values             |                         |
|---------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Financial liabilities measured at amortised cost</b> |                         |                         |                         |                         |
| Borrowings non current                                  | 1,676.23                | 822.75                  | 1,676.23                | 822.75                  |
| Borrowings current                                      | 7,152.41                | 5,819.81                | 7,152.41                | 5,819.81                |
| Current maturity of long term loan                      | 612.50                  | 286.04                  | 612.50                  | 286.04                  |
| Current maturity of vehicle loan                        | 51.84                   | 44.95                   | 51.84                   | 44.95                   |
| Trade payables                                          | 15,739.35               | 23,892.54               | 15,739.35               | 23,892.54               |
| Accrued Salaries                                        | 1,292.36                | 2,380.55                | 1,292.36                | 2,380.55                |
| Unsecured deposits from customers                       | 1,122.90                | 412.73                  | 1,122.90                | 412.73                  |
| Unpaid dividends                                        | 22.54                   | 13.08                   | 22.54                   | 13.08                   |
| Interest accrued not due                                | 16.40                   | -                       | 16.40                   | -                       |
| Amount payable for property, plant and equipment        | 797.62                  | 899.40                  | 797.62                  | 899.40                  |
| <b>Total</b>                                            | <b>28,484.14</b>        | <b>34,571.84</b>        | <b>28,484.14</b>        | <b>34,571.84</b>        |

\* The fair values of the FVTOCI financial assets are derived from quoted market prices in active markets.

Management has assessed that remaining financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Group and in case of financial asset is the average market rate of similar credit rated instrument. The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### 46 | FAIR VALUE HIERARCHY

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

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

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

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

**(a) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:**

|                                                                                                                         | Total<br>(Carrying Value) | Quoted<br>prices in<br>active markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| <b>Assets measured at fair value</b>                                                                                    |                           |                                                    |                                                  |                                                    |
| <b>Quoted equity shares</b>                                                                                             |                           |                                                    |                                                  |                                                    |
| Investments in equity instruments of other entities (at fair value through other comprehensive income)*                 | 4,554.64                  | 4,554.64                                           | -                                                | -                                                  |
| Investments in unquoted equity instruments of other entities (valued at fair value through other comprehensive income)* | 459.52                    | -                                                  | 459.52                                           | -                                                  |
| Investments in Quoted short term investments valued at fair value                                                       | 1,130.70                  | 1,130.70                                           | -                                                | -                                                  |
| <b>Others</b>                                                                                                           |                           |                                                    |                                                  |                                                    |
| Trade receivables                                                                                                       | 19,277.49                 | -                                                  | -                                                | 19,277.49                                          |
| Cash and cash equivalents                                                                                               | 3,695.76                  | -                                                  | -                                                | 3,695.76                                           |
| Other Bank balances                                                                                                     | 6,666.05                  | -                                                  | -                                                | 6,666.05                                           |
| Deposits with original maturity for more than 12 months from the reporting date                                         | 150.00                    | -                                                  | -                                                | 150.00                                             |
| Loans to employees                                                                                                      | 91.34                     | -                                                  | -                                                | 91.34                                              |
| Security deposit                                                                                                        | 571.10                    | -                                                  | -                                                | 571.10                                             |
| Interest accrued but not due                                                                                            | 158.92                    | -                                                  | -                                                | 158.92                                             |
| Other recoverables                                                                                                      | 36.38                     | -                                                  | -                                                | 36.38                                              |
| Investment properties                                                                                                   | 1,815.92                  | -                                                  | 1,815.92                                         | -                                                  |
| <b>Total</b>                                                                                                            | <b>38,607.82</b>          | <b>5,685.34</b>                                    | <b>2,275.44</b>                                  | <b>30,647.04</b>                                   |

**(b) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:**

|                                                  | Total<br>(Carrying Value) | Quoted<br>prices in<br>active markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
|--------------------------------------------------|---------------------------|----------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| <b>Liabilities measured at fair value</b>        |                           |                                                    |                                                  |                                                    |
| Borrowings non current                           | 1,676.23                  | -                                                  | -                                                | 1,676.23                                           |
| Borrowings current                               | 7,152.41                  | -                                                  | -                                                | 7,152.41                                           |
| Current maturity of long term loan               | 612.50                    | -                                                  | -                                                | 612.50                                             |
| Current maturity of vehicle loan                 | 51.84                     | -                                                  | -                                                | 51.84                                              |
| Trade payables                                   | 15,739.35                 | -                                                  | -                                                | 15,739.35                                          |
| Accrued Salaries                                 | 1,292.36                  | -                                                  | -                                                | 1,292.36                                           |
| Unsecured deposits from customers                | 1,122.90                  | -                                                  | -                                                | 1,122.90                                           |
| Other Liabilities                                | 16.40                     | -                                                  | -                                                | 16.40                                              |
| Amount payable for property, plant and equipment | 797.62                    | -                                                  | -                                                | 797.62                                             |
| Lease liabilities (right to use)                 | 2,869.25                  | -                                                  | -                                                | 2,869.25                                           |
| <b>Total</b>                                     | <b>31,353.38</b>          | <b>-</b>                                           | <b>-</b>                                         | <b>31,353.38</b>                                   |



## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### (c) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019

|                                                                                                                         | Total<br>(Carrying Value) | Quoted<br>prices in<br>active markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| <b>Assets measured at fair value</b>                                                                                    |                           |                                                    |                                                  |                                                    |
| Investments in Quoted equity instruments of other entities (valued at fair value through other comprehensive income)*   | 9,526.13                  | 9,526.13                                           | -                                                | -                                                  |
| Investments in unquoted equity instruments of other entities (valued at fair value through other comprehensive income)* | 601.54                    | -                                                  | 601.54                                           | -                                                  |
| Investments in Quoted short term investments valued at fair value                                                       | 1,851.10                  | 1,851.10                                           | -                                                | -                                                  |
| <b>Financial Instruments where carrying amounts that are reasonable approximations of fair values:</b>                  |                           |                                                    |                                                  |                                                    |
| Trade receivables                                                                                                       | 27,754.79                 | -                                                  | -                                                | 27,754.79                                          |
| Cash and cash equivalents                                                                                               | 2,600.86                  | -                                                  | -                                                | 2,600.86                                           |
| Other Bank balances                                                                                                     | 3,048.12                  | -                                                  | -                                                | 3,048.12                                           |
| Deposits with original maturity for more than 12 months from the reporting date                                         | 5.00                      | -                                                  | -                                                | 5.00                                               |
| Loans to employees                                                                                                      | 75.00                     | -                                                  | -                                                | 75.00                                              |
| Security deposit                                                                                                        | 507.02                    | -                                                  | -                                                | 507.02                                             |
| Interest accrued but not due                                                                                            | 76.02                     | -                                                  | -                                                | 76.02                                              |
| Other recoverables                                                                                                      | 48.56                     | -                                                  | -                                                | 48.56                                              |
| Investment properties                                                                                                   | 1,873.33                  | -                                                  | 1,873.33                                         | -                                                  |
| <b>Total</b>                                                                                                            | <b>47,967.46</b>          | <b>11,377.23</b>                                   | <b>2,474.87</b>                                  | <b>34,115.36</b>                                   |

