

# Independent Auditor's Report

## To the Members of Lumax Industries Limited

### Report on the Audit of Consolidated Financial Statements Opinion

We have audited the consolidated financial statements of Lumax Industries Limited (hereinafter referred to as the 'Holding Company') and its associate, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such associate as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associate as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the *Audit of the Consolidated Financial Statements* section of our report. We are independent of the Holding Company and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## Key Audit Matters

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

## Independent Auditor's Report (Contd.)

The Key Audit Matter	How the matter was addressed in our audit
<p><b>Revenue Recognition</b></p> <p><b>See note 3(k), 24 and 45 to the consolidated financial statements</b></p> <p>Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is recognised only to the extent that it is highly probable a significant reversal will not occur. The timing of revenue recognition is relevant to the reported performance of the Holding Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>The Holding Company considers certain variable considerations such as price adjustment and discounts to be passed to customers on the basis of agreed terms, negotiations with customers/ commercial considerations, which involves significant judgement and estimates to arrive at the amount of price adjustments to be accrued for adjustment to revenue.</p> <p>We have considered revenue recognition as a key audit matter on account of the qualitative and quantitative factors as mentioned above.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- assessed the appropriateness of the accounting policy for revenue recognition, including those relating to price increase/ decrease and discounts as per the applicable accounting standards;</li> <li>- evaluated the design and implementation of the Company's key internal financial controls over revenue recognition including those relating to price increase/decrease and discounts and tested the operating effectiveness of such controls on selected transactions;</li> <li>- Inspected samples identified by applying statistical sampling from the underlying documents that revenue has been booked correctly and in the correct period with reference to supporting invoices, terms and conditions with customers and receipts from customers;</li> <li>- Inspected on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end to determine whether revenue was recognised in the correct period;</li> <li>- evaluated management's methodology and assumptions used in the calculations of price adjustments. Inspected, on sample basis, debit note/credit notes issued, receipts/payment made as per approved customer contracts, agreed price adjustments passed on to the customers and evaluated completeness, arithmetical accuracy and validity of the data used in the computation of price adjustments;</li> <li>- performed analytical procedures on current year revenue and price adjustments, based on trends and where appropriate, conducting further enquiries and testing;</li> <li>- inspected manual journals posted to revenue to identify unusual items;</li> <li>- assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard.</li> </ul>

### Other Information

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

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

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

## Independent Auditor's Report (Contd.)

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Holding Company including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Holding Company and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and of its associate is responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Holding Company and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the consolidated financial statements of which we are the independent auditors. For the associate included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

### Other Matters

The consolidated financial statements also include the Holding Company's share of net profit (and other comprehensive

income) (before consolidation adjustments) of Rs. 154.09 lakhs for the year ended 31 March 2021, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the audit report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such associate as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
  - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;
  - On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the report

of the statutory auditor of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act; and

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the associate, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Holding Company and its associate. Refer Note 40 to the consolidated financial statements.
- ii. The Holding Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its associate company incorporated in India; and

- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of such associate company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its associate company to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid to its directors by the Holding Company and its associate company is in excess of the limits laid down under Section 197 read with Schedule V of the Act, however, necessary approval with respect to the same has been obtained by the Company (refer note 38 to the consolidated financial statement). The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Manish Kapoor**

Partner

Membership No.: 510688

ICAI UDIN: 21510688AAAABD9544

Place: Gurugram

Date: 11 June 2021

## **Annexure A** to the Independent Auditor's report on the consolidated financial statements of Lumax Industries Limited for the period ended 31 March 2021

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

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

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Lumax Industries Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its associate company, as of that date.

In our opinion, the Holding Company and its associate, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Directors' Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately

## Annexure A to the Independent Auditor's report (Contd.)

and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024

**Manish Kapoor**

Partner

Membership No.: 510688

ICAI UDIN: 21510688AAAABD9544

Place: Gurugram

Date: 11 June 2021



# Consolidated Balance Sheet

as at 31 March 2021

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

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4A	58,117.23	61,261.53
Capital work-in-progress	4B	4,701.63	3,216.74
Right of use assets	4C	3,074.04	2,375.43
Investment property	5	72.13	72.13
Goodwill	4E	977.58	977.58
Other intangible assets	4D	473.34	580.51
Intangible assets under development	4F	-	2.06
Investments accounted using the equity method	44	9,033.81	8,864.14
<b>Financial assets</b>			
Investments	6	160.00	160.00
Loans	7	718.04	690.64
Others	8	141.26	164.19
Non current tax assets (net)	12	502.09	745.04
Other non-current assets	13	7,202.48	6,330.50
<b>Total non-current assets</b>		<b>85,173.63</b>	<b>85,440.49</b>
<b>Current assets</b>			
Inventories	14	22,234.22	17,917.82
<b>Financial assets</b>			
Investments	6	21.10	10.51
Trade receivables	9	21,631.34	17,321.45
Cash and cash equivalents	10	283.65	795.00
Bank balances other than above	10	31.35	3,000.65
Loans	7	87.90	98.27
Derivatives	11	-	237.34
Others	8	3,238.39	1,030.14
Other current assets	13	3,534.24	2,468.25
<b>Total current assets</b>		<b>51,062.19</b>	<b>42,879.43</b>
<b>TOTAL ASSETS</b>		<b>1,36,235.82</b>	<b>1,28,319.92</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	934.77	934.77
Other equity	16	45,108.52	43,712.03
<b>Total equity</b>		<b>46,043.29</b>	<b>44,646.80</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	1.89	2,638.19
Lease liability	18	3,617.97	2,796.22
Provisions	22	3,196.54	2,838.63
Deferred tax liabilities (net)	23	3,283.72	2,292.87
<b>Total non current liabilities</b>		<b>10,100.12</b>	<b>10,565.91</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	30,082.92	26,564.61
Lease liability	18	98.20	68.18
Trade payables			
- total outstanding dues of micro and small enterprises, and	19	1,534.23	671.80
- total outstanding dues of creditors other than micro and small enterprises	19	35,909.52	30,845.33
Other financial liabilities	20	7,453.41	10,540.31
Other current liabilities	21	4,140.78	3,730.85
Provisions	22	873.35	686.13
<b>Total current liabilities</b>		<b>80,092.41</b>	<b>73,107.21</b>
<b>Total liabilities</b>		<b>90,192.53</b>	<b>83,673.12</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,36,235.82</b>	<b>1,28,319.92</b>
Summary of significant accounting policies	3		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

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

**Manish Kapoor**

Partner

Membership No. 510688

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

**Vineet Sahni**

CEO & Senior  
Executive Director  
DIN: 03616096

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi  
Date: 11 June 2021

**Pankaj Mahendru**

Company Secretary

Membership No.-A 28161

Place: Gurugram  
Date: 11 June 2021  
ICAI UDIN: 21510688AAAABD9544

Place: New Delhi  
Date: 11 June 2021

Place: Gurugram  
Date: 11 June 2021

Place: New Delhi  
Date: 11 June 2021



# Statement of Consolidated Profit and Loss

for the year ended 31 March 2021

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

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
<b>I REVENUE</b>			
Revenue from operations	24	1,42,598.07	1,60,158.72
Other income	25	2,523.38	735.27
<b>TOTAL REVENUE</b>		<b>1,45,121.45</b>	<b>1,60,893.99</b>
<b>II EXPENSES</b>			
Cost of materials consumed			
Cost of raw material and components consumed	26	86,205.22	87,782.00
Cost of moulds, tools & dies	26.1	4,378.00	10,665.41
Purchase of stock in trade	27	449.81	442.13
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(773.38)	(498.85)
Employee benefits expenses	29	20,679.78	20,991.68
Finance costs	30	2,847.54	2,191.56
Depreciation and amortization	31	6,451.32	6,354.42
Other expenses	32	21,731.18	25,001.30
<b>TOTAL EXPENSES</b>		<b>1,41,969.47</b>	<b>1,52,929.65</b>
<b>III Profit before income tax and share in profit of associate (I-II)</b>		<b>3,151.98</b>	<b>7,964.34</b>
<b>IV Profit of associate</b>		<b>154.09</b>	<b>1,208.76</b>
<b>V Profit before tax (III+IV)</b>		<b>3,306.07</b>	<b>9,173.10</b>
<b>VI Tax Expense:</b>			
Current tax	23	544.20	1,380.07
Deferred tax (including MAT for earlier years)	23	946.64	603.35
<b>Income tax expenses</b>		<b>1,490.84</b>	<b>1,983.42</b>
<b>VII Profit for the year (V-VI)</b>		<b>1,815.23</b>	<b>7,189.68</b>
<b>VIII Other comprehensive income/ (loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of defined benefit liability		142.12	(68.79)
Income tax relating to above		-	-
<b>Net other comprehensive income/ (loss) not to be reclassified subsequently to profit or loss</b>		<b>142.12</b>	<b>(68.79)</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>1,957.35</b>	<b>7,120.89</b>
<b>X Earnings/(Loss) per equity share - Basic and diluted {Nominal value of share ₹ 10 (Previous year : ₹ 10) each}</b>	33	<b>19.42</b>	<b>76.91</b>
Summary of significant accounting policies	3		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

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

**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 11 June 2021

ICAI UDIN: 21510688AAAABD9544

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 11 June 2021

**Vineet Sahni**

CEO & Senior  
Executive Director  
DIN: 03616096

Place: Gurugram

Date: 11 June 2021

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi

Date: 11 June 2021

**Pankaj Mahendru**

Company Secretary

Membership No.-A 28161

Place: New Delhi

Date: 11 June 2021

## Consolidated Statement of Changes in Equity

### for the year ended 31 March 2021

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

#### a. Equity share capital

Particulars	Note	Amount
<b>Balance as at 31 March 2019</b>		<b>934.77</b>
Changes in equity share capital during the year	15A	-
<b>Balance at 31 March 2020</b>		<b>934.77</b>
Changes in equity share capital during the year	15A	-
<b>Balance at 31 March 2021</b>		<b>934.77</b>

#### b. Other Equity

Particulars	Note	Reserves and Surplus				Items of OCI	Total
		Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurements of defined benefit plans	
<b>Balance as at 31 March 2019</b>		<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	<b>26,119.15</b>	-	<b>42,554.93</b>
Profit for the year	16A	-	-	-	7,189.68	-	7,189.68
Dividends	16B	-	-	-	(4,907.56)	-	(4,907.56)
Dividend distribution tax	16B	-	-	-	(1,008.76)	-	(1,008.76)
Other comprehensive income	16A	-	-	-	-	(68.79)	(68.79)
Transferred to retained earnings	16A	-	-	-	(68.79)	68.79	-
Dividend tax on dividend received	16A	-	-	-	(47.47)	-	(47.47)
<b>Balance at 31 March 2020</b>		<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	<b>27,276.25</b>	-	<b>43,712.03</b>
Profit for the year	16A	-	-	-	1,815.23	-	1,815.23
Dividends	16B	-	-	-	(560.86)	-	(560.86)
Other comprehensive income	16A	-	-	-	-	142.12	142.12
Transferred to retained earnings	16A	-	-	-	142.12	(142.12)	-
<b>Balance at 31 March 2021</b>		<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	<b>28,672.74</b>	-	<b>45,108.52</b>

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

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

**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 11 June 2021

ICAI UDIN: 21510688AAAABD9544

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 11 June 2021

**Vineet Sahni**

CEO & Senior  
Executive Director  
DIN: 03616096

Place: Gurugram

Date: 11 June 2021

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi

Date: 11 June 2021

**Pankaj Mahendru**

Company Secretary

Membership No.-A 28161

Place: New Delhi

Date: 11 June 2021

# Consolidated Cash Flow Statement

for the year ended 31 March 2021

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

S. No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>A.</b>	<b>Cash flow from operating activities</b>		
	<b>Profit before tax</b>	<b>3,306.07</b>	<b>9,173.10</b>
	<b>Adjustment to reconcile profit before tax to net cash flows</b>		
	Share in profits of Associate	(154.09)	(1,208.76)
	Depreciation/ amortization	6,451.32	6,354.42
	Bad Debts	33.89	167.49
	Advances written off	34.87	18.59
	Provision for doubtful debts	34.41	129.38
	Net (gain)/loss on disposal of property, plant and equipment	(250.59)	6.75
	Change in fair value of investment	(10.59)	3.42
	MTM (gain)/loss on cross currency swaps and forward contracts	237.34	(237.34)
	Unrealized foreign exchange (gain)/ loss	(587.62)	644.68
	Provisions/creditors no longer required written back	(5.49)	(25.22)
	Finance cost	2,814.05	2,191.56
	Interest on tax	33.49	-
	Interest income	(33.25)	(115.00)
	Dividend income	(11.52)	(2.01)
	<b>Operating profit before changes in asstes and liabilities</b>	<b>11,892.29</b>	<b>17,101.06</b>
	<b>Change in assets and liabilities</b>		
	Decrease/ (increase) in inventories	(4,316.40)	2,496.91
	Decrease/ (increase) in trade receivables	(4,352.71)	4,356.84
	Decrease/ (increase) in loans	(24.44)	(151.08)
	Decrease/ (increase) in other financial assets	(2,326.70)	207.11
	Decrease/ (increase) in other assets	(1,557.51)	87.93
	(Decrease)/ increase in trade payables	6,279.56	(6,821.51)
	(Decrease)/ increase in other financial liabilities	729.92	(1,249.87)
	(Decrease)/ increase in other liabilities	409.93	(4,299.99)
	(Decrease)/ increase in provisions	501.96	172.28
	<b>Cash generated from operations</b>	<b>7,235.90</b>	<b>11,899.68</b>
	Income taxes paid (net of refunds)	(384.67)	1,574.57
	<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>7,620.57</b>	<b>10,325.11</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets, including CWIP and capital advances	(6,737.98)	(16,692.32)
	Proceeds from sales of property, plant and equipment	545.28	57.19
	Interest received	119.10	28.89
	Dividends received	11.52	232.93
	Maturity from/(Investments in) bank deposits (having original maturity of more than three months)	2,989.96	(3,003.18)
	<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(3,072.12)</b>	<b>(19,376.49)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from bank loan	5,641.25	13,811.89
	Repayment of bank loan	(10,011.21)	(9,198.60)
	Proceeds from/(repayment) of cash credit/WCDL/vendor finance facility (net)	2,818.31	13,068.21
	Payment of finance lease	(296.34)	(226.30)
	Interest paid	(2,649.33)	(1,938.75)
	Dividend paid on equity shares	(562.48)	(4,862.64)
	Dividend distribution tax	-	(1,008.76)
	<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>(5,059.80)</b>	<b>9,645.05</b>
	<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(511.35)</b>	<b>593.67</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>795.00</b>	<b>201.33</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>283.65</b>	<b>795.00</b>

## Consolidated Cash Flow Statement for the year ended 31 March 2021 (Contd.)

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

S. Particulars No.				Year ended 31 March 2021		Year ended 31 March 2020							
i Components of cash and cash equivalents													
Cash on hand				14.98		14.48							
Balances with banks:													
On current accounts				268.67		780.52							
Total cash and cash equivalents				283.65		795.00							
ii Movement in financial liabilities				Lease liabilities		Long term loans		Short term loans		Interest payable		Total	
As on 1 April 2019				792.83		271.29		13,696.40		49.51		14,810.03	
Cash flows (net)				(226.30)		4,813.29		12,868.21		(1,938.75)		15,516.45	
Other non cash transactions:													
- Acquisition				2,147.18		-		-		-		2,147.18	
- Interest				150.69		-		-		2,040.87		2,191.56	
- Foreign exchange movement				-		207.80		-		-		207.80	
As on 1 April 2020				2,864.40		5,292.38		26,564.61		151.63		34,873.02	
Cash flows (net)				(296.34)		(5,069.96)		3,518.31		(2,649.33)		(4,497.32)	
Other non cash transactions:													
- Acquisition				884.93		-		-		-		884.93	
- Interest				263.18		-		-		2,550.87		2,814.05	
- Foreign exchange movement						(209.20)		-		-		(209.20)	
As on 31 March 2021				3,716.17		13.22		30,082.92		53.17		33,865.48	

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

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

**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 11 June 2021

ICAI UDIN: 21510688AAAABD9544

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

Place: New Delhi

Date: 11 June 2021

**Vineet Sahni**

CEO & Senior  
Executive Director  
DIN: 03616096

Place: Gurugram

Date: 11 June 2021

**Shruti Kant Rustagi**

Chief Financial  
Officer

Place: New Delhi

Date: 11 June 2021

**Pankaj Mahendru**

Company Secretary

Membership No.-A 28161

Place: New Delhi

Date: 11 June 2021

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2021

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

### 1 Reporting entity

Lumax Industries Limited ('the Holding Company') is engaged in the business of manufacture, trading and supply of auto components, mainly automotive lighting systems for four wheeler and two wheeler vehicles. The Holding Company is domiciled in India, with its registered office situated at 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi -110046. The Holding Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These consolidated Ind AS financial statements comprise the Holding Company and its interest in associate, SL Lumax Limited.