#### (d) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019:

|                                                  | Total<br>(Carrying Value) | Quoted prices in<br>active markets<br>(Level 1) | Significant<br>observable<br>inputs (Level 2) | Significant<br>unobservable<br>inputs (Level 3) |
|--------------------------------------------------|---------------------------|-------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| <b>Liabilities measured at fair value</b>        |                           |                                                 |                                               |                                                 |
| Borrowings non current                           | 822.75                    | -                                               | -                                             | 822.75                                          |
| Borrowings current                               | 5,819.81                  | -                                               | -                                             | 5,819.81                                        |
| Current maturity of long term loan               | 286.04                    | -                                               | -                                             | 286.04                                          |
| Current maturity of vehicle loan                 | 44.95                     | -                                               | -                                             | 44.95                                           |
| Trade payables                                   | 23,892.54                 | -                                               | -                                             | 23,892.54                                       |
| Accrued Salaries                                 | 2,380.55                  | -                                               | -                                             | 2,380.55                                        |
| Unsecured deposits from customers                | 412.73                    | -                                               | -                                             | 412.73                                          |
| Unpaid dividends                                 | 13.08                     | -                                               | -                                             | 13.08                                           |
| Amount payable for property, plant and equipment | 899.40                    | -                                               | -                                             | 899.40                                          |
| <b>Total</b>                                     | <b>34,571.84</b>          | <b>-</b>                                        | <b>-</b>                                      | <b>34,571.84</b>                                |

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

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**a) Additional information pursuant to Schedule III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year ending March 31, 2020**

| S. No.   | Name of the Entity                                          | Net Assets, i.e., total assets minus total liabilities |                  | Share in Statement Profit or (loss) (net of tax) |                 | Share in other comprehensive income/(loss) (net of tax) |                   | Share in total comprehensive income for the year, net of tax (comprising net profit for the year and other comprehensive income) |               |
|----------|-------------------------------------------------------------|--------------------------------------------------------|------------------|--------------------------------------------------|-----------------|---------------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------|
|          |                                                             | As % of consolidated net assets                        | Amount           | As % of consolidated profit or loss              | Amount          | As % of consolidated Other Comprehensive Income         | Amount            | As % of consolidated Other Comprehensive Income                                                                                  | Amount        |
| <b>1</b> | <b>Holding Company *</b>                                    |                                                        |                  |                                                  |                 |                                                         |                   |                                                                                                                                  |               |
|          | <i>Lumax Auto Technologies Limited</i>                      | 92.86%                                                 | 41,429.73        | 100.45%                                          | 5,952.67        | 100.37%                                                 | (5,105.30)        | 100.97%                                                                                                                          | 847.37        |
| <b>2</b> | <b>Subsidiaries *</b>                                       |                                                        |                  |                                                  |                 |                                                         |                   |                                                                                                                                  |               |
|          | 1. Lumax Mannoh Allied Technologies Limited                 | 9.07%                                                  | 4,047.29         | 19.12%                                           | 1,133.10        | -0.19%                                                  | 9.60              | 136.17%                                                                                                                          | 1,142.70      |
|          | 2. Lumax Integrated Ventures Private Limited                | 0.18%                                                  | 80.35            | -0.31%                                           | (18.52)         | 0.00%                                                   | -                 | -2.21%                                                                                                                           | (18.52)       |
|          | 3. Lumax Management Services Private Limited                | 12.65%                                                 | 5,642.23         | 0.44%                                            | 26.18           | -0.08%                                                  | 4.08              | 3.61%                                                                                                                            | 30.26         |
|          | 4. Lumax Cornaglia Auto Technologies Private Limited        | 5.92%                                                  | 2,642.61         | 0.67%                                            | 39.74           | -0.10%                                                  | 5.30              | 5.37%                                                                                                                            | 45.04         |
|          | 5. Lumax Gill-Austem Auto Technologies Private Limited      | 1.42%                                                  | 634.67           | -12.40%                                          | (734.85)        | 0.00%                                                   | (0.09)            | -87.58%                                                                                                                          | (734.94)      |
|          | 6. Lumax FAE Technologies Private Limited                   | 0.85%                                                  | 377.24           | -0.12%                                           | (7.40)          | 0.00%                                                   | -                 | -0.88%                                                                                                                           | (7.40)        |
|          | 7. Lumax JOPP Allied Technologies Private Limited           | 0.17%                                                  | 77.28            | -1.24%                                           | (73.60)         | 0.00%                                                   | (0.11)            | -8.78%                                                                                                                           | (73.72)       |
|          | 8. Lumax Yokowo Technologies Private Limited                | 0.00%                                                  | 1.00             | 0.00%                                            | -               | 0.00%                                                   | -                 | 0.00%                                                                                                                            | -             |
| <b>3</b> | <b>Joint Ventures (Investment as per the equity method)</b> |                                                        |                  |                                                  |                 |                                                         |                   |                                                                                                                                  |               |
|          | 1. SIPAL Engineering Private Limited                        | 0.12%                                                  | 51.77            | 0.18%                                            | 10.51           | 0.00%                                                   | -                 | 1.25%                                                                                                                            | 10.51         |
|          | 2. Lumax Ituran Telematics Private Limited                  | 0.05%                                                  | 23.40            | -0.69%                                           | (40.61)         | 0.00%                                                   | -                 | -4.84%                                                                                                                           | (40.61)       |
|          | <i>Less : Intercompany Eliminations</i>                     | -23.29%                                                | (10,391.82)      | -6.10%                                           | (361.48)        | 0.00%                                                   | -                 | -43.07%                                                                                                                          | (361.48)      |
|          | <b>Lumax Auto Technologies Limited (Consolidated)</b>       | <b>100.00%</b>                                         | <b>44,615.76</b> | <b>100.00%</b>                                   | <b>5,925.73</b> | <b>100.00%</b>                                          | <b>(5,086.53)</b> | <b>100%</b>                                                                                                                      | <b>839.20</b> |

\* The above figures shown are before inter company eliminations/adjustments.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

**b) Additional information pursuant to Schedule III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year ending March 31, 2019:**

| S. No.   | Name of the Entity                                          | Net Assets, i.e., total assets minus total liabilities |                  | Share in Statement Profit or (loss) (net of tax) |                 | Share in other comprehensive income/(loss) (net of tax) |                   | Share in total comprehensive income for the year, net of tax (comprising net profit for the year and other comprehensive income) |                 |
|----------|-------------------------------------------------------------|--------------------------------------------------------|------------------|--------------------------------------------------|-----------------|---------------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------|
|          |                                                             | As % of consolidated net assets                        | Amount           | As % of consolidated profit or loss              | Amount          | As % of consolidated Other Comprehensive Income         | Amount            | As % of consolidated total Comprehensive Income                                                                                  | Amount          |
| <b>1</b> | <b>Holding Company *</b>                                    |                                                        |                  |                                                  |                 |                                                         |                   |                                                                                                                                  |                 |
|          | Lumax Auto Technologies Limited                             | 92.87%                                                 | 44,592.43        | 86.48%                                           | 5,957.47        | 100.81%                                                 | (1,743.88)        | 81.67%                                                                                                                           | 4,213.59        |
| <b>2</b> | <b>Subsidiaries *</b>                                       |                                                        |                  |                                                  |                 |                                                         |                   |                                                                                                                                  |                 |
|          | 1. Lumax DK Auto Industries Limited                         | 0.00%                                                  | -                | 0.00%                                            | -               | 0.00%                                                   | -                 | 0.00%                                                                                                                            | -               |
|          | 2. Lumax Mannoh Allied Technologies Limited                 | 8.23%                                                  | 3,953.59         | 18.27%                                           | 1,258.55        | -0.19%                                                  | 3.29              | 24.46%                                                                                                                           | 1,261.84        |
|          | 3. Lumax Integrated Ventures Private Limited                | 0.13%                                                  | 61.81            | -0.33%                                           | (22.40)         | 0.00%                                                   | -                 | -0.37%                                                                                                                           | (18.85)         |
|          | 4. Lumax Management Services Private Limited                | 10.47%                                                 | 5,029.47         | 7.84%                                            | 540.37          | -0.22%                                                  | 3.80              | 10.55%                                                                                                                           | 544.16          |
|          | 5. Lumax Cornaglia Auto Technologies Private Limited        | 4.37%                                                  | 2,097.48         | -7.44%                                           | (512.27)        | -0.41%                                                  | 7.02              | -9.79%                                                                                                                           | (505.25)        |
|          | 6. Lumax Gill-Austem Auto Technologies Private Limited      | 2.85%                                                  | 1,369.59         | -0.17%                                           | (12.04)         | 0.01%                                                   | (0.12)            | -0.24%                                                                                                                           | (12.16)         |
|          | 7. Lumax FAE Technologies Private Limited                   | 0.80%                                                  | 384.65           | -0.12%                                           | (8.04)          | 0.00%                                                   | -                 | -0.16%                                                                                                                           | (8.04)          |
| <b>3</b> | <b>Joint Ventures (Investment as per the equity method)</b> |                                                        |                  |                                                  |                 |                                                         |                   |                                                                                                                                  |                 |
|          | SIPAL Engineering Private Limited                           | 0.02%                                                  | 7.84             | 0.05%                                            | 3.55            | 0.00%                                                   | -                 | 0.00%                                                                                                                            | -               |
|          | Lumax Ituran Telematics Private Limited                     | 0.01%                                                  | 4.55             | -0.42%                                           | (28.99)         | 0.00%                                                   | -                 | -0.56%                                                                                                                           | (28.99)         |
|          | Less : Intercompany Eliminations                            | -19.76%                                                | (9,487.08)       | -4.17%                                           | (287.12)        | 0.00%                                                   | -                 | -5.57%                                                                                                                           | (287.12)        |
|          | <b>Lumax Auto Technologies Limited (Consolidated)</b>       | <b>100.00%</b>                                         | <b>48,014.34</b> | <b>100.00%</b>                                   | <b>6,889.05</b> | <b>100.00%</b>                                          | <b>(1,729.89)</b> | <b>100%</b>                                                                                                                      | <b>5,159.16</b> |

\* The above figures shown are before inter company eliminations/adjustments.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### 48 | FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise of trade and other payables, borrowings, security deposits and payables for property, plant and equipment. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash, fixed deposits and security deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by Finance department that advises on financial risks and the appropriate financial risk governance framework for the Group. The Finance department provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

##### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instrument effected by market risk include loans and borrowings, deposits, FVTOCI instrument.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2020.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019 including the effect of hedge accounting.

##### i) 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 Group's interest bearing financial liabilities includes borrowings with fixed interest rates.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

##### ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group transacts business in local currency as well as in foreign currency. The Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

| Exposure gain/(loss) | As at<br>March 31, 2020 |            | As at<br>March 31, 2019 |            |
|----------------------|-------------------------|------------|-------------------------|------------|
|                      | Change +1%              | Change -1% | Change +1%              | Change -1% |
| Trade Payable        | (2.95)                  | 2.95       | (13.47)                 | 13.47      |
| Trade Receivable     | 1.31                    | (1.31)     | 2.36                    | (2.36)     |

#### iii) Equity Price Risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 4,554.64 lakhs. A decrease of 10% on the NSE market index could have an impact of approximately ₹ 455.46 lakhs on the OCI or equity attributable to the Group. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

## B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### i) Trade receivables

Customer credit risk is managed by Group subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets (trade receivable). The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Further, the Group's customer base majorly includes Original Equipment Manufacturers (OEMs), Large Corporates and Tier-1 vendors of OEMs. Based on the past trend of recoverability of outstanding trade receivables, the Group has not incurred material losses on account of bad debts. Hence, no adjustment has been made on account of Expected Credit Loss (ECL) model.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

#### C. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments As at March 31, 2020 :

| As on March 31, 2020        | On Demand       | Less than 1 year | 1 to 5 years    | > 5 years | Total            |
|-----------------------------|-----------------|------------------|-----------------|-----------|------------------|
| Borrowings                  | 7,152.41        | 664.34           | 1,676.23        | -         | 9,492.98         |
| Trade and other payables    | -               | 15,739.35        | -               | -         | 15,739.35        |
| Other financial liabilities | -               | 3,251.81         | -               | -         | 3,251.81         |
| <b>Total</b>                | <b>7,152.41</b> | <b>19,655.50</b> | <b>1,676.23</b> | <b>-</b>  | <b>28,484.14</b> |

| As on March 31, 2019        | On demand       | Less than 1 year | 1 to 5 years  | > 5 years | Total            |
|-----------------------------|-----------------|------------------|---------------|-----------|------------------|
| Borrowings                  | 5,820.00        | 330.99           | 822.75        | -         | 6,973.54         |
| Trade and other payables    | -               | 23,892.54        | -             | -         | 23,892.54        |
| Other financial liabilities | -               | 3,705.75         | -             | -         | 3,705.75         |
| <b>Total</b>                | <b>5,820.00</b> | <b>27,929.28</b> | <b>822.75</b> | <b>-</b>  | <b>34,571.84</b> |

- 49** | The management has analysed that no significant warranty claim is received by the Group in earlier years against the goods manufactured by the Group and further, the seller of traded goods warrants the Group that products will be free from defects in materials and workmanship under normal use and service and agrees to replace any defective parts under the conditions of standard warranty accompanying the products. Therefore, the Group has not made any provision for warranties and claims in its books of accounts for the year ended March 31, 2020.
- 50** | Revenue is measured by the Group at the fair value of consideration received/ receivable from its customers and in determining the transaction price for the sale of products, the Group considers the effects of variable consideration such as price adjustment to be passed on to the customers based on various parameters like negotiation based on savings on material and other factors. Accordingly, revenue for the current year is net of price differences.
- 51** | Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 issued, the tax rates have changed with effect from April 1, 2019, and the Holding company and three of its subsidiaries i.e. Lumax Cornaglia Auto Technologies Private Limited, Lumax Management Services Private Limited and Lumax Mannoh Allied Technologies Limited plans to pay tax at reduced rate and impact of the same has already been considered.
- 52** | With regard to the binding offer issued for acquisition of auto component business with OK Play Group, the Holding Company due to pandemic situation and extended lockdowns disrupting business continuity, the proposed acquisition is being put on hold pending for further review and appropriate decision in future.