### 2 Basis of preparation

#### A. Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements are approved by the Holding Company's Board of Directors on 11 June 2021.

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

#### B. Basis of consolidation

##### Equity accounted investees

The Holding Company's interest in equity account investees represents interest in associate i.e. SL Lumax Limited.

An associate is an entity in which the Holding Company has significant influence, but not control or joint control, over the financial and operating policies. Interests in associate is accounted using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements which include the Holding Company's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

##### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated to the extent of Holding Company's proportionate share. Unrealized gains arising

from transactions with equity accounted investees are eliminated against the investment to the extent of Holding Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

##### Uniform accounting policies

The Holding Company and its associate follow a uniform accounting period and as far as possible, the consolidated financial statements have been prepared using accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.

#### C. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Holding Company's functional currency. All amounts have been rounded-off to nearest Lakhs and two decimals thereof, unless otherwise indicated.

#### D. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) - measured at fair value.
- Net defined benefit (asset)/ liability - measured at fair value of plan assets less present value of defined benefit obligations.
- Other financial assets and liabilities - measured at amortized cost.

#### E. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

##### Assumptions and estimation uncertainties and judgements

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 March 2021 and judgements made in applying accounting policies that have the most significant effects

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

on the amounts recognized in the consolidated financial statements is included in the following notes:

- i) Recognition of deferred tax assets - note 23- The Holding Company has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Holding Company is expected to generate adequate taxable income for liquidating these assets in due course of time.
- ii) Write down of inventories - note 14 - Inventories measured at the lower of cost and net realizable value. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions to determine obsolete or excess inventories.
- iii) Impairment of financial assets - note 37 - The impairment provisions for financial assets are based on certain judgements made by the Management in making assumptions and selecting the inputs to the impairment calculation, based on the Holding Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Holding Company and that are believed to be reasonable under the circumstances.
- iv) Provision for employee benefits - note 22 & 36 - The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.
- v) Other liabilities - note 20 – The Holding Company creates accrual of price adjustments based on agreed terms, negotiations with customers and various commercial considerations, which involves significant judgement and estimates to arrive at the amount of price adjustments to be accrued for adjustment to revenue.

### F. Measurement of fair values

A number of the Holding Company's accounting policies and disclosures require the measurement of fair values,

for both financial and non-financial assets and liabilities. The Holding Company has an established control framework with respect to the measurement of fair values. The Holding Company regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Holding Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Holding Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 37 - financial instruments; and

Note 5 - investment property.

## 3 Significant accounting policies

### a. Current versus non-current classification

The Holding Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Holding Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is :

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realized within twelve months after the reporting period, or

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Holding Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Holding Company has ascertained its operating cycle to be less than 12 months for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### b. Property, plant & equipment (PPE)

#### i) Recognition and Measurement

The cost of an item of Property, plant and equipment is recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and

direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Holding Company intends to use these during more than a period of 12 months and whose use is expected to be irregular are capitalized as PPE.

Gains or losses arising from the retirement or disposal of an property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific fixed assets and that are attributable to construction activity in general and can be allocated to specific fixed assets are included in capital work-in-progress.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Holding Company.

#### ii) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognized in the statement of profit and loss. Depreciation is charged on a pro-rata basis for assets acquired/sold during the year from/to the date of acquisition/sale. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment in years for the current and comparative periods are as follows:



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

Assets	Estimated useful lives	Useful lives as per schedule II
Factory building	30 years	30 years
Other building	60 years	60 years
Plant and machinery	3-21 years	15 years
Furniture & fixtures	10 years	10 years
Vehicles	5 years	8 years
Office equipment	5 years	5 years

Based on technical evaluation and internal assessment of useful lives, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation method, assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets for review and adjusted residual life prospectively.

### iii) *Reclassification to investment property*

When the use of property changes from owner occupied property to investment property the property is reclassified as investment property at its carrying value on the date of reclassification.

### c. **Intangible assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. The cost of such assets includes purchase price, licensee fee, import duties and other taxes and any directly attributable expenditure to bring the assets to their working condition for intended use.

*Amortization methods, estimated useful lives and residual value.*

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The amortization period, residual value and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

The estimated useful lives are as follows:

Computer software	Over the estimated lives ranging from 3.5 years to 4 years
Technical know-how	Over the period of technical assistance agreement i.e. 8 years

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying

amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

### d. **Investment property**

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon, Initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Gains or losses arising from the retirement or disposal of an investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The fair values of investment property is disclosed in the notes.

### e. **Assets held for sale**

Non-current assets are classified as held for sale, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

These assets are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, which are specifically exempt from this requirement. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in Statement of Profit and Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortized or depreciated.

### f. **Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the moving weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their present condition and location. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed their net realizable value.

The Comparison of cost and net realizable value is made on an item-by-item basis.

Obsolete, defective and unserviceable stocks are duly provided for, wherever required.

### g. Cash and Cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Holding Company are segregated based on the available information.

### h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through profit and loss.

##### Classification

On Initial recognition, a financial asset is classified as measured at:

- Amortized cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Holding Company changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortized cost if both of the following conditions are met and is not designated as at FVTPL:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVOCI if both of the following criteria are met and is not designated as at FVTPL:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Holding Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Holding Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### Financial assets: Business model assessment

The Holding Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- a) the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- b) how the performance of the portfolio is evaluated and reported to the Holding Company's management;

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

- c) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- d) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- e) the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Holding Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

### **Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Holding Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Holding Company considers:

- a) contingent events that would change the amount or timing of cash flows;
- b) terms that may adjust the contractual coupon rate, including variable interest rate features;
- c) prepayment and extension features; and
- d) terms that limit the Holding Company's claim to cash flows from specified assets (e.g. non-recourse features)

### **Financial assets: Subsequent measurement and gains and losses**

#### *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.

#### *Financial assets at amortized cost*

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is recognized in Statement of Profit and Loss.

#### *Debt investments at FVOCI*

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

#### *Equity investments at FVOCI*

These assets are subsequently measured at fair value. Dividends are recognized as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to Statement of Profit and Loss.

### **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

### **Derecognition**

#### *Financial asset*

A financial asset is derecognized only when:

- the Holding Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

Where the Holding Company has transferred an asset, the Holding Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Holding Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Holding Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Holding Company has not retained control of the financial asset. Where the Holding Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

### **Financial liability**

The Holding Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Holding Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and Loss.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Holding Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### **Derivative financial instruments**

The Holding Company uses derivative financial instruments to hedge its certain foreign currency risks. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

## **i. Impairment**

### **i) Impairment of financial assets**

The Holding Company recognizes loss allowances for expected credit losses on financial assets

measured at amortized cost and financial assets measured at FVOCI- debt investments. At each reporting date, the Holding Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being past due.

The Holding Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Holding Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Holding Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

analysis, based on the Holding Company's historical experience and informed credit assessment and including forward- looking information.

### **Measurement of expected credit losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Holding Company in accordance with the contract and the cash flows that the Holding Company expects to receive).

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Holding Company does not track changes in credit risk for individual customers. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Holding Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates and delays in realizations over the expected life of the trade receivable and is adjusted for forward looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### **Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Statement of Profit and Loss and is recognized in OCI.

### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Holding Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Holding Company's procedures for recovery of amounts due.

### **ii) Impairment of non-financial assets**

The Holding Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Holding Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognized in prior periods, the Holding Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### j. Provisions (other than for employee benefits) and contingent liabilities

A provision is recognized if, as a result of a past event, the Holding Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

#### Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and weighting of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognized in the income statement.

#### Rate decrease

The Liability for rate decrease is recognized on the basis of firm commitments with the customers and past trends. The Liabilities are adjusted to regularly during the year as soon as the obligating event occurs.

#### Contingent liabilities

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognized when the Holding Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of

the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

### k. Revenue

#### Sale of goods (including moulds)

##### *Nature and timing of satisfaction of performance obligations, including significant payment terms*

Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. However, few customers accept the goods when goods have been dispatched by the Holding Company.

Invoices are generated at that point in time. Invoices are usually payable within 45 days. No discounts are usually provided for goods, but few customers may avail cash discount on prompt payment of the goods.

Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.

#### Revenue recognition

Revenue arising from the sale of goods (including moulds) is recognized when the customer obtains control of the promised asset, i.e. either at the delivery or dispatch of goods (based on the agreed terms of sale with the respective customers), which is the point in time when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods.

For contracts that allow the customers to avail the cash discount, the Holding Company estimates the value of discount by applying the 'Most likely amount' method and past experience of the Holding Company.

For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

#### Sale of services

##### *Nature and timing of satisfaction of performance obligations, including significant payment terms*

Customers obtain control of services when the services are completed to the satisfaction of the Customer. Invoices for services are usually payable within 45 days.

#### Revenue recognition

Revenue arising from the sale of services is recognized at the point in time when the Holding Company satisfies the performance obligation and the services are completely rendered to the customer.



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### **l. Recognition of dividend income, interest income or expense**

Dividend income is recognized in Statement of Profit and Loss on the date on which the Holding Company's right to receive payment is established.

Interest income or expense is recognized using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### **m. Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Holding Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs).

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Holding Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete

All other borrowing costs are expensed in the period in which they occur.

### **n. Leases**

#### **The Holding Company as a lessee**

The Holding Company's lease asset classes primarily consist of leases for land, buildings and plant and machinery. The Holding Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Holding Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Holding Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Holding Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Holding Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Holding Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Holding Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### The Holding Company as a lessor

When the Holding Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Holding Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Holding Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Holding Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the holding Company as a lessor in the comparative period were not different from Ind AS 116.

### o. Employee benefits

#### i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., wages and salaries, short-term cash bonus, etc., if the Holding Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed

contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

**Provident Fund and Employee State Insurance:** The Holding Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme in respect of certain employees. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

**Superannuation Fund:** Contributions are made to a scheme administered by the Life Insurance Corporation of India to discharge superannuating liabilities to the employees, a defined contribution plan, and the same is expensed to the Statement of Profit and Loss. The Holding Company has no liability other than its annual contribution.

### iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Holding Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Holding Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in other comprehensive income (OCI). The Holding Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Holding Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### iv) Other long-term employee benefits

The Holding Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognized in Statement of Profit and Loss in the period in which they arise.

### p. Income tax

Income tax comprises current and deferred tax. It is recognized in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

#### i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

#### ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investment in associate to the extent that the Holding Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Holding Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as deferred tax asset.

Deferred tax assets (including MAT credit) are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

of recent losses, the Holding Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

### q. Grant

Where the grant or subsidy relates to an asset, it is recognized by deducting the grant in arriving at the carrying amount of asset. However, when the grant or subsidy relates to an expenses item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the Holding Company receives grants of non-monetary assets, the asset is recognized by deducting the fair value of grant from gross value of asset.

### r. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### s. Segment reporting

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available. The Holding Company is engaged in the business relating to manufacture, trading and supply of auto components, mainly automotive lighting systems for four wheeler and two wheeler vehicles. Accordingly, the Holding Company's activities/business is reviewed regularly by the Holding Company's Managing Director assisted by an executive committee from an overall business perspective, rather than reviewing its products/ services as individual standalone components.

Based on the dominant source and nature of risks and returns of the Holding Company, management has identified its business segment as its primary reporting format. Accordingly, same has been defined as one business segment.

### t. Dividend Distribution

The Holding Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Holding Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

### u. Foreign currency transactions

#### *Initial recognition and settlement*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognized in profit or loss.

#### *Subsequent recognition*

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognized in profit or loss, except exchange differences arising from the translation of the following items which are recognized in OCI.

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

### v. Business combinations

In accordance with Ind AS 103, the Holding Company accounts for the business combination using the acquisition method when control is transferred. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognized directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 4A Property, plant & equipment

Particulars	Land		Buildings	Plant and machinery	Furniture & fixtures	Office equipment	Vehicles	Total
	Leasehold	Freehold						
<b>Gross Block</b>								
As at 31 March 2019	133.75	3,521.49	10,977.34	51,612.50	644.70	360.85	1,401.57	68,652.20
Additions	-	-	1,216.93	10,439.96	66.40	22.81	32.58	11,778.68
Acquired through business purchase (refer note 47)	-	-	-	1,137.76	42.86	63.29	15.27	1,259.18
Transferred to right of use assets (under Ind AS 116)	(133.75)	-	-	-	-	-	-	(133.75)
Disposals/adjustments	-	-	-	(39.37)	(0.09)	(0.33)	(51.68)	(91.47)
<b>As at 31 March 2020</b>	<b>-</b>	<b>3,521.49</b>	<b>12,194.27</b>	<b>63,150.85</b>	<b>753.87</b>	<b>446.62</b>	<b>1,397.74</b>	<b>81,464.84</b>
Additions	-	-	637.65	2,111.78	384.23	56.42	-	3,190.08
Disposals/adjustments	-	-	(0.37)	(379.58)	-	(1.86)	(7.41)	(389.22)
<b>As at 31 March 2021</b>	<b>-</b>	<b>3,521.49</b>	<b>12,831.55</b>	<b>64,883.05</b>	<b>1,138.10</b>	<b>501.18</b>	<b>1,390.33</b>	<b>84,265.70</b>
<b>Depreciation</b>								
<b>As at 31 March 2019</b>	<b>4.97</b>	<b>-</b>	<b>1,147.04</b>	<b>12,127.54</b>	<b>186.56</b>	<b>123.51</b>	<b>650.28</b>	<b>14,239.90</b>
For the year	-	-	432.89	5,113.43	76.94	98.17	274.48	5,995.91
Transferred to right of use assets (under Ind AS 116)	(4.97)	-	-	-	-	-	-	(4.97)
Disposals/adjustments	-	-	-	(4.90)	-	(0.05)	(22.58)	(27.53)
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>1,579.93</b>	<b>17,236.07</b>	<b>263.50</b>	<b>221.63</b>	<b>902.18</b>	<b>20,203.31</b>
For the year	-	-	509.61	5,115.20	109.78	84.70	220.40	6,039.69
Disposals/adjustments	-	-	(0.07)	(86.87)	-	(1.00)	(6.59)	(94.53)
<b>As at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>2,089.47</b>	<b>22,264.40</b>	<b>373.28</b>	<b>305.33</b>	<b>1,115.99</b>	<b>26,148.47</b>
<b>Net Block:</b>								
<b>As at 31 March 2020</b>	<b>-</b>	<b>3,521.49</b>	<b>10,614.34</b>	<b>45,914.78</b>	<b>490.37</b>	<b>224.99</b>	<b>495.56</b>	<b>61,261.53</b>
<b>As at 31 March 2021</b>	<b>-</b>	<b>3,521.49</b>	<b>10,742.08</b>	<b>42,618.65</b>	<b>764.82</b>	<b>195.85</b>	<b>274.34</b>	<b>58,117.23</b>

**Note:**

- Property, plant and equipment representing land and building amounting to ₹ 734.09 Lakhs (31 March 2020 - ₹ 737.48 Lakhs) have been pledged as security by the Holding Company.