## Notes to the Consolidated financial statements

### For the year ended March 31, 2020 (Contd.)

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

- 53** | With respect to the fact that the negotiation for acquiring the balance stake from the JV partner, Gill Austem in respect of Lumax Gill-Austem Auto Technologies Private Limited is in advance stage, the management is hopeful for favourable outcome and thus the Holding Company does not foresee any material impairment in this regard due to going concern of the JV Company i.e. Lumax Gill-Austem Auto Technologies Private Limited.
- 54** | The Group's business research and development concentrates on the development of Automotive equipment. Research and development costs that are not eligible for capitalisation have been expensed in the period incurred during the year ended March 31, 2019 this was an amount of ₹ 370.56 Lakhs (March 31, 2019: ₹ 286.68 Lakhs), and they are recognised in other expenses.
- 55** | The Group business activity falls within a single business segment i.e. manufacturing and trading of Automotive Components and therefore, segment reporting in terms of Ind-AS 108 on Segmental Reporting is not applicable.
- 56** | World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the group temporarily suspended the operations in all the units of the Group in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Group by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. during the lock-down period which has been extended till May 17, 2020. However, production and supply of goods has commenced during the month of April and May 2020 on various dates at all the manufacturing locations of the Group.
- The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right to use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these consolidated financial statements. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
- 57** | Ind AS financial statements of Transferor Company which has been merged were audited by another firm of Chartered Accountants who had expressed an unqualified opinion on March 31, 2019 financial statements.

The accompanying notes form an integral part of these financial statements

As per our report of even date

**S. R. Batliboi & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No. 301003E / E300005

**per Vikas Mehra**

Partner  
Membership. No. 094421

Place : New Delhi  
Date : June 17, 2020

For and on behalf of the Board of Directors of  
**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman  
DIN : 00085848

**Ashish Dubey**

Chief Financial Officer

Place : New Delhi  
Date : June 17, 2020

**Anmol Jain**

Managing Director  
DIN : 00004993

**Anil Tyagi**

Company Secretary  
Membership No.- A16825



# AOC- 1 Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(₹ in Lakhs)

## Part "A" : Subsidiaries

|                                                            | Name of the subsidiaries                 |                                                       |                                           |                                                   |                                           |                                  |                                                |                                             |                                    |                                          |
|------------------------------------------------------------|------------------------------------------|-------------------------------------------------------|-------------------------------------------|---------------------------------------------------|-------------------------------------------|----------------------------------|------------------------------------------------|---------------------------------------------|------------------------------------|------------------------------------------|
|                                                            | Lumax Mannoh Allied Technologies Limited | Lumax Gill - Austem Auto Technologies Private Limited | Lumax Integrated Ventures Private Limited | Lumax Cornaglia Auto Technologies Private Limited | Lumax Management Services Private Limited | Lumax FAE Technologies Limited * | Lumax JOPP Allied Technologies Private Limited | Lumax Yokowo Technologies Private Limited * | Velomax Mobility Private Limited ^ | Lumax Energy Solutions Private Limited ^ |
|                                                            | 1                                        | 2                                                     | 3                                         | 4                                                 | 5                                         | 6                                | 7                                              | 8                                           | 9                                  | 10                                       |
| A. Financial year ending on                                | 31-Mar-20                                | 31-Mar-20                                             | 31-Mar-20                                 | 31-Mar-20                                         | 31-Mar-20                                 | 31-Mar-20                        | 31-Mar-20                                      | 31-Mar-20                                   | 31-Mar-20                          | 31-Mar-20                                |
| B. Equity Share capital                                    | 348.05                                   | 494.74                                                | 83.40                                     | 683.76                                            | 112.50                                    | 392.79                           | 151.00                                         | 1.00                                        | 1.50                               | 5.00                                     |
| C. Other Equity                                            | 3,699.24                                 | 139.93                                                | (5.33)                                    | 1,958.85                                          | 5,529.73                                  | (15.55)                          | (73.72)                                        | -                                           | (1.54)                             | (2.68)                                   |
| D. Total assets                                            | 7,553.02                                 | 1,910.81                                              | 78.78                                     | 6,705.84                                          | 7,263.62                                  | 1,867.73                         | 91.56                                          | 1.00                                        | 0.46                               | 2.56                                     |
| E. Total Liabilities                                       | 3,505.72                                 | 1,276.14                                              | 0.71                                      | 4,063.23                                          | 1,621.39                                  | 1,490.49                         | 14.27                                          | -                                           | 0.50                               | 0.24                                     |
| F. Investments                                             | -                                        | -                                                     | -                                         | -                                                 | -                                         | -                                | -                                              | -                                           | -                                  | -                                        |
| G. Revenue from Contract with Customers                    | 12,510.20                                | 2,546.01                                              | -                                         | 4,716.35                                          | 2,589.15                                  | -                                | 0.38                                           | -                                           | -                                  | 33.20                                    |
| H. Profit before taxation                                  | 1,504.41                                 | (734.85)                                              | (1.34)                                    | (28.41)                                           | 89.93                                     | (7.40)                           | (72.76)                                        | -                                           | (0.75)                             | (14.95)                                  |
| I. Provision for taxation                                  | 371.32                                   | -                                                     | -                                         | (68.16)                                           | 63.74                                     | -                                | 0.84                                           | -                                           | 0.20                               | 2.22                                     |
| J. Profit after taxation                                   | 1,133.10                                 | (734.85)                                              | (1.34)                                    | 39.74                                             | 26.18                                     | (7.40)                           | (73.60)                                        | -                                           | (0.95)                             | (17.18)                                  |
| K. Proposed Dividend (including Dividend Distribution tax) | 209.80                                   | -                                                     | -                                         | -                                                 | -                                         | -                                | -                                              | -                                           | -                                  | -                                        |
| L. % of shareholding                                       | 55%                                      | 50%                                                   | 100%                                      | 50%                                               | 100%                                      | 51%                              | 100%                                           | 100%                                        | 100%                               | 100%                                     |

# AOC- 1 Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) (Contd.)

(₹ in Lakhs)

| Part "B" : Associates and Joint-ventures                                     |                                                      |                                                 |              |
|------------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------|--------------|
|                                                                              | Lumax Ituran Telematics Private Limited <sup>^</sup> | Sipal Engineering Private Limited <sup>^^</sup> |              |
| A. Latest audited Balance Sheet Date                                         | March 31, 2020                                       | March 31, 2020                                  |              |
| B. Shares of Associate/Joint Ventures held by the company on the year end    |                                                      |                                                 |              |
| - Number of Shares (nos)                                                     | 9,30,001                                             | 719,100                                         |              |
| - Amount of Investment in associates and Joint Venture                       | 23.40                                                | 51.77                                           |              |
| C. Description of how there is significant influence                         | Associate                                            | Associate                                       | Associate    |
| D. Reason why the associate and joint venture is not consolidated            | Consolidated                                         | Consolidated                                    | Consolidated |
| E. Networth attributable to Shareholding as per latest audited Balance Sheet | 8.99                                                 | 91.03                                           |              |
| F. Profit / (Loss) for the year                                              | (81.21)                                              | 23.19                                           |              |
| - Considered in Consolidation                                                | (40.61)                                              | 10.51                                           |              |
| - Not Considered in Consolidation                                            | (40.60)                                              | 12.68                                           |              |

## Notes :

<sup>^</sup> Associate of the holding Company, LATL

<sup>^^</sup> Associate of the subsidiary Company

For and on behalf of the Board of Directors of  
**Lumax Auto Technologies Limited**

**D. K. Jain**

Chairman

DIN : 00085848

**Anmol Jain**

Managing Director

DIN : 00004993

**Ashish Dubey**

Chief Financial Officer

**Anil Tyagi**

Company Secretary

Membership No.- A16825

Place : New Delhi

Date : June 17, 2020

## LUMAX AUTO TECHNOLOGIES LIMITED

**Registered Office:** 2<sup>nd</sup> Floor, Harbans Bhawan-II, Commercial Complex,  
Nangal Raya, New Delhi-110046  
Website: [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech), Tel: 011 49857832  
Email: [shares@lumaxmail.com](mailto:shares@lumaxmail.com), CIN: L31909DL1981PLC349793

### NOTICE

Notice is hereby given that the 39<sup>th</sup> Annual General Meeting (AGM) of the Members of Lumax Auto Technologies Limited will be held as under:

|      |   |                        |
|------|---|------------------------|
| Day  | : | <b>Friday</b>          |
| Date | : | <b>August 28, 2020</b> |
| Time | : | <b>03:00 P.M.</b>      |

via two-way i.e. Video Conferencing ("VC") or Other Audio-Visual means ("OAVM") to transact the following businesses:

#### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2020, Audited Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss for the Financial Year ended on that date together with the reports of the Board of Directors and Auditors thereon.
- To declare Final Dividend of ₹ 1 per equity share as recommended by the Board of Directors and to confirm an interim dividend of ₹ 2 per equity share, already declared and paid for the Financial Year ended March 31, 2020.
- 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. TO CONSIDER AND APPROVE THE PROPOSAL FOR THE CONTINUATION OF DIRECTORSHIP OF MR. KANCHAN KUMAR GANDHI (DIN: 08165876), NON-EXECUTIVE AND INDEPENDENT DIRECTOR FOR THE PRESENT TERM.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

**"Resolved 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 amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force and on the recommendation of Nomination and Remuneration committee and Board of Directors of the Company, the consent of the members be and is accorded for the continuation of directorship

of Mr. Kanchan Kumar Gandhi (DIN: 08165876), who shall attain the age of 75 years in the financial year 2020-21, as Non-Executive Independent Director of the Company for his current term of office i.e. till July 27, 2023, not liable to retire by rotation at the Annual General Meeting.

**Resolved further that** the Board of Directors of the Company be and are hereby authorized to take necessary actions and steps required to give effect to the aforesaid resolution and settle any question or difficulty arising in connection therewith or incidental thereto."

#### 5. RATIFICATION / APPROVAL OF REMUNERATION BEING PAID TO MR. DEEPAK JAIN (DIN: 00004972), NON-EXECUTIVE DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"Resolved that** pursuant to the provisions of sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Regulation 17(6) (ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to other approvals, permissions or sanctions as may be necessary, the consent of the members be and is hereby accorded for payment of remuneration in the form of commission @ 1% of net profit as calculated in terms of Section 198 and other applicable provisions of the Act, being paid to Mr. Deepak Jain (DIN: 00004972), a Non-Executive Director which exceeds 50% (fifty percent) of total remuneration payable to all Non-Executive Directors for the Financial Year 2019-20, which is in accordance with the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company.

**Resolved further that** the Board of Directors of the Company be and are hereby authorized to take

necessary actions and steps required to give effect to the aforesaid resolution and settle any question or difficulty arising in connection therewith or incidental thereto.”

**6. RATIFICATION / APPROVAL OF THE FEES OR COMPENSATION PAYABLE TO EXECUTIVE DIRECTOR - MR. D. K. JAIN, CHAIRMAN (DIN: 00085848)**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

“**Resolved that** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other approvals, permissions or sanctions as may be necessary, the consent of the Company be and is hereby accorded for the payment of fees or compensation to Mr. D.K. Jain (DIN: 00085848), Executive Chairman, who is also promoter and member of the promoter group, on such terms and conditions as approved by the Shareholders on August 21, 2018 notwithstanding that the remuneration payable to Mr. D.K. Jain in any year exceeds Rupees 5 Crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company, during the remaining tenure of his appointment up to May 27, 2023, which is in accordance with the recommendation of Nomination and Remuneration Committee and Board of Directors.

**Resolved further that** the Board of Directors of the Company be and are hereby authorized to take necessary actions and steps required to give effect to the aforesaid resolution and settle any question or difficulty arising in connection therewith or incidental thereto.”

**7. RATIFICATION / APPROVAL OF THE FEES OR COMPENSATION PAYABLE TO EXECUTIVE DIRECTOR - MR. ANMOL JAIN, MANAGING DIRECTOR (DIN: 00004993)**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

“**Resolved that** pursuant to the provisions of Sections

196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other approvals, permissions or sanctions as may be necessary, the consent of the Company be and is hereby accorded for the payment of fees or compensation to Mr. Anmol Jain (DIN: 00004993), Managing Director, who is also promoter and member of the promoter group, on such terms and conditions as approved by the Shareholders on August 21, 2018 notwithstanding that the remuneration payable to Mr. Anmol Jain in any year exceeds Rupees 5 Crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company, during the remaining tenure of his appointment up to May 27, 2023, which is in accordance with the recommendation of Nomination and Remuneration Committee and Board of Directors.

**Resolved further that** the Board of Directors of the Company be and are hereby authorized to take necessary actions and steps required to give effect to the aforesaid resolution and settle any question or difficulty arising in connection therewith or incidental thereto.”

**8. RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2020-21.**

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 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Jitender Navneet & Co., Cost Accountants (Firm Registration No. 000119) 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 March 31, 2021, 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 of the Company be and are hereby authorized to take

necessary actions and steps required to give effect to the aforesaid resolution and settle any question or difficulty arising in connection therewith or incidental thereto.”

**By Order of the Board  
For Lumax Auto Technologies Limited**

Place: New Delhi

**Anil Tyagi**

Dated: June 17, 2020

Company Secretary  
Membership No. A16825

**Registered Office: 2<sup>nd</sup> Floor,  
Harbans Bhawan-II, Commercial Complex,  
Nangal Raya, New Delhi-110046.  
Website: [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech)  
Email: [shares@lumaxmail.com](mailto:shares@lumaxmail.com)  
CIN: L31909DL1981PLC349793**

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Further, Securities and Exchange Board of India (“SEBI”) vide its Circular dated May 12, 2020 (“SEBI Circular”) has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 (“the Act”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the AGM of the Company is being held through VC/OAVM on Friday, August 28, 2020 at 03:00 P.M. (IST). Hence, the Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. The requirement of physical attendance of members has also been dispensed with. Hence the proxy form, attendance slip and route map of the AGM venue are not annexed to this notice.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.

4. Institutional Investors, who are Members of the Company, are encouraged to attend the AGM through VC/OAVM mode and vote electronically. Corporate Members intending **to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to Bigshare Services Pvt. Ltd., Registrar and Transfer Agent of the Company, by e-mail at [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com) with a copy marked to the Company at [shares@lumaxmail.com](mailto:shares@lumaxmail.com).**
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
7. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Further, the Notice of the AGM has been uploaded on the website of the Company at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

8. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 21, 2020 to Friday, August 28, 2020 (both days inclusive) for determining the names of the members eligible for dividend on equity shares, if declared at the AGM.

9. **Dividend Entitlement:** Dividend on Equity Shares, as recommended by the Board of Directors, if declared at the meeting will be payable to those Members whose names appear on the Register of Members of the Company, in the case of beneficial owners as at the close of August 20, 2020 as per the beneficial ownership data furnished by NSDL/CDSL for the purpose and in respect of Shares held in physical form after giving effect to all valid Shares Transfers, which are lodged with the Company as at the end of business hours on August 20, 2020.