### 4B Capital Work in progress

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	3,216.74	4,899.83
Additions made during the year	4,674.97	10,095.59
Capitalized during the year	(3,190.08)	(11,778.68)
<b>Total</b>	<b>4,701.63</b>	<b>3,216.74</b>

**Note:**

- The Holding Company has capitalized borrowing cost relating to construction of building and purchasing of plant and machinery amounting to ₹ 37.52 Lakhs (31 March 2020 - ₹ Nil).

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 4C Right of use assets

Particulars	Leased Assets	Total
<b>Gross Block</b>		
As at 31 March 2019	-	-
Additions	2,398.00	2,398.00
Transferred from property, plant & equipment (under Ind AS 116)	133.75	133.75
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>2,531.75</b>	<b>2,531.75</b>
Additions	892.34	892.34
Disposals/adjustments	-	-
<b>As at 31 March 2021</b>	<b>3,424.09</b>	<b>3,424.09</b>
<b>Depreciation</b>		
As at 31 March 2019	-	-
Transferred from property, plant & equipment (under Ind AS 116)	4.97	4.97
For the year	151.35	151.35
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>156.32</b>	<b>156.32</b>
For the year	193.73	193.73
Disposals/adjustments	-	-
<b>As at 31 March 2021</b>	<b>350.05</b>	<b>350.05</b>
<b>Net Block:</b>		
<b>As at 31 March 2020</b>	<b>2,375.43</b>	<b>2,375.43</b>
<b>As at 31 March 2021</b>	<b>3,074.04</b>	<b>3,074.04</b>

### 4D Other intangible assets

Particulars	Computer Software	Total
<b>Gross Block</b>		
As at 31 March 2019	895.07	895.07
Additions	318.27	318.27
Acquired through business purchase (refer note 46)	8.65	8.65
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>1,221.99</b>	<b>1,221.99</b>
Additions	125.17	125.17
Disposals/adjustments	-	-
<b>As at 31 March 2021</b>	<b>1,347.16</b>	<b>1,347.16</b>
<b>Depreciation</b>		
As at 31 March 2019	434.32	434.32
For the year	207.16	207.16
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>641.48</b>	<b>641.48</b>
For the year	232.34	232.34
Disposals/adjustments	-	-
<b>As at 31 March 2021</b>	<b>873.82</b>	<b>873.82</b>
<b>Net Block:</b>		
<b>As at 31 March 2020</b>	<b>580.51</b>	<b>580.51</b>
<b>As at 31 March 2021</b>	<b>473.34</b>	<b>473.34</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 4E Goodwill

Particulars	Goodwill	Total
<b>Gross Block</b>		
As at 31 March 2019	-	-
Additions	977.58	977.58
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>977.58</b>	<b>977.58</b>
Additions (refer note 46)	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2021</b>	<b>977.58</b>	<b>977.58</b>
<b>Impairment</b>		
As at 31 March 2019	-	-
For the year	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>
For the year	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>-</b>
<b>Net Block:</b>		
<b>As at 31 March 2020</b>	<b>977.58</b>	<b>977.58</b>
<b>As at 31 March 2021</b>	<b>977.58</b>	<b>977.58</b>

### 4F Intangible asset under development

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	2.06	78.82
Additions made during the year	-	-
Capitalized during the year	(2.06)	(76.76)
<b>Total</b>	<b>-</b>	<b>2.06</b>

### 5 Investment property

Particulars	Freehold land	Total
<b>Gross Block</b>		
As at 31 March 2019	72.13	72.13
Additions	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>72.13</b>	<b>72.13</b>
Additions	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2021</b>	<b>72.13</b>	<b>72.13</b>
<b>Depreciation</b>		
As at 31 March 2019	-	-
For the year	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>
For the year	-	-
Disposals/adjustments	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>-</b>
<b>Net Block:</b>		
<b>As at 31 March 2020</b>	<b>72.13</b>	<b>72.13</b>
<b>As at 31 March 2021</b>	<b>72.13</b>	<b>72.13</b>

#### Notes:

- The fair value of Investment property has been determined considering the current expected sale value in the market and has been categorized as Level 3 fair value (refer note 2F).
- Fair market value as at 31 March 2021 amounts to ₹ 1,484.80 Lakhs (31 March 2020 - ₹ 1,278.00 Lakhs).



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 6 Investments

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A-Non-Current investments</b>		
<b>Unquoted equity shares</b>		
<i>Equity shares at FVTPL</i>		
6,55,832 (31 March 2020: 6,55,832) equity shares of ₹ 10 each fully paid-up in Caparo Power Limited	65.58	65.58
<b>Unquoted Preference shares</b>		
<i>Preference shares at FVTPL</i>		
9,44,168 (31 March 2020: 9,44,168) 2% Redeemable Preference shares of ₹ 10 each fully paid-up in Caparo Power Limited	94.42	94.42
<b>Total-A</b>	<b>160.00</b>	<b>160.00</b>
<b>B-Current investments</b>		
<b>Quoted equity shares at FVTPL</b>		
43,866 (31 March 2020: 43,866) equity shares of ₹ 10 each fully paid up in PNB Gilts Limited	21.10	10.51
<b>Total-B</b>	<b>21.10</b>	<b>10.51</b>
<b>Total- Investments (A+B)</b>	<b>181.10</b>	<b>170.51</b>
Aggregate cost of quoted investments	9.87	9.87
Aggregate market value of quoted investments	21.10	10.51
Aggregate amount of unquoted investments	160.00	160.00
Aggregate amount of impairment in value of investment	-	-

### 7 Loans

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A-Non-Current</b>		
Security deposits	640.66	589.75
Loan to employees	77.38	100.89
<b>Total-A</b>	<b>718.04</b>	<b>690.64</b>
<b>B-Current</b>		
Loan to employees	87.90	98.27
<b>Total-B</b>	<b>87.90</b>	<b>98.27</b>
<b>Total- Loans (A+B)</b>	<b>805.94</b>	<b>788.91</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 8 Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A-Non-current</b>		
Margin money with banks* (deposits with maturity of more than 12 months)	-	25.66
Time deposits with others (deposits with maturity of more than 12 months)	5.00	-
Unpaid dividend accounts#	136.26	137.88
Interest accrued but not due on fixed deposits	-	0.65
<b>Total - A</b>	<b>141.26</b>	<b>164.19</b>
<b>B-Current</b>		
Unbilled revenue	1,161.64	849.48
Interest accrued but not due on fixed deposits	2.56	87.76
Export benefits and other incentive receivable	1,170.95	7.76
Others	903.24	85.14
<b>Total - B</b>	<b>3,238.39</b>	<b>1,030.14</b>
<b>Total- Other financial assets (A+B)</b>	<b>3,379.65</b>	<b>1,194.33</b>

\* Margin money with banks represents fixed deposits pledged with banks for guarantees issued to government authorities.

# The Holding Company can utilize the balance only towards settlement of unclaimed dividend.

### 9 Trade receivables\*

Particulars	As at 31 March 2021	As at 31 March 2020
Receivable considered good-Unsecured	21,631.34	17,321.45
Receivable - credit impaired	96.73	296.71
Less: Allowance for doubtful debts	(96.73)	(296.71)
<b>Net-Trade receivables</b>	<b>21,631.34</b>	<b>17,321.45</b>
<b>Current</b>	<b>21,631.34</b>	<b>17,321.45</b>
<b>Total</b>	<b>21,631.34</b>	<b>17,321.45</b>

\* Refer note 38 for related party transactions.

The Holding Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 37.

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

Party Name	As at 31 March 2021	As at 31 March 2020
Lumax Auto Technologies Limited	3,193.46	402.37
Lumax Ancillary Limited	136.45	132.42
Lumax Cornaglia Auto Technologies Private Limited	0.09	4.56
Mahavir Udyog	0.62	0.93
Bharat Enterprises	16.51	0.34
Lumax Tours & Travels Limited	-	0.08
Lumax Jopp Allied Technologies Limited	-	0.05
Lumax Integrated Ventures Private Limited	0.08	-
Lumax Mannoh Allied Technologies Limited	0.08	-
Lumax Mettalics Private Limited	0.08	-
Velomax Mobility Private Limited	0.27	0.08

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### Age of receivables

Party Name	As at 31 March 2021	As at 31 March 2020
Within the credit period	18,058.28	11,808.09
Upto 1 year past due	3,581.08	5,622.92
More than 1 year past due	88.71	187.15
<b>Total</b>	<b>21,728.07</b>	<b>17,618.16</b>

### 10 Cash and bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A-Cash and cash equivalents</b>		
Cash on hand	14.98	14.48
Bank balances		
in current accounts	268.67	780.52
<b>Cash and cash equivalents in Balance Sheet</b>	<b>283.65</b>	<b>795.00</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>283.65</b>	<b>795.00</b>
<b>B-Bank balances other than above</b>		
Time deposits with others (deposits with maturity of more than 3 months but less than 12 months)	5.00	3,000.00
Margin Money with banks* (deposits with maturity of less than 12 months)	26.35	0.65
<b>Bank balances other than above in Balance Sheet</b>	<b>31.35</b>	<b>3,000.65</b>

\* Margin money with banks represents fixed deposits pledged with banks for guarantees issued to government authorities.

### 11 Derivative - Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Mark to Market gain on cross currency swaps and forward contracts	-	237.34
<b>Total- Derivative Assets</b>	<b>-</b>	<b>237.34</b>
<b>Current</b>	<b>-</b>	<b>237.34</b>
<b>Total</b>	<b>-</b>	<b>237.34</b>

### 12 Tax assets

Particulars	As at 31 March 2021	As at 31 March 2020
Advance tax (net of provisions ₹ Nil (31 March 2020: ₹ 7,284.66 Lakhs)	2.09	745.04
Duty paid under protest	500.00	-
<b>Total</b>	<b>502.09</b>	<b>745.04</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 13 Other assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A-Non-current</b>		
Capital advances	7,175.02	6,294.56
Prepaid expenses	27.46	35.94
<b>B-Current</b>		
Advance to suppliers		
Considered good	1,814.80	950.00
Considered doubtful	25.17	25.17
Less: Provision for doubtful advances	(25.17)	(25.17)
	<b>1,814.80</b>	<b>950.00</b>
Advance to employees	15.48	3.00
Export benefits receivable	60.92	62.20
Balances with government authorities	1,146.81	1,014.69
Prepaid expenses	399.41	387.00
Others	96.82	51.36
<b>Total- Other assets</b>	<b>10,736.72</b>	<b>8,798.75</b>
<b>Other Non-current assets</b>	<b>7,202.48</b>	<b>6,330.50</b>
<b>Other Current assets</b>	<b>3,534.24</b>	<b>2,468.25</b>
<b>Total</b>	<b>10,736.72</b>	<b>8,798.75</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials and components {including stock in transit ₹ 1,906.76 Lakhs (31 March 2020: ₹ 946.67 Lakhs)}	12,022.98	9,735.52
Work-in-progress	2,893.63	2,403.58
Finished goods	2,626.87	2,146.64
Stock in Trade	113.28	310.18
Stores and spares (including packing material)	952.08	995.77
Moulds, tools and dies in process {including transit stock: ₹ 82.54 Lakhs (31 March 2020: ₹ 127.25 Lakhs)}	3,625.38	2,326.13
<b>Total</b>	<b>22,234.22</b>	<b>17,917.82</b>

Due to the fact that certain products were slow moving and were sold below net realizable value, the Holding Company made a provision amounting to ₹ 9.83 Lakhs (31 March 2020: ₹ 162.34 Lakhs). The above provision is included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

### 15 Equity Share Capital

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
1,20,00,000 (31 March 2020: 1,20,00,000) equity shares of ₹ 10 each	1,200.00	1,200.00
<b>Issued, subscribed and fully paid up</b>		
93,47,732 (31 March 2020: 93,47,732) equity shares of ₹ 10 each	934.77	934.77
<b>Total</b>	<b>934.77</b>	<b>934.77</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 15 A Reconciliation of shares outstanding at the beginning and at the end of the reporting period

#### Equity Shares:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	93,47,732	934.77	93,47,732	934.77
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>93,47,732</b>	<b>934.77</b>	<b>93,47,732</b>	<b>934.77</b>

### 15 B Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 15 C Details of shareholders holding more than 5% shares in the Holding Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% in the class	Number of shares	% in the class
<b>Equity shares of ₹ 10 each fully paid held by-</b>				
Stanley Electric Co. Limited	33,43,381	35.77%	33,43,381	35.77%
Deepak Jain	12,43,516	13.30%	11,72,031	12.54%
Anmol Jain	12,43,516	13.30%	11,72,031	12.54%
Lumax Auto Technologies Limited	5,25,000	5.62%	5,25,000	5.62%
Lumax Finance Private Limited	4,93,367	5.28%	4,93,367	5.28%

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### 16 Other equity

#### A. Summary of other equity

Particulars	As at 31 March 2021	As at 31 March 2020
<b>I. Capital reserve</b>		
At the beginning and at the end of the year	0.65	0.65
<b>II. Securities premium</b>		
At the beginning and at the end of the year	6,796.66	6,796.66
<b>III. General reserve</b>		
Balance at the beginning of the year	9,638.47	9,638.47
Add: Amount transferred from retained earnings	-	-
<b>Balance at the end of the year</b>	<b>9,638.47</b>	<b>9,638.47</b>
<b>IV. Retained earnings</b>		
Balance at the beginning of the year	27,276.25	26,119.15
Add: Profit for the year	1,815.23	7,189.68
Less: Appropriations		
- Dividend paid	(560.86)	(4,907.56)
- Dividends distribution tax	-	(1,008.76)
- Dividend tax on distributed profits of associate	-	(47.47)
Add: Transferred from other comprehensive income	142.12	(68.79)
<b>Balance at the end of the year</b>	<b>28,672.74</b>	<b>27,276.25</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

Particulars	As at 31 March 2021	As at 31 March 2020
<b>V. Items of other comprehensive income</b>		
Balance at the beginning of the year	-	-
Add: Remeasurements of defined benefit plans	142.12	(68.79)
Less: Transferred to retained earnings	(142.12)	68.79
<b>Balance at the end of the year</b>	-	-
<b>Total- Other equity</b>	<b>45,108.52</b>	<b>43,712.03</b>

- (a) The Holding Company had transferred forfeited share application money to Capital reserve in accordance with the provision of the Companies Act, 1956. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.
- (b) Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- (c) General Reserves are free reserves of the Holding Company which are kept aside out of Holding Company's profits to meet the future requirements as and when they arise. The Holding Company had transferred a portion of the profit after tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (d) Retained earnings are the accumulated profits earned by the Holding Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

### B. Dividends

The following dividends were declared and paid by the Holding Company during the years:

Particulars	As at 31 March 2021	As at 31 March 2020
₹ 6.00 per equity share {31 March 2020: ₹ 52.50 (including interim dividend ₹ 17.50)}	560.86	4,907.56
Dividend distribution tax on dividend to shareholders	-	1,008.76
<b>Total</b>	<b>560.86</b>	<b>5,916.32</b>

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval of shareholders at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

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

Particulars	As at 31 March 2021	As at 31 March 2020
₹ 7.00 per equity share (31 March 2020: ₹ 6.00 per equity share)	654.34	560.86
<b>Total</b>	<b>654.34</b>	<b>560.86</b>

### C. Capital Management

The Holding Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

The Holding Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

In order to maintain or adjust the capital structure, the Holding Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, consistent with others in the industry. The Holding Company monitors capital using a gearing ratio, which is calculated as:

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

Net debt (total liabilities net of cash and cash equivalents) divided by "Total equity" (as shown in the Balance Sheet).