The Board of Directors have recommended a dividend of Re. 1 per equity share of the face value of ₹ 2 each (@50%), payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record Date.

The Board of Directors in their meeting held on February 19, 2020 considered & approved an interim dividend of ₹ 2 per equity shares of the face value of ₹ 2 each (@100%) for the Financial Year 2019-2020.

Cumulatively, the Board of Directors has declared / recommended a total Dividend of ₹ 3 per equity share of the face value of ₹ 2 each (@150%) for the Financial Year 2019-2020.

Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates as per Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents through e-mail by Friday, August 14, 2020.

The note for **'Communication on Tax Deduction on Dividend'** is annexed with this notice as **Annexure - III**.

Dividend amount for Members holding shares in Electronic Form and to those Members holding in Physical Form, who have given their Bank details, will be credited to their respective Bank Account through Electronic Clearing Service (ECS), wherever such facilities are available, soon after the declaration of the Dividend in the AGM, subject to deduction of income-

tax at source ('TDS'). For others, Dividend DD's will be posted at the earliest once the normalcy is restored. In order to avoid any fraudulent encashment, such Members are requested to furnish their Bank Account Number and Bank's name so as to incorporate the same in the Dividend DD, immediately, if not submitted earlier. If there is any change in the Bank Account of Demat Members, they are requested to intimate the same to their respective Depository Participants for their further action.

Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/documents by email to reach the Company's email address [shares@lumaxmail.com](mailto:shares@lumaxmail.com) by August 14, 2020 as per the details mentioned in Annexure to this Notice.

In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.

10. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):** Members are requested to note that pursuant to the provisions of Section 124 of the Companies Act, 2013, 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 (IEPF) 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 Financial Year 2011-12 has been transferred to the IEPF on October 24, 2019. The Final Unpaid Dividend Amount for the Financial Year 2012-13 shall be transferred to IEPF on or before October 26, 2020. Members who have not encashed their Dividend for the Financial Year 2012-13 and onwards are therefore, requested to make their claims to the Company immediately.

The Members are also requested to note that all shares on which dividend remains unclaimed for seven consecutive years or more shall be transferred to the



IEPF account in compliance with Section 124 of the Companies Act, 2013 and the applicable rules. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

11. As per the provision of Section 89 read with Section 90 of the Companies Act, 2013, the combined effect of both the sections is that every person who is holding a beneficial interest in the shares of the Company shall submit his/her declaration to the Company in the prescribed form and thereafter the Company shall intimate to the Registrar in the prescribed form along with such declaration.

Every member(s) of the Company is requested to provide the declaration(s) regarding their beneficial interest, if any in the shares of the Company under the aforesaid provisions of the Act. The shareholders are further advised to refer Companies (Significant Beneficial Owners) Amendment Rules, 2019 before making declaration in respect of Beneficial Owner and Significant Beneficial Owner.

12. **Change of Address:** The Members holding shares in physical mode are requested to intimate to the Registrar and Share Transfer Agent M/s Bigshare Services Pvt. Ltd. Bharat Tin Works Building, 1<sup>st</sup> Floor, Opp. Vasant Oasis, Makwana Road, Andheri – East, Mumbai – 400059, immediately, if there is any change in their registered address. Demat Members should inform the change of address to their respective Depository Participants.
13. **Declaration:** Details as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice enclosed as Annexure - I. Other details as required under Secretarial Standard - 2 are included in the Corporate Governance Report, which forms part of the Annual Report. The Directors have furnished the requisite consents/ declarations for their appointment/ re-appointment.
14. For mandatory updation of Permanent Account Number (PAN), Dematerialization of Shares held by members in physical form, updation of email – id and updation of any other details with the Company/Depository, Members are requested to refer to the important instructions given in Annexure – II of this Notice.
15. Electronic copy of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection in the

Investor Section of the website of the Company at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech).

During the AGM, Members may access the scanned copy of Statutory Registers maintained under the Companies Act, 2013, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

16. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company Secretary at least 7 days before the ensuing Annual General Meeting by sending an e-mail to [shares@lumaxmail.com](mailto:shares@lumaxmail.com) mentioning their DP ID & Client ID/Physical Folio Number.
17. Members, who would like to ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address [shares@lumaxmail.com](mailto:shares@lumaxmail.com) atleast 7 days in advance before the start of the AGM i.e. by August 21, 2020 by 05:00 P.M. IST. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
18. **Explanatory Statement:** Pursuant to Section 102(1) of the Companies Act, 2013, Explanatory Statement in respect of Special Business to be transacted at the meeting is furnished hereunder.
19. **Voting through electronic means:** In terms of the provisions of section 108 of the Companies Act, 2013 (the Act), read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to Members holding shares as on August 20, 2020, being the Cut-off date for the purpose of Rule 20(4)(vii) of the Rules fixed for determining voting rights of Members, entitled to participate in the remote e-voting process, through the e-voting platform provided by National Securities Depository Limited (NSDL) i.e. <https://www.evoting.nsdl.com/> or to vote at the Annual General Meeting.
20. The Board of Directors has appointed Mr. Maneesh Gupta, Practicing Company Secretary, (Membership



No. F4982) New Delhi as the Scrutinizer to the remote e-voting process and e-voting during the Annual General Meeting in a fair and transparent manner.

21. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.
22. The recorded transcript of the forthcoming AGM on August 28, 2020, shall also be made available on the website of the Company [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) in the Investor Section, as soon as possible after the Meeting is over.
23. The Scrutiniser shall after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unlock the votes cast through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

The Scrutiniser shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the Scrutiniser's report shall be placed on the Company's website [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) and National Securities Depository Limited (NSDL) i.e. <https://www.evoting.nsdl.com/> and shall also be communicated to the stock exchanges.

24. The Notice of AGM, Annual Report and instructions for e-voting are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s). Members who have still not registered their e-mail addresses are requested to register their e-mail addresses, in respect of shares held in electronic mode, with their depository participant and in respect of the shares held in physical mode, with the Company/ Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agent.
25. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to [shares@lumaxmail.com](mailto:shares@lumaxmail.com) by mentioning their DP ID & Client ID/ Physical Folio Number.

26. Notice of this Annual General Meeting, Audited Financial Statement for Financial Year 2019-20 together with Directors' Report and Auditors' Report are available on the website of the Company [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech). Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

**27. Instructions for attending the AGM through VC/OAVM and remote e-voting are given below:**

**A. Instructions for Members for attending the AGM through VC/OAVM are as under:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**B. The instructions for remote e-voting are as under:**

The remote e-voting period begins on Tuesday, the August 25, 2020 at 10:00 A.M. and ends on Thursday, the August 27, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:                                                                                                                                          |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.                                                    |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to guptamaneeshcs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or

“Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Ms. Sarita Mote at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the Company at [shares@lumaxmail.com](mailto:shares@lumaxmail.com) or to Registrar and Transfer Agent at [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com).

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

**C. The instructions for members for e-voting on the day of the AGM are as under:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:
  - Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or at telephone number :+91-22-24994360
  - Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone number +91 22 2499 4545.

**EXPLANATORY STATEMENT:**  
(PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013)

**ITEM NO. 4**

Pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, Mr. Kanchan Kumar Gandhi, Non- Executive Independent Director shall attain the age of Seventy-Five (75) years in the month of December 2020 and thus for continuation of his current term it is proposed to pass the Special Resolution for his present term.

Mr. Kanchan Kumar Gandhi is Principal Adviser of Society of Indian Automobile Manufacturers (SIAM), New Delhi. He has represented the Indian Auto Industry both in National and International forums and also holds membership of various Government Policy Committees including Expert Committee on Auto Fuel Vision and Policy 2025, Air Quality Monitoring, Emission inventory & Source Apportionment study for Indian Cities, etc. where he prepared Policies outlining and addressing various technical issues confronting the Indian Automobile Industry.

Mr. Kanchan Kumar Gandhi has also been Chairman of the India GRPE and GRRF Group of Experts for UN WP 29 and Director of Indian Institute of Petroleum, Dehradun.

The Board affirmed that his association as an Independent Director of the Company will be beneficial in form of continuous support and guidance in Company affairs.

The Board recommends her appointment as an Independent Director for a period of five (5) years w.e.f. July 28, 2018, not liable to retire by rotation.

The Company has received a declaration from Mr. Kanchan Kumar Gandhi that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Kanchan Kumar Gandhi fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Kanchan Kumar Gandhi is independent of the management and possesses appropriate skills, experience and knowledge.

Except, Mr. Kanchan Kumar 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. 4 of the Notice.

Your Directors recommend the resolution set forth in Item No. 4 for approval of the Members as a Special Resolution.

**ITEM NO. 5.**

Mr. Deepak Jain has undergone extensive training at I. I. Stanley Co., Limited U.S. and Stanley Electric Co., Limited Japan after qualifying his MBA from Illinois Institute of Technologies USA with specialization in operational management & international business. Mr. Deepak Jain, aged 45 years, is associated with various key positions in different Association and has more than 25 years of work experience in the manufacturing Automotive Components. He is holding various positions in different associations like ACMA, Toyota Kirloskar Suppliers Association.

His rich experience and continued valuable guidance to the management, strong Board performance, has been instrumental in providing expert guidance in the area of marketing, business development and customer relationship.

In view of his valuable contribution made to the Company, he is being paid commission @1% of the net profit as calculated in terms of Companies Act, 2013 as amended up-to-date. Since this amount exceeds/likely to exceed 50% (fifty Percent) of total remuneration payable to all Non-Executive Directors for the financial year 2019-20; approval/ratification of such payment is sought due to recent amendment in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except, Mr. D. K. Jain, Mr. Deepak Jain, Mr. Anmol Jain, Mrs. Poysha Goyal Jain and Mrs. Shivani Jain, being relatives to each other, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at Item No. 5 of the Notice.

Your Directors recommend the resolution set forth in Item No. 5 for approval of the Members as Special Resolution.

#### ITEM NO. 6.

Pursuant to Regulation 17(6)(e) inserted in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the shareholders by way of special resolution shall be obtained for fees or compensation payable to executive directors who are promoters or members of the promoter group, if,

- i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 percent of the net profits of the listed entity, whichever is higher; or
- ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent of the net profits of the listed entity.

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

Mr. D.K. Jain (DIN: 00085848), Executive Chairman, who is also a promoter and a member of the promoter group, was re-appointed as Chairman of the Company for a period of 5 years on such terms and conditions as approved by the Shareholders in the Annual General Meeting held on August 21, 2018.

In order to comply with the requirement of Regulation 17(6)(e)(i) of the Listing Regulations and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, approval of the Shareholders is being sought by way of Special Resolution for the already approved remuneration paid to Mr. D.K. Jain as now it exceeds Rupees Five Crores or 2.5% of the Net Profits of the Company.

Further, pursuant to Regulation 17(6)(e)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, approval of the Shareholders is also being sought by way of Special Resolution for the already approved remuneration paid to Mr. D.K. Jain, Executive Chairman and Mr. Anmol Jain, Managing Director as in aggregate it exceeds 5% of the Net Profits of the Company.

Except Mr. D. K. Jain, Mr. Deepak Jain, Mr. Anmol Jain, Mrs. Poysha Goyal Jain and Mrs. Shivani Jain, being relatives to each other, 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. 6 of the Notice.

Your Directors recommend the Resolution set forth in Item No. 6 for approval of the Members as Special Resolution.

#### ITEM NO. 7.

Pursuant to Regulation 17(6)(e) inserted in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the shareholders by way of special resolution shall be obtained for fees or compensation payable to executive directors who are promoters or members of the promoter group, if,

- i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 percent of the net profits of the listed entity, whichever is higher; or
- ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent of the net profits of the listed entity.

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

Mr. Anmol Jain (DIN: 00004993), Managing Director, who is also a promoter and a member of the promoter group, was re-appointed as Managing Director of the Company for a period of 5 years on such terms and conditions as approved by the Shareholders in the Annual General Meeting held on August 21, 2018.

In order to comply with the requirement of Regulation 17(6)(e)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, approval of the Shareholders is being sought by way of Special Resolution for the already approved remuneration paid to Mr. Anmol Jain, Managing Director as now it exceeds Rupees Five Crores or 2.5% of the Net Profits of the Company.

Further, pursuant to Regulation 17(6)(e)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of Nomination and Remuneration Committee and Board of Directors, approval of the Shareholders is also being sought by way of Special Resolution for the already approved remuneration paid to Mr. D.K. Jain, Executive Chairman and Mr. Anmol Jain, Managing Director as in aggregate it exceeds 5% of the Net Profits of the Company.

Except Mr. D. K. Jain, Mr. Deepak Jain, Mr. Anmol Jain, Mrs. Poysha Goyal Jain and Mrs. Shivani Jain, being relatives to each other, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at Item No. 7 of the Notice.

Your Directors recommend the Resolution set forth in Item No. 7 for approval of the Members as Special Resolution.

**ITEM NO. 8.**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Jitender Navneet & Co., Cost Accountants as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2020-21 at a fee of Rs. 1.50 Lacs plus Taxes as applicable and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an ordinary resolution as set out at Item no. 8 of the notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at Item No. 8 of the Notice.

Your Directors recommend the resolution set forth in Item No. 8 for approval of the Members as an Ordinary Resolution.

**By Order of the Board**  
**For Lumax Auto Technologies Limited**

Place: New Delhi  
Dated: June 17, 2020

**Anil Tyagi**  
Company Secretary  
Membership No. A16825

**Registered Office: 2<sup>nd</sup> Floor,  
Harbans Bhawan-II,  
Commercial Complex,  
Nangal Raya, New Delhi-110046.  
Website: [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech)  
Email: [shares@lumaxmail.com](mailto:shares@lumaxmail.com)  
CIN: L31909DL1981PLC349793**