Particulars	As at 31 March 2021	As at 31 March 2020
Total liabilities	90,192.53	83,673.12
Less: cash and cash equivalents	(283.65)	(795.00)
<b>Adjusted net debt</b>	<b>89,908.88</b>	<b>82,878.12</b>
<b>Total equity</b>	<b>46,043.29</b>	<b>44,646.80</b>
<b>Adjusted net debt to equity ratio</b>	<b>1.95</b>	<b>1.86</b>

### 17 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Long term</b>		
Vehicle loan from banks	12.59	89.96
Vehicle loan from others	0.63	8.13
Term loan from others	-	3,000.00
Foreign currency loan	-	2,194.29
<b>Total</b>	<b>13.22</b>	<b>5,292.38</b>
<b>A-Non-current</b>	<b>1.89</b>	<b>2,638.19</b>
<b>B-Current - reclassified to other financial liabilities (refer note 20)</b>	<b>11.33</b>	<b>2,654.19</b>
<b>Short term</b>		
<b>Secured</b>		
Secured loan from bank	2,000.00	1,300.00
Packing credit / buyers credit	-	1,737.09
Cash credit/Working Capital facility from banks	14,008.35	7,440.12
Vendor finance facility from banks	-	3,695.45
Customer finance facility from banks	5,000.00	4,723.82
<b>Unsecured</b>		
Vendor finance facility from banks	9,074.57	7,668.13
<b>Total</b>	<b>30,082.92</b>	<b>26,564.61</b>

Information about the Holding Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 37.

#### Terms and repayment schedule

Particulars	Currency	Financial year of maturity	Nominal interest rate (range)	As at 31 March 2021	Charges
<b>Secured</b>					
Vehicle Loans from bank	INR	2021 - 2022	7.90% - 8.60%	12.59	Hypothecation of the respective vehicle
Vehicle Loans from others	INR	2021 - 2022	0.05%	0.63	Hypothecation of the respective vehicle
Short Term Loan from bank	INR	2021 - 2022	6.85%	2,000.00	Immovable fixed assets of Gurugram Unit & present & future current assets of the Holding Company on Pari-Passu basis
Working Capital Facility from bank	INR	2021 - 2022	6.95% - 8.70%	1,508.35	Immovable fixed assets of Gurugram Unit & stock & book debts & movable fixed assets of the Holding Company on Pari-Passu basis
Working Capital Facility from bank	INR	2021 - 2022	5.10% to 7.95%	3,500.00	Immovable fixed assets of Gurugram Unit & present & future current assets of the Holding Company on Pari-Passu basis
Working Capital Facility from bank	INR	2021 - 2022	6.15% to 10%	2,000.00	Immovable fixed assets of Gurugram Unit & present & future current assets of the Holding Company on Pari-Passu basis
Working Capital Facility from bank	INR	2021 - 2022	6.20% - 7.95%	6,000.00	Immovable fixed assets of Gurugram Unit & stock & book debts & current assets of the Holding Company on Pari-Passu basis



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

Particulars	Currency	Financial year of maturity	Nominal interest rate (range)	As at 31 March 2021	Charges
Working Capital Facility from others	INR	2021 - 2022	6.90% to 8.60%	1,000.00	Immovable fixed assets of Gurugram Unit & present & future current assets of the Holding Company on Pari-Passu basis
Customer finance facility from banks	INR	2021 - 2022	6.75%-8.70%	5,000.00	Immovable fixed assets of Gurugram Unit & present & future current assets of the Holding Company on Pari-Passu basis
<b>Unsecured</b>					
Vendor finance facility from banks	INR	2021 - 2022	6.90% - 8.90%	9,074.57	Nil

Particulars	Currency	Financial year of maturity	Nominal interest rate (range)	As at 31 March 2020	Charges
<b>Secured</b>					
Vehicle Loans from bank	INR	2020 - 2023	7.90% - 8.60%	89.96	Hypothecation of the respective vehicle
Vehicle Loans from others	INR	2020 - 2022	0.05%	8.13	Hypothecation of the respective vehicle
Foreign currency loan	USD	2020 - 2021	LIBOR + 2.00%	2,194.29	Specific Plant & Machinery at Bawal Plant
Term loan from others	INR	2024 - 2025	9.25%	3,000.00	Entire Fixed Assets to be acquired out of the proceed of term loan including Land & Building of Plot No. 12, Sector 5, Bawal
Term loan from bank	INR	2021	9.50%	1,300.00	First Pari-Passu Hypothecation charge on all existing and future current assets of the Holding Company
Packing credit / buyers credit	USD	2021	LIBOR + 0.47%	1,737.09	Immovable property situated at Plot No. 16, Sector 18, Maruti Complex, Gurugram & entire current assets of the Holding Company on Pari-Passu basis
Cash Credit from bank	INR	2021	8.15% - 8.70%	610.12	Land & Building at Plot No. 16, Sector 18, Gurugram & Stock & book debts of the Holding Company on Pari-Passu basis
Working Capital Facility from bank	INR	2021	7.95% - 8.70%	1,000.00	Immovable fixed assets (Land & Building) at Plot No. 16, Sector 18, Gurugram Unit & entire current assets of the Holding Company both present & future on Pari-Passu basis
Working Capital Facility from bank	INR	2021	8.40% - 10.00%	2,000.00	Land and Building at Plot No. 16, Sector 18, Industrial Estate, Gurugram (known as Maruti complex) and entire current assets of the Holding Company both present & future on Pari-Passu basis
Working Capital Facility from bank	INR	2021	8.15% - 8.70%	1,830.00	Land & Building at Plot No. 16, Sector 18, Gurugram & Stock & book debts of the Holding Company on Pari-Passu basis
Working Capital Facility from others	INR	2021	8.60% - 9.35%	2,000.00	Land and Building at Plot No. 16, Sector 18, Industrial Estate, Gurugram and entire current assets of the Holding Company both present & future on Pari-Passu basis
Vendor finance facility from banks	INR	2021	8.25%-9.25%	3,695.45	First Pari-Passu Hypothecation charge on all existing and future current assets of the Holding Company
Customer finance facility from banks	INR	2021	8.70% - 9.15%	4,723.82	First Pari-Passu Hypothecation charge on all existing and future current assets of the Holding Company
<b>Unsecured</b>					
Vendor finance facility from banks	INR	2021	7.90% - 9.50%	7,668.13	Nil

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 18 Lease liability

Particulars	As at 31 March 2021	As at 31 March 2020
A-Non-current	3,617.97	2,796.22
B-Current	98.20	68.18
<b>Total Lease liability</b>	<b>3,716.17</b>	<b>2,864.40</b>

### 19 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables		
- Total outstanding due of micro enterprises and small enterprises (refer note (a) below for details of dues to micro and small enterprises)	1,534.23	671.80
- Total outstanding due of creditors other than micro enterprises and small enterprises	35,909.52	30,845.33
<b>Total</b>	<b>37,443.75</b>	<b>31,517.13</b>

The Holding Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 37.

#### (a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	1,466.38	628.89
Interest due on above	0.05	3.19
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	24.30	22.53
The amount of interest accrued and remaining unpaid at the end of each accounting year	67.85	42.91
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

### 20 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current portion of secured bank loans	11.33	2,654.19
Capital creditors	1,443.59	2,517.47
Interest accrued on borrowings/cash credit	53.17	151.63
Payable to employees	1,702.87	1,534.15
Unpaid dividend	136.26	137.88
Interest free deposits from customers	6.75	5.75
Book overdraft	20.34	-
Other liabilities*	4,079.10	3,539.24
<b>Total Other financial liabilities</b>	<b>7,453.41</b>	<b>10,540.31</b>
<b>Current</b>	<b>7,453.41</b>	<b>10,540.31</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7,453.41</b>	<b>10,540.31</b>

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

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 21 Other liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Advances from customers	3,558.38	2,595.20
Statutory dues	582.40	1,135.65
<b>Total- Other liabilities</b>	<b>4,140.78</b>	<b>3,730.85</b>

### 22 Provisions

Particulars	Non-current	Current	Non-current	Current
	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
<b>A-Provision for employee benefits</b>				
Compensated absences	2,219.49	181.65	2,051.42	161.06
Gratuity (refer note 36)	977.05	373.39	787.21	371.24
<b>Total-A</b>	<b>3,196.54</b>	<b>555.04</b>	<b>2,838.63</b>	<b>532.30</b>
<b>B-Other provisions</b>				
Provision for warranties (Refer (a) below)	-	76.73	-	87.45
Provision for tax (net of advance tax ₹ 3,487.99 Lakhs (31 March 2020: ₹ 1,346.21 Lakhs))	-	241.58	-	66.38
<b>Total-B</b>	<b>-</b>	<b>318.31</b>	<b>-</b>	<b>153.83</b>
<b>Total- Provisions (A+B)</b>	<b>3,196.54</b>	<b>873.35</b>	<b>2,838.63</b>	<b>686.13</b>

#### (a) Provision for warranties

A provision is recognized for expected warranty claims on products sold in past year, based on past experience of the level of repairs and returns. It is expected that all of these costs will be incurred in the next financial year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and information available about warranty. The table below gives information about movement in warranty provisions.

	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	87.45	59.67
Arising during the year (net of reversals)	58.18	151.04
Utilized during the year	(68.90)	(123.26)
<b>At the end of the year</b>	<b>76.73</b>	<b>87.45</b>

### 23 Income tax

#### A. Amounts recognized in profit or loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Current tax</b>		
<i>for Current period</i>		
Current tax	584.94	1,380.07
Deferred tax	816.06	679.93
<i>for prior periods</i>		
Deferred tax (MAT availment for earlier years)	130.58	(76.58)
Current tax	(40.74)	-
<b>Total</b>	<b>1,490.84</b>	<b>1,983.42</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### B. Income tax recognized in other comprehensive income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Remeasurements of defined benefit plan	142.12	(68.79)
Current tax	(44.23)	32.98
Deferred tax (benefit)	44.23	(32.98)
<b>Net of tax</b>	<b>142.12</b>	<b>(68.79)</b>

### C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Rate (%)	Amount	Rate (%)	Amount
Profit before tax		3,306.07		9,173.10
Enacted tax rates in India	34.94%	1,155.27	34.94%	3,205.45
Effect of:				
Remeasurement of deferred tax liabilities*	-	-	-20.29%	(1,861.00)
Tax related to prior periods	2.72%	89.84	-0.83%	(76.58)
Dividend income	-0.12%	(4.03)	-0.01%	(0.70)
Excess deduction of R&D Expenses	-	-	-7.62%	(698.60)
Impact of change of tax on dividend	-	-	14.65%	1,344.17
Additional Deferred tax liability on Goodwill	7.75%	256.20	-	-
Others	-0.20%	(6.45)	0.77%	70.68
<b>Income tax expense</b>	<b>45.09%</b>	<b>1,490.84</b>	<b>21.62%</b>	<b>1,983.42</b>

### D. Recognized deferred tax assets and liabilities

Particulars	As at 31 March 2021			As at 31 March 2020		
	Deferred tax assets	Deferred tax liabilities	Net Deferred tax assets / (liabilities)	Deferred tax assets	Deferred tax liabilities	Net Deferred tax assets / (liabilities)
Undistributed profits of associate	-	(2,349.69)	(2,349.69)	-	(2,306.98)	(2,306.98)
Property, plant and equipment and intangible assets (net)	-	(6,372.31)	(6,372.31)	-	(5,589.94)	(5,589.94)
Mark to Market gain on cross currency swaps and forward contracts	-	-	-	-	(82.94)	(82.94)
Investment Property	-	(27.96)	(27.96)	-	(26.17)	(26.17)
Finance Lease liability (Net of ROU)	143.07	-	143.07	115.67	-	115.67
Provision for compensated absences	592.49	-	592.49	542.64	-	542.64
Provision for doubtful debts and advances	42.60	-	42.60	112.48	-	112.48
Provision for bonus	61.24	-	61.24	61.96	-	61.96
Provision for gratuity	442.50	-	442.50	387.33	-	387.33
Carry forward MAT credits	4,182.71	-	4,182.71	4,492.63	-	4,492.63
Others	1.63	-	1.63	0.45	-	0.45
<b>Total</b>	<b>5,466.24</b>	<b>(8,749.96)</b>	<b>(3,283.72)</b>	<b>5,713.16</b>	<b>(8,006.03)</b>	<b>(2,292.87)</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### E. Movement of temporary differences

Particulars	As at 31 March 2019	Recognised temporary differences	Recognised tax credits (net of adjustments)	As at 31 March 2020	Recognised temporary differences	Recognised tax credits (net of adjustments)	As at 31 March 2021
Undistributed profits of associate	(1,288.13)	(1,018.85)	-	(2,306.98)	(1,061.56)	-	(2,349.69)
Property, plant and equipment and intangible assets (net)	(6,396.30)	806.36	-	(5,589.94)	(782.37)	-	(6,372.31)
Mark to Market gain on cross currency swaps and forward contracts	-	(82.94)	-	(82.94)	82.94	-	-
Investment Property	(24.83)	(1.34)	-	(26.17)	(1.79)	-	(27.96)
Finance Lease liability (Net of ROU)	-	115.67	-	115.67	27.40	-	143.07
Provision for compensated absences	624.98	(82.34)	-	542.64	49.85	-	592.49
Provision for doubtful debts and advances	115.70	(3.22)	-	112.48	(69.88)	-	42.60
Provision for bonus	179.73	(117.77)	-	61.96	(0.72)	-	61.24
Provision for gratuity	417.87	(30.54)	-	387.33	55.17	-	442.50
Provision for lease equalization	189.40	(189.40)	-	-	-	-	-
Carry forward MAT credits	4,460.21	-	32.42	4,492.63	-	(309.92)	4,182.71
Others	(1.12)	1.57	-	0.45	1.18	-	1.63
<b>Total</b>	<b>(1,722.49)</b>	<b>(602.80)</b>	<b>32.42</b>	<b>(2,292.87)</b>	<b>(1,699.78)</b>	<b>(309.92)</b>	<b>(3,283.72)</b>

### Deferred tax assets and liabilities

On 20 September 2019, the Government of India vide the Taxation laws (Amendment) Ordinance, 2019 inserted section 115BAA in the income tax Act which provides domestic companies an option to pay corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions therein. In the previous year, the Holding Company made an assessment of the impact of the Ordinance and decided to continue with existing tax structure until utilization of accumulated MAT credit as on 31 March 2020.

Further, INDAS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which temporary differences are expected to reverse. The Holding Company had made estimates, based on its budgets, regarding income anticipated in foreseeable future years when those temporary differences are expected to reverse and measured the same at the New tax rate. The impact of re-measurement of deferred tax assets/liabilities was recognized in the Statement of Profit and Loss. The tax expense for the quarter and year ended 31 March 2020 included one time net reversal of ₹ 1,861.00 Lakhs on account of re-measurement of deferred tax assets/liabilities.

### 24 Revenue from operations\*

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Sale of products</b>		
Finished goods	1,34,041.39	1,44,928.48
Traded goods	1,200.32	629.31
Moulds, tools and dies	5,062.10	13,060.16
<b>Total Sale of products (A)</b>	<b>1,40,303.81</b>	<b>1,58,617.95</b>
<b>Sale of services (B)</b>	<b>1,596.08</b>	<b>1,345.19</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Other operating revenues</b>		
Scrap Sales	190.41	195.58
Others	507.77	-
<b>Total Other operating revenues (C)</b>	<b>698.18</b>	<b>195.58</b>
<b>Total- Revenue from operations (A+B+C)</b>	<b>1,42,598.07</b>	<b>1,60,158.72</b>

\* refer note 45

### 25. Other Income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income under Effective Interest method		
on bank deposits	33.25	115.00
others	84.72	30.16
Dividend	11.52	2.01
Net gain on sale of property, plant and equipment	250.59	-
Rental income from property subleases	20.41	30.72
Provisions/creditors no longer required written back	5.49	25.22
Net gain on account of foreign exchange transaction	683.17	-
Net change in fair value of investment in equity shares held at FVTPL	10.59	-
Mark to Market gain on derivatives	-	237.34
Incentive from state government	1,294.29	-
Export and other incentive (refer note 42)	94.93	178.04
Miscellaneous income	34.42	116.78
<b>Total</b>	<b>2,523.38</b>	<b>735.27</b>

### 26 Cost of raw material and components consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Inventory of materials at the beginning of the year	9,735.52	10,235.92
Add: Purchases	88,492.68	87,281.60
Less: Inventory of materials at the end of the year	(12,022.98)	(9,735.52)
<b>Total</b>	<b>86,205.22</b>	<b>87,782.00</b>

#### 26.1 Cost of moulds, tools & dies

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Inventory at the beginning of the year	2,326.13	4,639.14
Add: Purchases	5,677.25	8,352.40
Less: Inventory at the end of the year	(3,625.38)	(2,326.13)
<b>Total</b>	<b>4,378.00</b>	<b>10,665.41</b>

### 27 Purchase of Traded Goods

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Automotive lamps/components	449.81	442.13
<b>Total</b>	<b>449.81</b>	<b>442.13</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 28 Changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 14)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Opening Inventory	Finished goods	2,146.64	2,671.51
	Work-in-progress	2,403.58	1,318.90
	Stock-in-trade	310.18	371.14
		<b>4,860.40</b>	<b>4,361.55</b>
Closing Inventory	Finished goods	2,626.87	2,146.64
	Work-in-progress	2,893.63	2,403.58
	Stock-in-trade	113.28	310.18
		<b>5,633.78</b>	<b>4,860.40</b>
(Increase)/Decrease in Inventory	Finished goods	(480.23)	524.87
	Work-in-progress	(490.05)	(1,084.68)
	Stock-in-trade	196.90	60.96
		<b>(773.38)</b>	<b>(498.85)</b>

### 29 Employee benefits expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	17,961.13	18,075.78
Contribution to provident and other funds	950.95	894.71
Compensated absences	352.05	399.58
Gratuity (refer note 36)	320.28	315.05
Staff welfare	1,095.37	1,306.56
<b>Total</b>	<b>20,679.78</b>	<b>20,991.68</b>

### 30 Finance costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expenses on financial liabilities (net of Capitalised ₹ 37.52 Lakhs (31 March 2020 - ₹ Nil))	2,738.79	2,185.20
Interest-others	108.75	6.36
<b>Total</b>	<b>2,847.54</b>	<b>2,191.56</b>

### 31 Depreciation and amortization expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant & equipment	6,039.68	5,995.91
Depreciation on right of use of assets (net of capitalised ₹ 14.42 Lakhs (31 March 2020 - ₹ Nil))	179.30	151.35
Amortization of intangible assets	232.34	207.16
<b>Total</b>	<b>6,451.32</b>	<b>6,354.42</b>



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 32 Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Stores and spares	657.85	778.08
Packing material	3,507.88	3,554.93
Power and fuel	4,367.37	5,194.38
Rent (refer note 34)	297.65	306.14
Rates and taxes	52.85	98.23
Insurance	399.40	368.87
Repairs and maintenance	2,572.14	2,930.31
Freight and forwarding	2,590.16	2,284.93
Net loss on sale of property plant and equipment	-	6.75
Bank charges	76.56	58.76
Travelling and conveyance	595.19	1,482.49
Legal and professional	391.25	612.24
Management support fees	2,076.43	2,257.37
Design, support and testing charges	672.05	279.96
Directors' sitting fees	27.00	24.60
Payment to auditors (refer note 32.1 below)	57.53	48.56
Royalty	1,957.74	2,197.59
Warranty	58.18	151.04
Net loss on account of foreign exchange transactions	-	587.99
Bad Debts	33.89	167.49
Advances written off	34.87	18.59
Provision for doubtful debts	34.41	129.38
Selling and promotion	53.05	159.35
Communication	108.38	107.69
Printing & stationery	88.40	129.78
Net change in fair value of investment in equity shares held at FVTPL	-	3.42
Contribution towards Corporate Social Responsibility (refer note 32.2 below)	163.81	163.21
Mark to Market loss on cross currency swaps and forward contracts	237.34	-
Donations#	10.98	211.92
Miscellaneous	608.82	687.25
<b>Total</b>	<b>21,731.18</b>	<b>25,001.30</b>

Above expenses include research and development expenses (refer note 41)

# Donations Include ₹ Nil (31 March 2020: ₹ 200.00 Lakhs) under section 182 of the Companies Act, 2013

#### 32.1 Payment to Auditor (excluding applicable taxes)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>As auditor:</b>		
Audit fee	23.25	24.50
Tax audit fee	3.00	3.00
Limited Review	23.25	10.50
<b>In other capacity:</b>		
Certification fees	4.50	5.10
Reimbursement of expenses	3.53	5.46
<b>Total</b>	<b>57.53</b>	<b>48.56</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 32.2 Corporate Social Responsibility (CSR)

As per the provisions of section 135 of the Companies Act, 2013, the Holding Company had to spend at least 2% of the average profits of the preceding three financial years towards CSR which amounts to ₹ 163.81 Lakhs (31 March 2020: ₹ 148.08 Lakhs). Accordingly, a CSR committee had been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013. The Holding Company has spent an amount of ₹ 163.81 Lakhs (including unutilised amount of ₹ 46.54 Lakhs pertaining to ongoing projects) (31 March 2020 ₹ 163.21 Lakhs) and has accordingly charged the same to the Statement of Profit and Loss.

### 33 Earnings per share (EPS)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for attributable to equity shareholders	1,815.23	7,189.68
Weighted average number of equity shares	93,47,732	93,47,732
<b>Basic and Diluted Earnings per share in ₹ (Nominal value of shares of ₹ 10 (Previous year : ₹ 10))</b>	<b>19.42</b>	<b>76.91</b>

### 34 Disclosure required by Ind AS 116

A. Particulars	Amount 31 March 2021	Amount 31 March 2020
Right of Use of asset ('ROU')	3,074.04	2,398.00
Transfer of Leasehold land from Property, plant and equipment (net of accumulated depreciation)	-	128.78
Finance lease liability	(3,716.17)	(2,864.40)
Provision for lease equalization adjusted against ROU by applying para C8(c)(ii) of IND AS 116		(542.01)

The amounts recognized in Statement of Profit and Loss are as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on lease liabilities (net of Capitalised ₹ 11.69 Lakhs (31 March 2020 ₹ Nil))	251.48	150.69
Expenses relating to short-term leases	259.05	247.14
Expenses relating to leases of low-value assets	55.00	59.00
<b>Total</b>	<b>565.53</b>	<b>456.83</b>

Further, The total cash outflow relating to lease payments during the year amounts to ₹ 296.34 Lakhs (31 March 2020 ₹ 226.30 Lakhs).

The class-wise details of depreciation charged during the year and carrying amount of ROU assets at the year are as follows:

Particulars	Depreciation for the Year ended 31 March 2021	Net Block of ROU As at 31 March 2021	Depreciation for the Year ended 31 March 2020	Net Block of ROU As at 31 March 2020
Leasehold land (transferred from Property, plant and equipment)	1.66	125.46	1.66	127.12
Leasehold land and building (gross of capitalization ₹ 14.42 Lakhs (31 March 2020 - ₹ Nil))	146.79	2,331.98	132.36	1,586.43
Solar power plant	45.28	616.60	17.33	661.88
<b>Total</b>	<b>193.73</b>	<b>3,074.04</b>	<b>151.35</b>	<b>2,375.43</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### B. Leases as lessor

The Holding Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Holding Company has leased out portions of its buildings under operating lease arrangements. These leases may be renewed for a further period based on mutual agreement of the parties. During the year, an amount of ₹ 20.41 Lakhs (previous year ₹ 30.72 Lakhs) was recognised as rental income in the Statement of Profit and Loss.

### 35 Segment

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available. The Holding Company is engaged in the business of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications and related activities. The Holding Company's activities/business is regularly reviewed by the Holding Company's Managing Director assisted by an executive committee from an overall business perspective, rather than reviewing its products/services as individual standalone components. Thus, the Holding Company has only one operating segment, and no reportable segments in accordance with Ind AS - 108 Operating Segments.

The entity wide disclosures as required by Ind AS -108 are as follows:

#### A. Product/Service Description

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Sale of products</b>		
Finished goods	1,34,041.39	1,44,928.48
Traded goods	1,200.32	629.31
Moulds, tools and dies	5,062.10	13,060.16
<b>Sale of services</b>	1,596.08	1,345.19
<b>Other operating revenues</b>		
Scrap sales	190.41	195.58
Others	507.77	-
<b>Total</b>	<b>1,42,598.07</b>	<b>1,60,158.72</b>

#### B. Revenue from external customer

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
India	1,38,823.33	1,57,510.90
Other countries*	3,774.74	2,647.82
<b>Total</b>	<b>1,42,598.07</b>	<b>1,60,158.72</b>

\*Exports to any single country are not material to be disclosed

#### C. Non current assets\*\*

Particulars	As at 31 March 2021	As at 31 March 2020
India	84,154.33	84,425.66
Other countries#	-	-
<b>Total</b>	<b>84,154.33</b>	<b>84,425.66</b>

\*\* Non-current assets exclude financial assets and deferred tax assets.

#### D. Major customers

Details of customers which accounts for more than 10% of Holding Company's total revenue are as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Maruti Suzuki India Limited	35,328.64	42,298.03
Honda Motorcycle and Scooter India Private Limited	21,187.04	25,287.82
Suzuki Motor Gujrat Private Limited	13,849.44	16,468.75

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 36 Assets and liabilities relating to employee benefits

#### A. Information about the Defined contribution plans

The Holding Company's approved Superannuation Scheme, Employee Provident Fund and Employee State Insurance Scheme are defined contribution plans. A sum of ₹ 950.95 Lakhs (previous year ₹ 894.71 Lakhs) has been recognized as an expense in relation to these schemes and shown under Employee benefits expense in the Statement of Profit and Loss.

#### B. Information about the Defined benefit plan and Funding arrangements

The Holding Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

These defined benefit plan expose the Holding Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. The plan is funded with an insurance company in the form of a qualifying insurance policy. The Holding Company expects to pay ₹ 373.39 Lakhs in contributions to its defined benefit plans in FY 2021-22.

#### Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

##### a) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	3,175.81	2,757.20
Benefits paid	(111.77)	(114.64)
Current service cost	240.76	240.66
Interest cost	214.34	206.54
Actuarial (gains) losses recognised in other comprehensive income		
changes in demographic/financial assumptions	(74.95)	(36.31)
experience adjustments	(54.89)	122.36
<b>Balance at the end of the year</b>	<b>3,389.30</b>	<b>3,175.81</b>

##### b) Reconciliation of the present value of plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	2,017.36	1,561.37
Contributions paid into the plan	1.76	446.84
Benefits paid	(111.78)	(114.65)
Interest income	134.81	132.15
Actuarial (gains) losses recognised in other comprehensive income	(3.29)	(8.35)
<b>Balance at the end of the year</b>	<b>2,038.86</b>	<b>2,017.36</b>
<b>Net defined benefit liability(asset) at the end of the year</b>	<b>1,350.44</b>	<b>1,158.45</b>

##### c) Expense recognised in Statement of Profit and Loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	240.76	240.66
Interest cost	214.34	206.54
Past service gain	-	-
Interest income	(134.81)	(132.15)
<b>Total</b>	<b>320.29</b>	<b>315.05</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### d) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial (gain) loss on defined benefit obligation	(129.83)	86.03
Return on plan assets excluding interest income	3.29	8.35
<b>Total</b>	<b>(126.54)</b>	<b>94.38</b>

### e) Plan assets

Plan assets comprise of the following:

Particulars	As at 31 March 2021	As at 31 March 2020
Investment with Insurer	2,016.05	1,994.45
%age	98.88%	98.86%
Bank	22.81	22.91
%age	1.12%	1.14%

### C. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.76%	6.87%
Future salary growth	6.00%	6.50%
Attrition rate	8.00%	8.00%

At 31 March 2021, the weighted-average duration of the defined benefit obligation was 19.90 years (31 March 2020: 20.44 years).

### D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(185.28)	205.55	(179.82)	199.98
Future salary growth (1% movement)	198.87	(182.97)	192.19	(176.42)
Attrition rate (1% movement)	6.63	(7.52)	2.69	(3.16)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 37 Financial instruments - Fair values and risk management

#### a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note No.	As at 31 March 2021			As at 31 March 2020		
		Cost	FVTPL	Amortised cost	Cost	FVTPL	Amortised cost
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	6	-	160.00	-	-	160.00	-
Loans	7	-	-	718.04	-	-	690.64
Others	8	-	-	141.26	-	-	164.19
<b>Current</b>							
Investments	6	-	21.10	-	-	10.51	-
Trade receivables	9	-	-	21,631.34	-	-	17,321.45
Cash and cash equivalents	10	-	-	283.65	-	-	795.00
Bank balances other than above	10	-	-	31.35	-	-	3,000.65
Loans	7	-	-	87.90	-	-	98.27
Derivatives	11	-	-	-	-	237.34	-
Others	8	-	-	3,238.39	-	-	1,030.14
<b>Total</b>		-	<b>181.10</b>	<b>26,131.93</b>	-	<b>407.85</b>	<b>23,100.34</b>
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	17	-	-	1.89	-	-	2,638.19
Lease liability	18	-	-	3,617.97	-	-	2,796.22
<b>Current</b>							
Borrowings	17	-	-	30,082.92	-	-	26,564.61
Lease liability	18	-	-	98.20	-	-	68.18
Trade payables	19	-	-	37,443.75	-	-	31,517.13
Other financial liabilities	20	-	-	7,453.41	-	-	10,540.31
<b>Total</b>		-	-	<b>78,698.14</b>	-	-	<b>74,124.64</b>

#### Disclosure of fair values of financial assets and liabilities

##### Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31 March 2021			As at 31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Non - Current</b>						
Investments	-	-	160.00	-	-	160.00
<b>Current</b>						
Investments	21.10	-	-	10.51	-	-
Derivatives	-	-	-	-	237.34	-

#### Assets and liabilities which are measured at amortised cost

1. Fair value of cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, trade payables, other financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments.
2. Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### b) Measurement of fair values

#### (i) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation processes are described in note no. 2(F).

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Financial instruments measured at fair value</b>			
Investment in Caparo Power Limited	The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and earnings (after making necessary adjustments).	<ul style="list-style-type: none"> <li>- Forecast annual growth rate - 4% to perpetuity</li> <li>- Cost of equity - 19.03%</li> </ul>	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> <li>- the annual growth rate were higher (lower);</li> <li>- the risk-adjusted discount rate were lower (higher).</li> </ul>
Mark to Market gain on cross currency swaps and forward contracts	The fair value is determined using quoted rates at the valuation date by the respective bank	Not applicable	Not applicable

#### (ii) Transfers between level 1 and level 2

There have been no transfers between Level 1 and Level 2 during the year ended 31 March 2021 and 31 March 2020.

#### (iii) Level 3 fair values

There have been no transfers to and from Level 3 during the year ended 31 March 2021 and 31 March 2020.

### c) Financial risk management

**The Holding Company has exposure to the following risks arising from financial instruments:**

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings, leases and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk	Recognised financial assets and liabilities not denominated in Indian rupee and future commercial transactions	Cash flow forecasting Sensitivity analysis	Forward Foreign Currency and cross currency swap Contracts



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### (i) Risk management framework

The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Holding Company's risk management framework. The Holding Company's risk management policies are established to identify and analyse the risk faced by the Holding Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Holding Company's risk management is carried out by a central treasury team department under policies approved by the board of directors.

The Holding Company's audit committee oversees how management monitors compliance with Holding Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Holding Company.

### (ii) Credit risk

Credit risk is the risk of financial loss to the Holding Company if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Holding Company's receivables from customers, loans and other deposits etc.

The carrying amounts of financial assets represent the maximum credit risk exposure.

#### Trade receivables

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

Credit risk arising from trade receivables is managed in accordance with the Holding Company's established policy with regard to credit limits, control and approval procedures. The Holding Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. This allowance is measured taking into account credit profile of the customer, geographical spread, trade channels, past experience of defaults, estimates for future uncertainties etc.

#### Movement in impairment loss allowance on trade receivables:

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	296.71	305.94
Additions made during the year	34.50	129.38
Utilised during the year	(234.48)	(138.61)
<b>Balance as at the end of the year</b>	<b>96.73</b>	<b>296.71</b>

#### Loans and other financial assets

- The Holding Company has given security deposits to Government departments and vendors for securing services from them. As these are well established organizations and have strong capacity to meet the obligations, risk of default is negligible or nil.
- The Holding Company provides loans to employees and recovers the same by deduction from the salary of the employees. Loans are given only to those employees who have served a minimum period as per the approved policy of the Holding Company. The expected probability of default is negligible or nil.

#### Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Holding Company generally invests in deposits with international and domestic banks with high repute.

#### Derivatives

Derivatives are entered into with banks and financial institution counterparties, as per the approved guidelines for entering derivative contracts. The Holding Company considers that its derivatives have low credit risk as these are taken with international and domestic banks with high repute.

### (iii) Liquidity risk

Liquidity risk is the risk that the Holding Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Holding Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Holding Company's reputation.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

Long term cash flow requirement is monitored through long term plans. In the line of long term planning, short term plans are reviewed on quarterly basis and compared with actual position on monthly basis to assess the performance of the Holding Company and liquidity position.

The Holding Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Holding Company maintains the following line of credit to meet the short term funding requirement:

- Short term loans/cash credit/working capital limit of ₹ 21,000 Lakhs.
- Vendor and customer finance facility limit of ₹ 17,800 Lakhs.
- Credit/bank guarantee limit of ₹ 11,000 Lakhs.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

Non derivative financial liabilities	As at 31 March 2021			As at 31 March 2020		
	Carrying amount	Less than 1 year	More than 1 year	Carrying amount	Less than 1 year	More than 1 year
<b>Borrowings (Secured)</b>						
Vehicle loan from banks	12.59	10.71	1.88	89.96	77.40	12.56
Vehicle loan from others	0.63	0.63	-	8.13	7.50	0.63
Term loan from others	-	-	-	3,000.00	375.00	2,625.00
Foreign currency loan	-	-	-	2,194.29	2,194.29	-
<b>Other borrowings</b>						
<b>Secured</b>						
Term loan from bank	2,000.00	2,000.00	-	1,300.00	1,300.00	-
Packing credit / buyers credit	-	-	-	1,737.09	1,737.09	-
Cash credit/Working Capital facility from banks	14,008.35	14,008.35	-	7,440.12	7,440.12	-
Vendor finance facility from banks	-	-	-	3,695.45	3,695.45	-
Customer finance facility from banks	5,000.00	5,000.00	-	4,723.82	4,723.82	-
<b>Unsecured</b>						
Vendor finance facility from banks	9,074.57	9,074.57	-	7,668.13	7,668.13	-
<b>Lease liability</b>	6,696.63	389.49	6,307.14	5,660.68	296.66	5,364.02
<b>Trade payables</b>	37,443.75	37,443.75	-	31,517.13	31,517.13	-
<b>Other financial liabilities</b>						
Capital creditors	1,443.59	1,443.59	-	2,517.47	2,517.47	-
Interest accrued on borrowings/ cash credit	53.17	53.17	-	151.63	151.63	-
Payable to employees	1,702.87	1,702.87	-	1,534.15	1,534.15	-
Unpaid dividend	136.26	136.26	-	137.88	137.88	-
Interest free deposits from customers	6.75	6.75	-	5.75	5.75	-
Book overdraft	20.34	20.34	-	-	-	-
Other liabilities	4,079.10	4,079.10	-	3,539.24	3,539.24	-
<b>Total</b>	<b>81,678.60</b>	<b>75,369.58</b>	<b>6,309.02</b>	<b>76,920.92</b>	<b>68,918.71</b>	<b>8,002.21</b>

The Holding Company has secured bank loans that contain loan covenants. A future breach of covenant may require the Holding Company to repay the loan earlier than indicated in the above table.

### (iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Holding Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Holding Company uses derivative to manage market risks. All such transactions are carried out within the guideline as prescribed in the Holding Company's risk management policy.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### Currency risk

The Holding Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The functional currency for the Holding Company is INR. The currencies in which these transactions are primarily denominated are US dollars and Euro.

The Holding Company's exposure to foreign currency risk at the end of the reporting period are as follows:

As at 31 March 2021	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognized financial assets / (liabilities)	
	Foreign currency				Foreign currency	INR
EUR	-	-	(0.12)	4.04	3.93	336.61
GBP	-	-	-	6.38	6.38	643.01
JPY	-	-	(101.15)	-	(101.15)	(66.88)
USD	-	-	(71.92)	6.16	(65.77)	(4,808.15)
TWD	0.10	-	-	-	0.10	0.26
CZK	-	-	-	-	-	-
IDR	-	-	(1,482.52)	-	(1,482.52)	(7.44)

As at 31 March 2020	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognized financial assets / (liabilities)	
	Foreign currency				Foreign currency	INR
EUR	-	-	(0.02)	3.46	3.44	285.24
GBP	-	-	-	1.84	1.84	172.11
JPY	-	-	(1,784.17)	-	(1,784.17)	(1,242.36)
USD	-	(51.96)	(71.12)	4.34	(118.74)	(8,984.40)
TWD	1.73	-	-	-	1.73	4.31
CNY	-	-	(0.04)	-	(0.04)	(0.37)
IDR	-	-	(1,482.52)	-	(1,482.52)	(6.89)

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, TWD: New Taiwan dollar, CNY: Chinese Yuan, CZK: Czech Koruna, IDR: Indonesian Rupiah

### Sensitivity analysis

A reasonably possible strengthening (weakening) of USD, JPY and other currencies against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The impact on profit/loss before tax is as below:

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	(48.08)	48.08	(89.84)	89.84
JPY (1% movement)	(0.67)	0.67	(12.42)	12.42
Other currencies	9.72	(9.72)	4.54	(4.54)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### (v) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Holding Company's exposure to the risk of changes in market interest rates relates primarily to the Holding Company's long-term debt obligations with floating interest rates. The Holding Company tries to manage the risk partly by entering into fixed-rate instruments and partly by borrowing at a floating rate:

#### Exposure to Interest rate risk

The Holding Company has the following exposure in interest bearing borrowings as on reporting date:

#### Consolidated Balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Borrowings</b>		
Term loans (fixed interest)	2,013.22	6,592.38
Packing credit / buyers credit (variable interest)	-	1,737.09
Cash credit/Working capital facility (variable interest)	14,008.35	7,440.12
Vendor finance facility (variable interest)	9,074.57	11,363.58
Customer finance facility (variable interest)	5,000.00	4,723.82
<b>Total</b>	<b>30,096.14</b>	<b>31,856.99</b>

The Holding Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. However, as these are short term in nature, there is no exposure to interest rate risk.

#### Sensitivity analysis

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
1% increase	(297.43)	(198.43)
1% decrease	297.43	198.43

## 38 Related Party Disclosure

### A. Names of related parties and related party relationship

S.No. Particulars	Name of Related parties
1 Entity/Person having significant influence	Stanley Electric Co. Limited, Japan
	Mr. Dhanesh Kumar Jain (upto 28.06.2019)
2 Key Management Personnel	Mr. Deepak Jain (Chairman & Managing Director)
	Mr. Anmol Jain (Joint Managing Director)
	Mr. Vineet Sahni (CEO & Senior Executive Director)
	Mr. Tadayoshi Aoki (Senior Executive Director)
	Mr. Koji Sawada (Executive Director upto 18.06.2020)
	Mr. Kenjiro Nakazono (Executive Director w.e.f. 18.06.2020)
	Mr. Avinash Parkash Gandhi (Independent Director)
	Mr. Rajeev Kapoor (Independent Director)
	Mr. Munish Chandra Gupta (Independent Director upto 04.12.2020)
	Mr. Rattan Kapur (Independent Director)
	Mrs. Ritika Modi (Independent Director)
	Mr. Dhiraj Dhar Gupta (Independent Director)
	Mr. Vikrampati Singhania (Independent Director w.e.f. 11.02.2021)
3 Relatives of Key Management Personnel	Mr. Dhanesh Kumar Jain (Chairman Emeritus)
	Mr. Vyom Sahni (son of Mr. Vineet Sahni)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

4	Entity Controlled / significantly influenced by Key Management Personnel and/or their Relatives	Lumax Auto Technologies Limited
		Lumax DK Auto Industries Limited (Merged with Lumax Auto Technologies Limited w.e.f. 09.11.2019)
		Lumax Tours & Travels Limited
		Lumax Finance Private Limited
		Lumax Ancillary Limited
		Lumax Cornaglia Auto Technologies Private Limited
		Lumax Mannoh Allied Technologies Limited
		Lumax Management Services Private Limited
		Lumax Jopp Allied Technologies Private Limited
		Lumax Energy Solutions Private Limited
		Bharat Enterprises
		Mahavir Udyog
		D.K. Jain & Sons (HUF) (upto 18.12.2020)
		Lumax FAE Technologies Private Limited
		Lumax Ituran Telematics Private Limited
		Lumax Mettals Private Limited (Formerly known as Lumax Gill - Austem Auto Technologies Private Limited)
		Lumax Integrated Ventures Private Limited
		Sipal Engineering Private Limited
		Backcountry Estates Private Limited
		Velomax Mobility Private Limited
5	Entity controlled by Entity having significant influence	Lumax Charitable Foundation
		Thai Stanley Electric Public Co. Limited
		Asian Stanley International Co. Limited
		PT Indonesia Stanley Electric
		Stanley Electric (Asia Pacific) Limited
		Tianjin Stanley Electric Co. Limited
		Vietnam Stanley Electric Co. Limited
		Shenzhen Stanley Electric Co. Limited
		Guangzhou Stanley Electric Co. Limited
		Sirivit-Stanley Co. Limited
		Stanley Electric Do Brasil Limited

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### B. Detail of Related Parties Transactions

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
i)	<b>Sale of Raw Materials and Components (Grouped in Consumption)</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	168.65	63.93	-	-	168.65
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	11.46	-	-	11.46
	Lumax Ancillary Limited	-	-	-	-	-	-	239.49	371.64	-	-	239.49
	Bharat Enterprises	-	-	-	-	-	-	73.24	34.75	-	-	73.24
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.10	-	-	-	0.10
ii)	<b>Sale of Finished Goods (including Semi-finished Goods)</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	8,601.83	6,880.84	-	-	8,601.83
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	242.09	-	-	-
	Lumax Ancillary Limited	-	-	-	-	-	-	171.14	217.10	-	-	171.14
	Stanley Electric Do Brasil Limited	-	-	-	-	-	-	-	-	5.34	8.58	5.34
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	0.56	1.41	0.56
	Asian Stanley International Co. Limited	-	-	-	-	-	-	-	-	0.20	-	0.20
	Stanley Electric Co. Limited	8.90	-	-	-	-	-	-	-	-	-	8.90
iii)	<b>Sale of Fixed Assets</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	282.08	-	-	-	282.08
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	0.69	-	-	-	0.69
	Lumax Ancillary Limited	-	-	-	-	-	-	-	-	-	-	-
	Lumax Ancillary Limited	-	-	-	-	-	-	-	2.63	-	-	-
iv)	<b>Sale of Services</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	73.05	-	-	-
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	5.34	-	-	-
	Lumax Ancillary Limited	-	-	-	-	-	-	-	1.13	-	-	-
	Bharat Enterprises	-	-	-	-	-	-	-	0.60	-	-	-
	Mahavir Udyog	-	-	-	-	-	-	-	0.33	-	-	-
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	-	0.11	-	-	-
	Lumax Management Services Private Limited	-	-	-	-	-	-	-	2.37	-	-	-
												2.37

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	-	0.25	-	-	0.25
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	37.43	51.24	37.43	51.24	51.24
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	23.20	-	-	23.20
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	23.94	-	-	23.94
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	-	11.15	-	-	11.15
	Stanley Electric Co. Limited	600.39	68.42	-	-	-	-	-	-	600.39	68.42	68.42
<b>v)</b>	<b>Purchase of Raw Materials, Components and Moulds</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	12,333.43	9,803.41	-	-	12,333.43
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	5,825.64	-	-	5,825.64
	Lumax Ancillary Limited	-	-	-	-	-	-	6,703.10	6,652.10	-	-	6,652.10
	Bharat Enterprises	-	-	-	-	-	-	2,287.14	2,484.68	-	-	2,484.68
	Mahavir Udyog	-	-	-	-	-	-	197.23	204.60	-	-	204.60
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	892.95	10.60	10.60	10.60
	Asian Stanley International Co. Limited	-	-	-	-	-	-	-	698.38	1,294.94	1,294.94	1,294.94
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	1.41	-	1.41
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	3,225.73	2,241.34	2,241.34	2,241.34
	Tianjin Stanley Electric Co Limited	-	-	-	-	-	-	-	1,469.94	749.59	749.59	749.59
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	26.39	31.32	31.32	31.32
	Sirivit-Stanley Co. Limited	-	-	-	-	-	-	-	802.12	1,592.30	1,592.30	1,592.30
	Shenzhen Stanley Electric Co. Limited	-	-	-	-	-	-	-	29.48	30.19	30.19	30.19
	Stanley Electric Co. Limited	5,466.53	6,086.60	-	-	-	-	-	-	5,466.53	6,086.60	6,086.60
<b>vii)</b>	<b>Purchase of Packing Material</b>											
	Mahavir Udyog	-	-	-	-	-	-	2,135.06	2,236.77	-	-	2,135.06
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	2.95	-	-	2.95
<b>viii)</b>	<b>Purchase of Stores &amp; Spares</b>											
	Lumax Energy Solutions Private Limited	-	-	-	-	-	-	-	0.05	-	-	0.05
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.24	-	-	-	0.24
	Lumax Ancillary Limited	-	-	-	-	-	-	0.75	0.18	-	-	0.75
	Mahavir Udyog	-	-	-	-	-	-	0.16	-	-	-	0.16
	Stanley Electric Co. Limited	-	1.46	-	-	-	-	-	-	-	-	1.46



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
viii)	<b>Purchase of Fixed Assets</b>												
	Lumax Auto Technologies Limited #	-	-	-	-	-	-	2,659.77	-	-	-	-	2,659.77
	Lumax Management Services Private Limited	-	-	-	-	-	-	73.02	76.34	-	-	73.02	76.34
	Lumax Tours & Travels Limited	-	-	-	-	-	-	6.15	-	-	-	-	6.15
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	0.70	-	-	0.70
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	178.04	-	178.04	-
	Stanley Electric Co. Limited	117.18	-	-	-	-	-	-	-	-	-	117.18	-
	# Refer note no. 47												
ix)	<b>Purchase of Traded Goods</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.17	34.74	-	-	0.17	34.74
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	78.60	29.63	78.60	29.63
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	392.53	343.50	392.53	343.50
	<b>Technical Charges</b>												
x)	<b>Design &amp; Drawing Charges</b>												
	Stanley Electric Co. Limited	474.81	1,315.32	-	-	-	-	-	-	-	-	474.81	1,315.32
	Tianjin Stanley Electric Co Limited	-	-	-	-	-	-	-	-	78.53	75.67	78.53	75.67
	<b>Testing Charges</b>												
	Stanley Electric Co. Limited	70.63	210.08	-	-	-	-	-	-	-	-	70.63	210.08
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	1.93	-	1.93	-
	Lumax Auto Technologies Limited	-	-	-	-	-	-	3.70	3.44	-	-	3.70	3.44
	<b>Management Support Fee</b>												
	Stanley Electric Co. Limited	991.29	1,045.59	-	-	-	-	-	-	-	-	991.29	1,045.59
	Lumax Management Services Private Limited	-	-	-	-	-	-	1,291.60	1,488.53	-	-	1,291.60	1,488.53
xi)	<b>Rent Income</b>												
	Lumax Management Services Private Limited	-	-	-	-	-	-	5.52	5.03	-	-	5.52	5.03
	Sipal Engineering Private Limited	-	-	-	-	-	-	0.18	0.16	-	-	0.18	0.16
	Lumax Finance Private Limited	-	-	-	-	-	-	0.18	0.16	-	-	0.18	0.16
	Lumax Metallics Private Limited (Formerly known as Lumax Gill - Austem Auto Technologies Private Limited)	-	-	-	-	-	-	0.18	0.16	-	-	0.18	0.16
	Lumax Integrated Ventures P Limited	-	-	-	-	-	-	0.18	0.16	-	-	0.18	0.16

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	Total
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20		
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.06	0.05	-	-	0.06	0.05
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	0.05	-	-	-	0.05
	Lumax Ancillary Limited	-	-	-	-	-	-	0.18	0.16	-	-	0.18	0.16
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.25	0.05	-	-	0.25	0.05
	Lumax Energy Solutions Private Limited	-	-	-	-	-	-	-	0.07	-	-	-	0.07
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.18	0.16	-	-	0.18	0.16
	Lumax Jopp Allied Technologies Limited	-	-	-	-	-	-	0.05	0.05	-	-	0.05	0.05
	Backcountry Estates Private Limited	-	-	-	-	-	-	-	0.16	-	-	-	0.16
	Velomax Mobility Private Limited	-	-	-	-	-	-	0.18	0.16	-	-	0.18	0.16
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	17.28	29.47	-	-	17.28	29.47
xii)	Rent Expense												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	273.51	100.30	-	-	273.51	100.30
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	121.75	-	-	-	121.75
xiii)	Payment to Chairman Emeritus												
	Mr. Dhanesh Kumar Jain	-	7.50	-	-	15.00	22.50	-	-	-	-	15.00	30.00
xiv)	Managerial Remuneration (short term employee benefits)*												
	Mr. Deepak Jain#	-	-	76.04	135.37	-	-	-	-	-	-	76.04	135.37
	Mr. Anmol Jain	-	-	26.83	55.57	-	-	-	-	-	-	26.83	55.57
	Mr. Tadayoshi Aoki	-	-	16.34	17.60	-	-	-	-	-	-	16.34	17.60
	Mr. Koji Sawada	-	-	3.30	16.49	-	-	-	-	-	-	3.30	16.49
	Mr. Kenjiro Nakazono	-	-	13.96	-	-	-	-	-	-	-	13.96	-
	Mr. Vineet Sahni#	-	-	211.67	289.08	-	-	-	-	-	-	211.67	289.08
	*Does not include provision for gratuity and compensated absences, since the same is accrued on the basis of actuarial valuation carried out for the Company as a whole.												
xv)	Commission to Director												
	Mr. Deepak Jain#	-	-	164.13	243.00	-	-	-	-	-	-	164.13	243.00
	Mr. Vineet Sahni#	-	-	34.37	86.96	-	-	-	-	-	-	34.37	86.96
	#The managerial remuneration paid/payable has exceeded the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013. The Holding Company has obtained necessary approvals as required under the relevant provisions of the Holding Companies Act, 2013.												

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
xvi)	<b>Royalty (gross)</b>											
	Stanley Electric Co. Limited	1,859.43	2,182.76	-	-	-	-	-	-	-	-	1,859.43
xvii)	<b>Dividend Paid</b>											
	Mr. Deepak Jain	-	-	70.32	615.32	-	-	-	-	-	-	70.32
	Mr. Anmol Jain	-	-	70.32	615.32	-	-	-	-	-	-	70.32
	D.K. Jain & Sons (HUF)	-	-	-	-	-	-	8.58	75.06	-	-	8.58
	Lumax Auto Technologies Limited	-	-	-	-	-	-	31.50	275.63	-	-	31.50
	Lumax Finance Private Limited	-	-	-	-	-	-	29.60	259.02	-	-	29.60
	Stanley Electric Co. Limited	200.60	1,755.28	-	-	-	-	-	-	-	-	200.60
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	9.72	85.06	9.72
xviii)	<b>Travelling &amp; Conveyance</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	0.99	-	-	-
	Lumax Ancillary Limited	-	-	-	-	-	-	-	0.04	-	-	-
	Lumax Tours & Travels Limited	-	-	-	-	-	-	59.30	437.81	-	-	59.30
	Stanley Electric Co. Limited	7.79	93.88	-	-	-	-	-	-	-	-	7.79
xix)	<b>Freight Inward</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.03	-	-	-	0.03
xx)	<b>Insurance Charges</b>											
	Lumax Management Services Private Limited	-	-	-	-	-	-	27.58	-	-	-	27.58
xxi)	<b>Legal &amp; Professional Charges</b>											
	Lumax Tours & Travels Limited	-	-	-	-	-	-	-	0.34	-	-	-
	Lumax Management Services Private Limited	-	-	-	-	-	-	10.37	29.51	-	-	10.37
xxii)	<b>Miscellaneous Expenses</b>											
	Lumax Auto Technologies Limited	-	-	-	-	-	-	34.88	32.35	-	-	34.88
	Lumax Ancillary Limited	-	-	-	-	-	-	0.25	-	-	-	0.25
	Asian Stanley International Co. Limited	-	-	-	-	-	-	-	-	0.02	-	0.02
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	0.02	-	0.02
	Lumax Tours & Travels Limited	-	-	-	-	-	-	-	0.01	-	-	-
xxiii)	<b>Packing &amp; Forwarding</b>											
	Lumax Ancillary Limited	-	-	-	-	-	-	-	0.16	-	-	-
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.28	-	-	-	0.28

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
xxiv)	<b>Salaries, wages and bonus</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	20.26	48.96	-	-	20.26	48.96
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	34.64	-	-	-	34.64
	Lumax Ancillary Limited	-	-	-	-	-	-	2.62	0.63	-	-	2.62	0.63
	Stanley Electric Co. Limited	89.15	43.57	-	-	-	-	-	-	-	-	89.15	43.57
	Mr. Vyom Sahni	-	-	-	-	4.21	2.78	-	-	-	-	4.21	2.78
xxv)	<b>Printing &amp; Stationery Expenses</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.51	1.70	-	-	0.51	1.70
xxvi)	<b>Reimbursement Received</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	(139.34)	(40.49)	-	-	(139.34)	(40.49)
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	(0.86)	-	-	-	(0.86)
	Lumax Management Services Private Limited	-	-	-	-	-	-	(14.25)	(14.64)	-	-	(14.25)	(14.64)
	Lumax Ancillary Limited	-	-	-	-	-	-	(16.53)	(4.54)	-	-	(16.53)	(4.54)
	Bharat Enterprises	-	-	-	-	-	-	(3.98)	(3.33)	-	-	(3.98)	(3.33)
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	-	(17.31)	-	-	-	(17.31)
	Mahavir Udyog	-	-	-	-	-	-	(0.78)	(1.84)	-	-	(0.78)	(1.84)
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	-	(0.81)	-	-	-	(0.81)
	Lumax FAE Technologies Private Limited	-	-	-	-	-	-	-	(0.02)	-	-	-	(0.02)
	Lumax Ituran Telematics Private Limited	-	-	-	-	-	-	-	(0.05)	-	-	-	(0.05)
	Lumax Metallics Private Limited (Formerly known as Lumax Gill - Austem Auto Technologies Private Limited)	-	-	-	-	-	-	-	(0.31)	-	-	-	(0.31)
	Sipal Engineering Private Limited	-	-	-	-	-	-	-	(0.12)	-	-	-	(0.12)
	Stanley Electric Co. Limited	(225.53)	(225.17)	-	-	-	-	-	-	-	-	(225.53)	(225.17)
xxvii)	<b>Repair to Plant &amp; Machinery</b>												
	Lumax DK Auto Industries Limited	-	-	-	-	-	-	-	0.42	-	-	-	0.42
xxviii)	<b>Repairs &amp; Maintenance-Others</b>												
	Lumax Management Services Private Limited	-	-	-	-	-	-	106.37	186.95	-	-	106.37	186.95
	Lumax Tours & Travels Limited	-	-	-	-	-	-	-	0.05	-	-	-	0.05
	Stanley Electric Co. Limited	11.56	4.51	-	-	-	-	-	-	-	-	11.56	4.51

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
xxix)	<b>Sales promotion</b>												
	Lumax Tours & Travels Limited	-	-	-	-	-	-	3.94	7.69	-	-	3.94	7.69
	Lumax Management Services Private Limited	-	-	-	-	-	-	-	28.88	-	-	-	28.88
xxx)	<b>Welfare (Staff And Labour)</b>												
	Lumax Dk Auto Industries Limited	-	-	-	-	-	-	-	3.78	-	-	-	3.78
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.51	2.48	-	-	0.51	2.48
	Lumax Tours & Travels Limited	-	-	-	-	-	-	(1.68)	13.12	-	-	(1.68)	13.12
	Lumax Management Services Private Limited	-	-	-	-	-	-	1.68	1.68	-	-	1.68	1.68
	Stanley Electric Co. Limited	3.36	46.68	-	-	-	-	-	-	-	-	3.36	46.68
xxxi)	<b>Liabilities no longer required written back</b>												
	Stanley Electric Co. Limited	2.10	2.15	-	-	-	-	-	-	-	-	2.10	2.15
xxxii)	<b>Bad debts</b>												
	Guangzhou Stanley Electric Co.Limited	-	-	-	-	-	-	-	-	2.84	-	2.84	-
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	0.11	-	-	-	0.11
xxxiii)	<b>Job Work Charges</b>												
	Lumax Ancillary Limited	-	-	-	-	-	-	6.34	0.68	-	-	6.34	0.68
xxxiv)	<b>Miscellaneous Income</b>												
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	-	0.01	-	-	-	0.01
	Sirvit-Stanley Co. Limited	-	-	-	-	-	-	-	-	0.02	-	-	0.02
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	0.97	-	-	0.97
xxxv)	<b>Donations</b>												
	Lumax Charitable Foundation	-	-	-	-	-	-	10.98	11.29	-	-	10.98	11.29
xxxvi)	<b>Corporate Social Responsibility Contribution (CSR)</b>												
	Lumax Charitable Foundation	-	-	-	-	-	-	142.76	163.21	-	-	142.76	163.21
xxxvii)	<b>Sitting Fee</b>												
	Mr. Avinash Parkash Gandhi	-	-	5.20	5.40	-	-	-	-	-	-	5.20	5.40
	Mr. Rajeev Kapoor	-	-	4.00	3.80	-	-	-	-	-	-	4.00	3.80
	Mr. Munish Chandra Gupta	-	-	2.60	4.60	-	-	-	-	-	-	2.60	4.60
	Mr. Rattan Kapur	-	-	4.80	4.60	-	-	-	-	-	-	4.80	4.60
	Ms. Ritika Modi	-	-	2.40	2.40	-	-	-	-	-	-	2.40	2.40
	Mr. Vikrampati Singhania	-	-	1.20	-	-	-	-	-	-	-	1.20	-
	Mr. Dhiraj Dhar Gupta	-	-	6.80	3.80	-	-	-	-	-	-	6.80	3.80

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### C. Details of Closing Balances of Related Parties

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	Total
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020		
i)	Trade Receivables												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	3,193.46	402.37	-	-	3,193.46	402.37
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	0.09	4.56	-	-	0.09	4.56
	Lumax Ancillary Limited	-	-	-	-	-	-	136.45	132.42	-	-	136.45	132.42
	Bharat Enterprises	-	-	-	-	-	-	16.51	0.34	-	-	16.51	0.34
	Lumax Tours & Travels Limited	-	-	-	-	-	-	-	0.08	-	-	-	0.08
	Lumax Integrated Ventures Private Limited	-	-	-	-	-	-	0.08	-	-	-	0.08	-
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.08	-	-	-	0.08	-
	Lumax Jopp Allied Technologies Limited	-	-	-	-	-	-	-	0.05	-	-	-	0.05
	Lumax Metallics Private Limited (Formerly Lumax Gill - Austem Auto Technologies Private Limited)	-	-	-	-	-	-	0.08	-	-	-	0.08	-
	Mahavir Udyog	-	-	-	-	-	-	0.62	0.93	-	-	0.62	0.93
	Stanley Electric Co. Limited	7.08	-	-	-	-	-	-	-	-	-	7.08	-
	Stanley Electric Do Brasil Limited	-	-	-	-	-	-	-	-	1.05	0.16	1.05	0.16
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	7.83	43.94	7.83	43.94
	Velomax Mobility Private Limited	-	-	-	-	-	-	0.27	0.08	-	-	0.27	0.08
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	-	1.48	-	1.48
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	-	2.84	-	2.84
ii)	Advance received from Customers												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	11.69	-	-	-	11.69
	Lumax Ancillary Limited	-	-	-	-	-	-	-	1.55	-	-	-	1.55
	Bharat Enterprises	-	-	-	-	-	-	0.59	0.56	-	-	0.59	0.56
iii)	Other Recoverable												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	66.45	-	-	-	66.45	-

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	Total
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
iv)	<b>Trade Payables</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	-	5,676.99	4,381.35	-	-	5,676.99	4,381.35
	Lumax Tours & Travels Limited	-	-	-	-	-	-	7.89	13.67	-	-	7.89	13.67
	Lumax Ancillary Limited	-	-	-	-	-	-	1,739.65	2,188.36	-	-	1,739.65	2,188.36
	Bharat Enterprises	-	-	-	-	-	-	432.19	691.59	-	-	432.19	691.59
	Mahavir Udyog	-	-	-	-	-	-	401.35	552.25	-	-	401.35	552.25
	Lumax Management Services Private Limited	-	-	-	-	-	-	298.34	194.54	-	-	298.34	194.54
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	599.65	4.04	599.65	4.04
	Asian Stanley International Co. Limited	-	-	-	-	-	-	-	-	127.97	50.24	127.97	50.24
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	130.22	-	130.22	-
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	7.44	8.46	7.44	8.46
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	-	916.31	846.03	916.31	846.03
	Sirvit-Stanley Co. Limited	-	-	-	-	-	-	-	-	39.94	266.81	39.94	266.81
	Shenzhen Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	2.92	-	2.92	-
	Tianjin Stanley Electric Co Limited	-	-	-	-	-	-	-	-	694.08	345.88	694.08	345.88
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	11.55	2.08	11.55	2.08
	Stanley Electric Co. Limited	2,966.93	3,573.43	-	-	-	-	-	-	-	-	2,966.93	3,573.43
	<b>Capital Payables</b>												
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	-	0.74	-	0.74
v)	<b>Capital Advance</b>												
	Lumax Ancillary Limited	-	-	-	-	-	-	4,957.42	4,669.80	-	-	4,957.42	4,669.80
vi)	<b>Advance paid to Vendors</b>												
	Lumax Tours & Travels Limited	-	-	-	-	-	-	3.45	10.60	-	-	3.45	10.60
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	-	0.32	-	0.32
	Stanley Electric Co. Limited	-	47.54	-	-	-	-	-	-	-	-	-	47.54



## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives				Entity controlled by Entity having significant influence		Total	Total
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020		
vii)	<b>Recoverable from Vendors</b>														
	Lumax Ancillary Limited	-	-	-	-	-	-	531.01	2.77	-	-	-	531.01	2.77	
	Lumax Auto Technologies Limited	-	-	-	-	-	-	2.11	11.67	-	-	-	2.11	11.67	
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	-	0.38	-	-	-	-	0.38	
	Lumax FAE Technologies Private Limited	-	-	-	-	-	-	-	0.02	-	-	-	-	0.02	
	Lumax Ituran Telematics Private Limited	-	-	-	-	-	-	-	0.05	-	-	-	-	0.05	
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	-	0.10	-	-	-	-	0.10	
	Lumax Metallics Private Limited (Formerly Lumax Gill - Austem Auto Technologies Private Limited)	-	-	-	-	-	-	-	0.31	-	-	-	-	0.31	
	Sipal Engineering Private Limited	-	-	-	-	-	-	-	0.12	-	-	-	-	0.12	
	Bharat Enterprises	-	-	-	-	-	-	47.66	-	-	-	-	47.66	-	
	Mahavir Udyog	-	-	-	-	-	-	0.04	-	-	-	-	0.04	-	
	Stanley Electric Co. Limited	42.57	-	-	-	-	-	-	-	-	-	-	42.57	-	
viii)	<b>Security Deposit for Rent</b>														
	Mr. Dhanesh Kumar Jain	-	-	-	-	3.45	2.76	-	-	-	-	-	3.45	2.76	
ix)	<b>Loan to Employee</b>														
	Mr. Vineet Sahni														
	<b>Loan given</b>	-	-	150.00	-	-	-	-	-	-	-	-	-	150.00	
	<b>Repayment</b>	-	-	(30.00)	(15.00)	-	-	-	-	-	-	-	(30.00)	(15.00)	
	<b>Closing Balance</b>	-	-	105.00	135.00	-	-	-	-	-	-	-	105.00	135.00	
x)	<b>Key Management Payables</b>														
	Mr. Deepak Jain	-	-	168.33	243.00	-	-	-	-	-	-	-	168.33	243.00	
	Mr. Anmol Jain	-	-	2.59	-	-	-	-	-	-	-	-	2.59	-	

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

S. Account Head No.	Entity / Person having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Mr. Vineet Sahni	-	-	21.63	86.96	-	-	-	-	-	-	21.63	86.96
Mr. Tadayoshi Aoki	-	-	0.24	3.86	-	-	-	-	-	-	0.24	3.86
Mr. Koji Sawada	-	-	-	10.55	-	-	-	-	-	-	-	10.55
Mr. Kenjiro Nakazono	-	-	0.24	-	-	-	-	-	-	-	0.24	-
Mr. Avinash Parkash Gandhi	-	-	-	0.36	-	-	-	-	-	-	-	0.36
Mr. Rajeev Kapoor	-	-	-	0.36	-	-	-	-	-	-	-	0.36
Mr. Munish Chandra Gupta	-	-	-	0.36	-	-	-	-	-	-	-	0.36
Mr. Rattan Kapur	-	-	-	0.36	-	-	-	-	-	-	-	0.36
Mrs. Ritika Modi	-	-	-	0.36	-	-	-	-	-	-	-	0.36
Mr. Dhiraj Dhar Gupta	-	-	-	0.36	-	-	-	-	-	-	-	0.36
Mr. Dhanesh Kumar Jain	-	-	-	-	1.99	-	-	-	-	-	1.99	-

### Note:

The Holding Company has established a comprehensive system on maintenance of information and documents required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Holding Company is in the process of updating the documentation for transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The Management is of the opinion that its transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements particularly on the amount of income tax expense and that of provision of taxation.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 39 Capital and other commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of Contract (Net of Advances paid during the year ₹ 5,468.06 Lakhs {31 March 2020: ₹ 5,660.05 Lakhs} remaining to be executed on capital account and not provided for)	4,511.74	2,608.71

### 40 Contingent liabilities

S. No.	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	Income tax cases (including ₹ 371.81 Lakhs (31 March 2020: ₹ 371.81 Lakhs) of associate)*	3,455.51	3,541.25
(ii)	Excise, customs and Service tax (including ₹ 36.76 Lakhs (31 March 2020: ₹ 36.76 Lakhs) of associate)*	1,286.55	1,284.55
(iii)	Sales tax and VAT*	105.13	65.17
(iv)	Export obligation#	4,519.61	4,755.40

\* The respective management of the Holding Company and the associate is of the firm belief that above demands are not tenable and are unlikely to be retained and is therefore not carrying any provision in its books in respect of such demands.

Additionally, the Holding Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Holding Company believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

#Outstanding export obligations are to be fulfilled over a period of 6 years from the date of respective licenses under the EPCG scheme against import of plant and machinery and the related customs duty of ₹ 753.27 Lakhs (31 March 2020: ₹ 792.57 Lakhs).

During the current year, the Directorate of Revenue Intelligence ('DRI') conducted an inquiry at the Headoffice and Gurugram plant of the Holding Company. Basis its inquiry, DRI contended that the design fee paid to Stanley for the past 5 years, in respect of moulds imported by the Holding Company is chargeable to custom duty and GST and demanded ₹ 500.00 Lakhs which was duly deposited under protest by the Company on 1 February 2021. As at 31 March 2021, the Holding Company is awaiting the show cause notice from the authorities and based on its assessment, it believes any demand as per abovementioned contentions shall not be tenable.

In February 2019, the Supreme Court of India in its judgement, clarified the applicability of allowances that should be considered to measure the contribution payable under Employees Provident Fund Act, 1952. The Holding Company is of the view that, since there are many interpretative challenges on the retrospective application of the judgement, accordingly, the probable obligation relating to the earlier periods cannot be reliably estimated. Hence, the Holding Company made provision for provident fund contribution from the date of Supreme Court Order.

### 41 Details of Research and development expenses are as follows:

A. The Holding Company has incurred expenses on its research and development centre at Gurugram (Haryana) approved and recognised by the Ministry of Science & Technology, Government of India.

#### a. Capital expenditure

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Capital expenditure	299.93	12.76

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### b. Revenue expenditure

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	1,407.83	1,335.50
Contribution to provident fund	73.82	67.19
Contribution to other funds	4.76	5.03
Staff welfare	30.74	134.73
Gratuity	35.69	50.36
Insurance	6.89	6.56
Repair & maintenance	218.03	312.06
Travelling & conveyance	179.43	378.79
Legal & professional expenses	11.03	1.31
Research & development	44.77	4.10
Power & fuel	24.26	37.31
Miscellaneous	33.15	35.88
Design, support & testing charges	61.25	49.53
Material/Consumable/Spares	2.15	14.81
Depreciation	140.09	163.98
Finance cost	2.16	3.58
<b>Total</b>	<b>2,276.05</b>	<b>2,600.72</b>

B. The Holding Company has incurred expenses on its research and development centre at Pune (Maharashtra) approved and recognised by the Ministry of Science & Technology, Government of India.

### a. Capital expenditure

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Capital expenditure	26.51	153.72

### b. Revenue expenditure

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	903.85	975.87
Contribution to provident fund	48.54	47.64
Contribution to other funds	-	0.05
Staff welfare	42.02	129.75
Gratuity	37.75	18.70
Insurance	3.67	4.27
Repair & maintenance	133.33	91.36
Travelling & conveyance	50.37	184.56
Legal & professional expenses	57.19	59.13
Power & fuel	43.51	92.73
Miscellaneous	31.14	64.56
Design, support & testing charges	23.55	15.80
Material/Consumable/Spares	0.29	0.01
Depreciation	135.37	146.95
Finance cost	1.19	1.23
<b>Total</b>	<b>1,511.77</b>	<b>1,832.61</b>

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 42 Government grant

The Holding Company is availing export incentives under duty drawback rules and Merchandise Exports from India Scheme (MEIS)/Service Exports from India Scheme (SEIS) of Central government. These incentives are availed in case of export of specified goods and services. During the year, the Company has recognised income of ₹ 94.93 Lakhs (previous year ₹ 178.04 Lakhs) under the above schemes.

Further, the Holding Company also received ₹ 1,294.29 Lakhs (previous year ₹ Nil) as budgetary support from Government of India under GST regime.

- 43 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

### 44 Investments accounted using the equity method

The Holding Company's equity interest in its associate i.e. SL Lumax Limited. SL Lumax Limited is primarily engaged in manufacturing and supply of auto components from its manufacturing plant located at Irungattukottai, Sriperumbudur, Tamil Nadu, India. SL Lumax Limited is an unlisted Company and is accounted in the Consolidated financial statements using equity method.

The following table summarises the financial information of SL Lumax Limited as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in SL Lumax Limited.

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying value of Investment*	9,033.81	8,864.14

#### a) Information relating to Assets and Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Percentage ownership interest	21.28%	21.28%
Current assets	60,815.60	41,243.80
Non-current assets	25,096.64	26,391.69
Current liabilities	40,896.16	22,809.11
Non-current liabilities	2,681.16	3,288.65
<b>Net Assets</b>	<b>42,334.92</b>	<b>41,537.73</b>
<b>Holding Company's share of Net Assets (21.28%)</b>	<b>9,008.91</b>	<b>8,839.24</b>

\*Carrying value of investment includes ₹ 24.90 Lakhs on account of Goodwill generated at the time of acquisition.

#### b) Information relating to Statement of Profit and Loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue	1,47,730.58	1,40,173.44
Profit	723.98	5,679.35
Other comprehensive income	73.21	120.22
<b>Total comprehensive income</b>	<b>797.19</b>	<b>5,799.57</b>
<b>Holding Company's share of profit (21.28%)</b>	<b>154.09</b>	<b>1,208.76</b>
<b>Holding Company's share of OCI (21.28%)</b>	<b>15.58</b>	<b>25.6</b>
<b>Holding Company's share of total comprehensive income (21.28%)</b>	<b>169.67</b>	<b>1,234.34</b>

c) Dividend received from SL Lumax Limited	-	230.92
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## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 45 Disclosure required by Ind AS 115

- The aggregate amount of transaction price allocated to the unsatisfied performance obligations as at 31 March 2021 amounts to ₹ 116.57 Lakhs (31 March 2020: ₹ 6.40 Lakhs). This will be recognized as revenue when the moulds will be sold to the customer, which is expected to occur post 31 March 2022\*.

\* The above amount does not include the value of performance obligations that have an original expected duration of one year or less, as required by Ind AS 115.

- Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 24 to the consolidated financial statements. Further, the revenue is disclosed in the said note is gross of ₹ 616.94 Lakhs (31 March 2020: ₹ 459.38 Lakhs) representing cash discount to customers.
- The following table provides further information as required by Ind AS 115:

Particulars	As at / Year ended 31 March 2021	As at / Year ended 31 March 2020
Receivables included in 'Trade receivables'	21,631.34	17,321.45
Revenue recognized in the current year included in the contract liability balance at the beginning of the year.	2,048.14	5,629.91
Unbilled revenue (Contract Assets)	1,161.64	849.48
Advances from customers (Contract Liabilities)	3,558.38	2,595.20

- The spread of COVID 19 has affected the business operations during the current year. The Holding Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which included closing of manufacturing facilities for certain period during the year. The Holding Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Holding Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial statements. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Holding Company and take necessary measures to address the situation.

- On 1 April 2019, the Holding Company purchased certain assets from Lumax Auto Technologies Limited (refer note 38) at a consideration of ₹ 2,245.41 Lakhs, pursuant to which, the Holding Company has setup in-house Electronic facility at Manesar on 11 April 2019 for manufacture of Printed Circuit Boards ('PCB'). The said acquisition was primarily done to optimize cost by indigenization of Printed Circuit Board ('PCB') and expand the customer base.

The abovementioned purchase of assets has been accounted as Business Combination in accordance with Ind AS 103. The consideration for above transaction was transferred through Bank. Further, the Holding Company incurred acquisition-related costs of ₹ 9.00 Lakhs on legal fees and due diligence costs. These costs have been included in legal and professional fees under other expenses.

The fair values of assets (i.e. Property, plant and equipment and other intangible assets) acquired amounts to ₹ 1,267.83 Lakhs. Further, Goodwill arising from the acquisition amounts to ₹ 977.58 Lakhs which is attributable to synergies expected to be achieved from integrating PCB into the Holding Company's existing business. The Goodwill is not deductible for income tax purposes vide Finance Act 2021.

## Notes to the Consolidated Financial Statements for the year ended 31 March 2021 (Contd.)

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

### 48 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act 2013:

#### Year ended 31 March 2021

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total 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>Holding Company</b>								
Lumax Industries Limited	86.25%	39,713.91	93.86%	1,703.85	89.04%	126.54	<b>93.51%</b>	<b>1,830.39</b>
<b>Associate*</b>								
SL Lumax Limited	19.57%	9,008.91	8.49%	154.09	10.96%	15.58	<b>8.67%</b>	<b>169.67</b>
Adjustment arising out of consolidation	-5.82%	(2,679.53)	-2.35%	(42.71)	-	-	<b>-2.18%</b>	<b>(42.71)</b>
<b>Total</b>	<b>100.00%</b>	<b>46,043.29</b>	<b>100.00%</b>	<b>1,815.23</b>	<b>100.00%</b>	<b>142.12</b>	<b>100.00%</b>	<b>1,957.35</b>

\*Accounted using Equity method

#### Year ended 31 March 2020

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total 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>Holding Company</b>								
Lumax Industries Limited	86.11%	38,444.38	100.57%	7,230.69	137.20%	(94.38)	<b>100.22%</b>	<b>7,136.31</b>
<b>Associate*</b>								
SL Lumax Limited	19.80%	8,839.24	16.81%	1,208.76	-37.20%	25.6	<b>17.33%</b>	<b>1,234.34</b>
Adjustment arising out of consolidation	-5.91%	(2,636.82)	-17.38%	(1,249.77)	-	-	<b>-17.55%</b>	<b>(1,249.76)</b>
<b>Total</b>	<b>100.00%</b>	<b>44,646.80</b>	<b>100.00%</b>	<b>7,189.68</b>	<b>100.00%</b>	<b>(68.79)</b>	<b>100.00%</b>	<b>7,120.89</b>

\*Accounted using Equity method

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

**Manish Kapoor**

Partner

Membership No. 510688

Place: Gurugram

Date: 11 June 2021

ICAI UDIN: 21510688AAAABD9544

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

Place: New Delhi

Date: 11 June 2021

**Shruti Kant Rustagi**

Chief Financial Officer

Place: New Delhi

Date: 11 June 2021

**Vineet Sahni**

CEO & Senior Executive Director

DIN: 03616096

Place: Gurugram

Date: 11 June 2021

**Pankaj Mahendru**

Company Secretary

Membership No. - A 28161

Place: New Delhi

Date: 11 June 2021

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

## Form AOC-1

[Statement pursuant to Section 129 (3) of the Act related to Associate Company]

### PART "B" Associates

Name of Associates Company	SL Lumax Limited
1. Latest Audited Balance Sheet Date	31 March 2021
2. Shares of Associate Company held by the Company on the year end	
a. No.	32,98,986
b. Amount of Investment in Associate Company	354.74 Lakhs
c. Extent of Holding in %	21.28%
3. Description of how there is significant influence	Due to percentage of Share Capital
4. Reason why the Associate company is not consolidated	N.A.
5. Net worth attributable to shareholding as per latest audited Balanced Sheet	9,008.91 Lakhs
6. Profit/(Loss) for the year	
a. Considered in Consolidation (including other Comprehensive Income of ₹ 15.58 Lakhs)	169.67 Lakhs
b. Not Considered in Consolidation	N.A.

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

#### Deepak Jain

Chairman & Managing Director  
DIN: 00004972  
Place: New Delhi  
Date: 11 June 2021

#### Vineet Sahni

CEO & Senior Executive Director  
DIN: 03616096  
Place: Gurugram  
Date: 11 June 2021

#### Shruti Kant Rustagi

Chief Financial Officer  
  
Place: New Delhi  
Date: 11 June 2021

#### Pankaj Mahendru

Company Secretary  
Membership No. - A 28161  
Place: New Delhi  
Date: 11 June 2021