## Annexure - I

### BRIEF DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS PER REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

| Particulars                                                                                                   | Mr. Kanchan Kumar Gandhi<br>(DIN: 08165876)                                                                                                                                                                                                           | Mr. Deepak Jain<br>(DIN: 00004972)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth                                                                                                 | December 25, 1945                                                                                                                                                                                                                                     | April 06, 1975                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Qualification                                                                                                 | B.E. Mechanical from BITs                                                                                                                                                                                                                             | Business Graduate from Illinois Institute of Technology, USA with specialization in Operations Management & International Business                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Experience & Expertise                                                                                        | He is associated with SIAM for the last 18 years and is currently Principal Advisor.                                                                                                                                                                  | He has undergone extensive training at Stanley Co. Limited, U.S.A. & Stanley Electric Co. Limited, Japan. He has over 25 years' of experience. He was Chairman of ACMA's HR/IR & Skill Development Committee, past Chairman of Sustainable Technology Development Committee of ACMA, past National Coordinator of Young Business Leader Forum of ACMA, and past President of Supplier's club, Honda Cars India Limited. He is Member of Young President Organization and Entrepreneurs' Organization. He also holds the position of Chairman of Northern Region of ACMA & Vice President of Toyota Kirloskar Supplier's Association. |
| Name of Listed Companies in which Directorship held other than Lumax Auto Technologies Limited                | He is Member of various Government Policy Committees including Expert Committee on Auto Fuel Vision and Policy 2025, Air Quality Monitoring, Emission inventory and preparing policy documents for issues confronting the Indian Automobile Industry. | 1. Lumax Industries Limited<br>2. RSWM Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Chairman/ Member of the Committee of the Board of Listed Companies other than Lumax Auto Technologies Limited | NIL                                                                                                                                                                                                                                                   | Member of Audit Committee and Share Transfer/ Stakeholder Relationship Committee of Lumax Industries Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Relationship with Directors Inter-se                                                                          | NIL                                                                                                                                                                                                                                                   | Related as son of Mr. D.K. Jain, Executive Chairman and Brother of Mr. Anmol Jain, Managing Director of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| No. of Shares held in the Company                                                                             | Not related with any Director                                                                                                                                                                                                                         | 99,52,315                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



| Particulars                                                                                                   | <b>Mr. D. K. Jain</b><br><b>(DIN: 00085848)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Mr. Anmol Jain</b><br><b>(DIN: 00004993)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth                                                                                                 | November 08, 1942                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | April 04, 1979                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Qualification                                                                                                 | MBA from Delhi university & has successfully completed President Management Program from Harvard Business School                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Bachelors in Business Administration in Finance & Supply Chain Management (Double major) from Michigan State University, U.S.A.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Experience & Expertise                                                                                        | <p>He is among the pioneers of the Indian Auto-Component Industry. His enigmatic vision and management skills has been the guiding light behind the DK Jain Group of companies.</p> <p>He holds Over more than 55 years of experience in the automotive industry in management, operations &amp; administrative roles. He has held various industry positions like:</p> <ul style="list-style-type: none"> <li>• Past president of ACMA,</li> <li>• President suppliers association – Toyota Kirloskar Motors,</li> <li>• Chairman of Trade Fairs Committee ACMA,</li> <li>• Co-chairman of Regional Committee on Membership of Northern Region CII,</li> <li>• Past Chairman of CSR subcommittee of the Northern Region of CII</li> </ul> | <p>He worked as a Management Trainee with GHSP, U.S.A. &amp; subsequently, joined Lumax Group, in 2000 &amp; has over 20 years of experience</p> <p>He has held various positions in Industry associations like:</p> <ul style="list-style-type: none"> <li>• The National Coordinator of ACMA-YBLF from 2014-16.</li> <li>• The Chairman CII Haryana State Council in 2012-13.</li> </ul> <p>He is currently:-</p> <ul style="list-style-type: none"> <li>• The EC member of Honda Cars India Supplier's Club</li> <li>• Bajaj Auto Vendor Association MC member</li> </ul> |
| Name of Listed Companies in which Directorship held other than Lumax Auto Technologies Limited                | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1. Lumax Industries Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Chairman/ Member of the Committee of the Board of Listed Companies other than Lumax Auto Technologies Limited | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Relationship with Directors Inter-se                                                                          | Related as father of Mr. Deepak Jain, Director and Mr. Anmol Jain, Managing Director of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Related as son of Mr. D.K. Jain, Executive Chairman and Brother of Mr. Deepak Jain, Director of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| No. of Shares held in the Company                                                                             | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 99,49,380                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## Annexure - II

### IMPORTANT AND URGENT INFORMATION FOR THE SHAREHOLDERS

#### **Mandatory Updation of PAN and Bank Account details (Only for Physical Shareholding)**

Securities Exchange Board of India ("SEBI") vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 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 duly filled and signed by all the Shareholders.
2. Self-attested copy of PAN Card of all the Shareholders.
3. Original Cancelled Cheque leaf with Name (if the name is not printed, self-attested copy of Passbook duly attested by the Bank first page).
4. Self-attested copy of Address Proof of the Shareholder.

If the Shareholder is a resident of Sikkim, the Shareholder is required to submit a valid Identity proof issued by Government.

#### **Mandatory Dematerialization of Shares**

Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 read with BSE Circular No. LIST/COMP/15/2018-19 dated July 5, 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  
Bigshare Services Pvt. Ltd.  
Bharat Tin Works Building,  
1<sup>st</sup> Floor, Opp. Vasant Oasis, Makwana Road,  
Andheri – East, Mumbai – 400059

Dear Sir/Ma'am,

### Unit: LUMAX AUTO TECHNOLOGIES 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 Card 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.

## Annexure - III

### COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

As per Finance Act, 2020, the Company would be under an obligation to deduct TDS in accordance with the provisions of the IT Act, from dividend distributed on or after April 01, 2020.

All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective Demat account/s maintained with the Depository Participant/s; or with the Company in case of shares held in physical form latest by August 14, 2020.

- A. Valid Permanent Account Number (PAN).
- B. Residential status as per the Income Tax Act i.e. Resident or Non-Resident for FY 2020-21.
- C. Category of the Member i.e. Individual, HUF, AOP, Firm, Trust, LLP, Domestic Company, Foreign Company, FPI, FII, Mutual Fund, Insurance Company, AIF category I and II, AIF category-III, Central/State Government
- D. Email Address.
- E. Address.

Documents required to be submitted by relevant category of Members to the Company latest by August 14, 2020 as per detail below:

#### SECTION I. FOR RESIDENT MEMBERS:

**NO TDS** if dividend paid to Mutual Funds, Category I and II Alternative Investment Fund, Insurance companies, Recognized Provident funds, Approved Superannuation fund, Approved Gratuity Fund, National Pension Scheme and Government (Central/ State) subject to submission of certificate of identity.

For Any other Entity as per detail below:

- a) TDS is required to be deducted @7.5% u/s 194 of the IT Act, if aggregate dividend distributed or likely to be distributed during the FY 2020-21 to individual shareholder exceed INR 5000 if PAN is available/provided otherwise 20% if no PAN.
- b) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.
- c) No TDS is required to be deducted on furnishing of valid Form 15G or Form 15H

#### SECTION II. FOR NON-RESIDENT MEMBERS:

- i. FII: TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act.
- ii. Any entity entitled to exemption from TDS: Valid self-attested documentary evidence in support of the entity being entitled to exemption from TDS needs to be submitted.
- iii. Other non-resident Members:
  - a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 195 of the IT Act.
  - b) Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the Self-attested copy of **1) PAN, 2) TRC, 3) Form 10F and 4) No PE declaration**

Details and / or documents as mentioned above in Section I and Section II, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach **shares@lumaxmail.com** by August 14, 2020. Please note that no communication in this regard, shall be accepted after August 14, 2020.

**Note:** Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.





Lumax Auto Technologies Limited  
[www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech)