

LIL/SE/CS/REG.34/2023-24

July 31, 2023

<b>BSE Limited</b> Listing & Compliance Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	<b>National Stock Exchange of India Limited</b> Listing & Compliance Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
<b>Security Code: 517206</b>	<b>Symbol: LUMAXIND</b>

**Subject: Submission of Annual Report of the Company for the Financial Year 2022-23 along with the Notice of 42<sup>nd</sup> Annual General Meeting (“AGM”)**

Dear Sir/Ma’am,

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please find enclosed herewith the Annual Report for the Financial Year 2022-23 along with the Notice of the 42<sup>nd</sup> Annual General Meeting (“AGM”) of the Company scheduled to be held on **Tuesday, August 22, 2023 at 10:30 A.M. (IST)** through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”).

The said Notice along with the Annual Report for the Financial Year 2022-23 is being sent today electronically to the members whose e-mail addresses are registered with the Registrar and Share Transfer Agent (“RTA”) of the Company i.e., KFin Technologies Limited/ the Company and/or the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited.

The Notice convening the AGM along with the Annual Report has also been uploaded on the Company’s website at <https://www.lumaxworld.in/lumaxindustries/>

You are requested to kindly take the same in your records.

Thanking you,

Yours faithfully,

**For LUMAX INDUSTRIES LIMITED**



**RAAJESH KUMAR GUPTA**  
**EXECUTIVE DIRECTOR & COMPANY SECRETARY**  
**M.NO. A-8709**

**Encl:** As stated Above



STRONG **CAPABILITIES.**  
STRONGER **PROGRESS.**

# Read Inside

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## Investor Information

Market Capitalization as at March 31, 2023  
₹ 1,654 Crore

CIN  
L74899DL1981PLC012804

BSE Code  
517206

NSE Symbol  
LUMAXIND

Dividend Recommended  
270%

AGM Date  
August 22, 2023



For more investor related information, please visit:  
<https://www.lumaxworld.in/lumaxindustries/index.html>  
To view or download this report online, scan the QR code:







# STRONG CAPABILITIES. STRONGER PROGRESS.

*Lumax Industries Limited (hereinafter referred to as "the Company" / "Lumax" / "Lumax Industries" / "LIL"), recognized as a leading provider of automotive lighting solutions, has continuously pushed the boundaries of innovation, while prioritizing utmost customer satisfaction. It gives us immense pride as we share our remarkable accomplishments, which encompass fruitful collaborations, the establishment of state-of-the-art facilities, and setting up of a cutting-edge technical center in the Czech Republic. These strategic initiatives have tremendously strengthened our capabilities to serve both new and existing customers, expanding beyond the Indian market to cater to a global clientele.*

Through the relentless improvement of our capabilities, prudent investment in cutting-edge technologies, and the cultivation of a self-reliant culture, Lumax Industries has risen as a shining symbol of triumph in the industry. Our rich legacy, shaped by visionary leadership, sets us apart and enables us to navigate market trends effectively, thereby serving Original Equipment Manufacturers (OEMs) with

unparalleled expertise.

Inspired by our guiding theme of **‘Strong Capabilities. Stronger Progress.’**, we are determined to march towards our upward trajectory, harnessing our strengths, and wholeheartedly embracing the transformative power of innovation. We are dedicated to providing extraordinary automotive lighting solutions that not only enhance safety but also elevate the style and the overall driving experience for our customers worldwide.

## Investment Case

# Showcasing our Value Proposition

### COMPANY PROFILE

#### Empowering Growth to Shape the Future

Lumax Industries, one of the most reputable component manufacturers, spearheads the transformation in the field of Automotive Lighting.

Read More on Pages



### MARQUEE CLIENTELE

#### Progressing with Diversified Customer Base

Customer-centricity plays an important role at Lumax Industries. Currently it cater to maximum number of Original Equipment Manufacturers (OEMs) in India.

Read More on Page



### STRATEGIC PARTNERSHIPS

#### Fostering Partnerships, Strengthening Success

Lumax Industries is well-known for forging successful partnerships. The Company has setup an engineering and design center at the Czech Republic to cater to advanced tech-led automotive lighting solutions to existing and new clients in Indian and international market.

Read More on Pages



### STRONG FINANCIAL PROFILE

#### Powering Progress with Financial Prudence

The Company's emphasis on financial prudence enables it to make well-informed decisions regarding capital allocation and investments. This approach not only enhances its competitiveness but also ensures sustainable growth and the creation of long-term value for its stakeholders. This is evident from consistent financial performance with improving return ratios.

Read More on Pages



## RESEARCH AND DEVELOPMENT STEWARDSHIP Enabling Future with Robust R&D Competence

Research and Development is one of the most important pillars at Lumax Industries. The Company is well known for its exceptional R&D, strong innovation capabilities and technological prowess.

Read More on Pages



## OUR ESG APPROACH Protecting Environment and Nurturing Communities through inclusive Governance

Lumax Industries understands the importance of sustainability and considers the welfare and development of communities as an integral part of its operations. The Company's culture is marked by ethical, transparent, and responsible practices, driven by the Board of Directors and a strong corporate governance philosophy.

Read More on Pages



## COMMITTED TO SHAREHOLDERS' RETURN Upholding Strong Commitment to Shareholders

Lumax Industries demonstrates its dedication to enhancing the value for its shareholders by consistently delivering strong financial results. The Company's ability to maintain stability in its performance serves as a tangible affirmation of its clearly defined business strategies, efficient operations, and adaptability to changing market dynamics.

**₹ 27**  
per share  
Dividend Recommended  
for FY 2022-23

## STRONG LEADERSHIP AND INDEPENDENT BOARD Leading by Expertise and Excellence

Lumax Industries emphasizes on robust governance structure, policies, and practices to ensure accountability, transparency and ethical practices. The Company's dedication to corporate responsibility is evident in the way it shapes its governance policies and carries out day-to-day operations.

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## Lumax-DK Jain Group

# Marching ahead with a Rich Legacy

*The Lumax-DK Jain Group, founded in 1945, has emerged as a frontrunner in the realm of manufacturing and supplying top-of-the-line automotive lighting solutions, gear shifters, and other cutting-edge automotive components in India.*

Over the course of seven decades of journey, the esteemed Lumax-DK Jain Group has carved a formidable legacy, firmly rooted in its core values of innovation, technology and operational excellence. These guiding

principles have served as the driving force behind the Group's impressive growth trajectory and its ability to foster enduring relationships with customers. With two of its flagship entities, Lumax Industries Limited (LIL) and Lumax Auto Technologies Limited (LATL), the Group has cemented its position as a pioneer and a dominant player in the highly competitive Indian automotive components industry.

With a remarkable legacy of almost four decades, the Lumax-DK Jain Group has nurtured a fruitful and enduring partnership with esteemed Stanley Electric Co. Limited from Japan. Alongside this significant alliance, the Group has showcased its expertise in

forging successful joint ventures with renowned companies across the globe, spanning Japan, South Korea, Italy, Spain, Israel, Germany and the USA. These ventures have further bolstered the Group's impressive portfolio and cemented its position as a respected Indian player that consistently delivers products and services of global standards.

With a distinguished reputation in the industry, the Group has consistently demonstrated unparalleled excellence and a commitment to innovation, positioning itself as a leading player in the automotive sector.

# Our Ethos



**Our Group Purpose**

*We deliver Pride and Progress with Positivity*



**Our Vision**

*Building an Admired High-Performance Global Organization in whom all stakeholders have Absolute Trust*



**Our Values**

*Respect*

*Integrity*

*Passion*

*Excellence*

# Group Snapshot

**7**  
Decades Strong

**15**  
Entities

**4**  
R&D and Engineering Centers  
(Gurugram, Manesar, Pune)

**2**  
Overseas Design Centers  
(Taiwan & the Czech Republic)

**Leader**  
In Automotive Lighting, Gear  
Shifters and Vehicle Interior  
Components & Systems

**37**  
Manufacturing Facilities

**12,000+**  
Employees



## Company Profile

# Empowering Growth to Shape the Future

*Lumax Industries is known as one of the leading manufacturers of automotive lighting solutions and components in India. With a legacy spanning over seven decades, the Company has solidified its position in the industry through its ability and dedication to deliver lighting solutions that are reliable and energy-efficient.*

*Moreover, the Company is deeply committed to delivering products that prioritize safety, and aesthetics, with a vision to shape a future empowered by sustainable growth.*

Over the years, LIL has earned a distinguished reputation for its expertise in designing, developing, and manufacturing comprehensive automotive lighting solutions for a wide

range of automotive segments in India.

LIL has forged enduring partnerships with Stanley Electric Co. Japan, spanning four decades, and SL Corporation South Korea, spanning nearly three decades. These strong relationships have enabled the Company to consistently meet the customer requirements.

## LUMAX INDUSTRIES IN A NUTSHELL

**4+**

Decades of Technical and Financial Collaboration with Stanley Electric Co. Limited, Japan

**11**

Manufacturing Units in

**6**

States

**5500+**

Employees

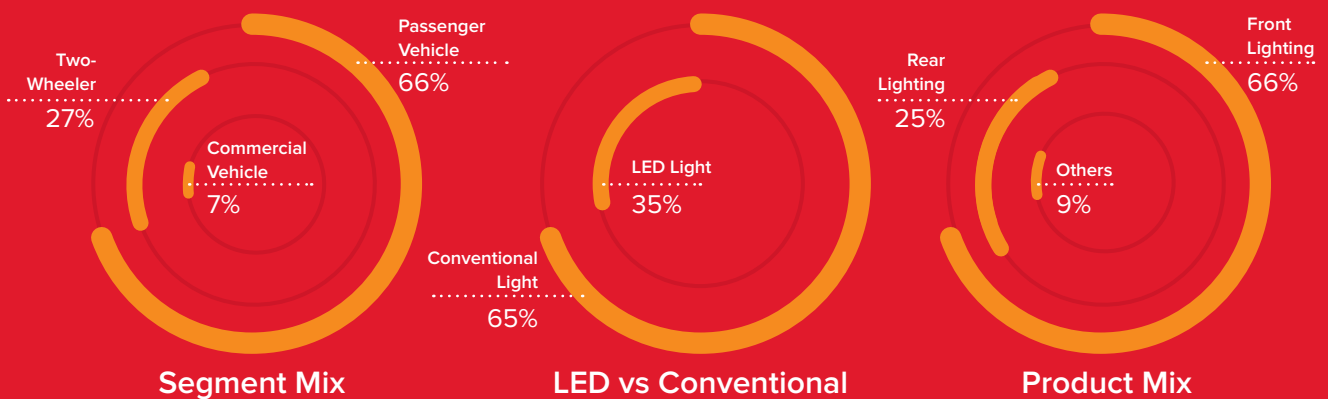
**2**

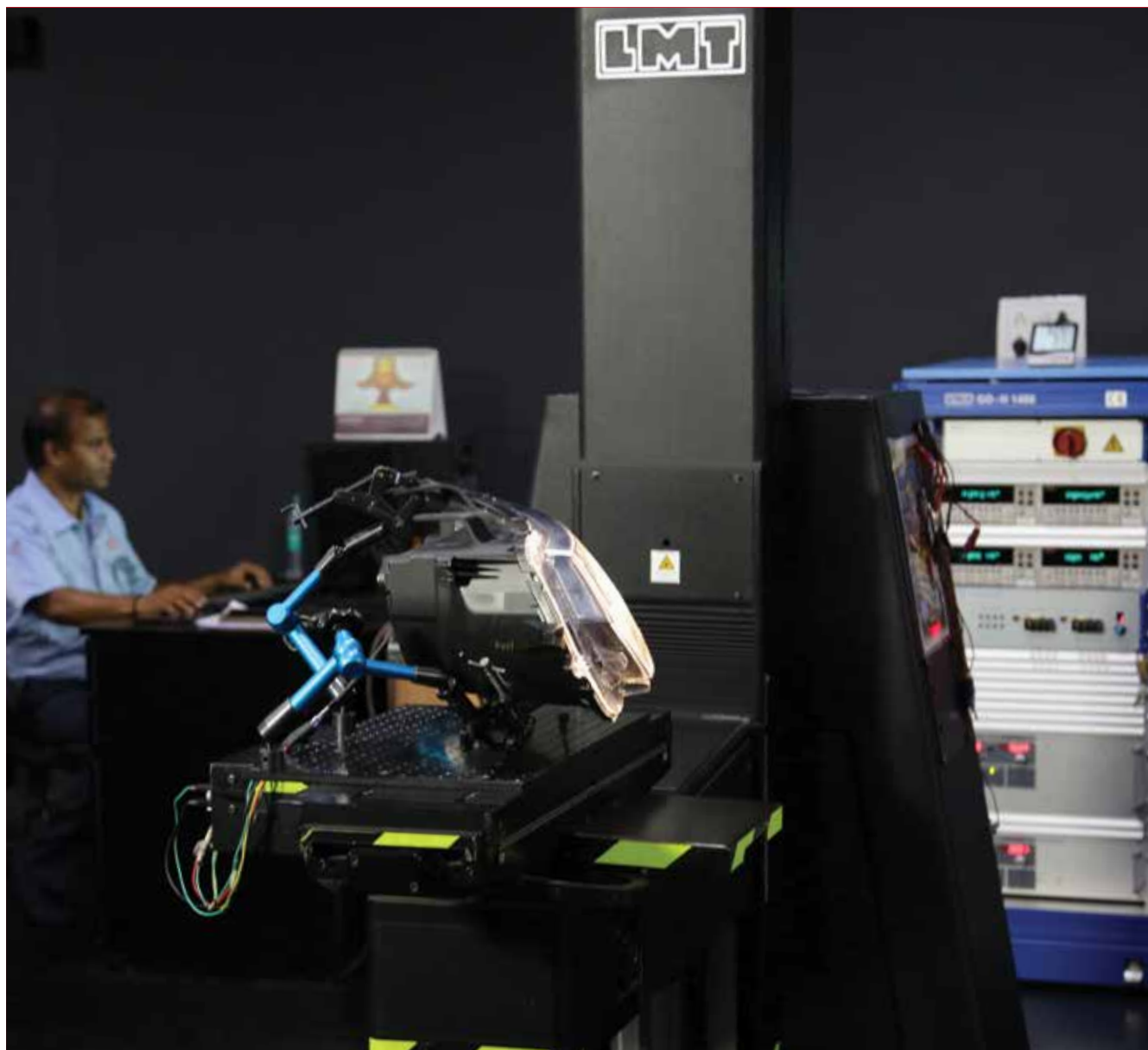
GOI-Certified R&D Centers

**2**

Overseas Design Centers

## REVENUE BREAK UP IN FY 2022-23





## FINANCIAL HIGHLIGHTS

**₹ 2,320** Crore  
Revenue  
32% Y-o-Y Growth

**₹ 222** Crore  
EBITDA  
50% Y-o-Y Growth

**₹ 71** Crore  
PAT  
45% Y-o-Y Growth

**9.6%**  
EBITDA Margin  
110bps Y-o-Y Growth

**25%**  
RoCE  
48% Y-o-Y Growth

**₹ 76**  
EPS  
100% Y-o-Y Growth

## Our Presence

# Growing Stronger to Inspire Tomorrow

*Lumax Industries is dedicated to providing solutions aligned with present and future demands of OEMs. In pursuit of this commitment, the Company operates several strategically positioned manufacturing facilities throughout India. It consistently enhances its capabilities by integrating cutting-edge equipment to manufacture an extensive array of automotive lighting solutions. Lumax Industries aspires to become the preferred partner and solution provider to the OEMs, innovating best-in-class products and technologies for India and the world.*



### Manufacturing Facilities

- ▶ Pantnagar
- ▶ Haridwar
- ▶ Dharuhera
- ▶ Bawal (2)
- ▶ Sanand (2)
- ▶ Chakan
- ▶ Chinchwad
- ▶ Bengaluru

### R&D Center

- ▶ Gurugram
- ▶ Pune

### Manufacturing Facility of Associate Company

- ▶ SL Lumax, Chennai

### Design Center

- ▶ Taiwan
- ▶ Czech Republic

## Marquee Clientele

# Progressing with Diversified Customer Base

*Lumax Industries is committed to provide superior automotive lighting solutions and seamless customer service to its customers, with customer satisfaction being at the core of its business.*

Lumax is constantly evolving, investing in research and development, and focusing on technical advancements to offer cutting-edge products with unmatched standards.

### Four-Wheelers



### Two-Wheelers



### Commercial Vehicles



### Tractors/Farm Equipment Segment



### Exports





## Strategic Partnerships

# Fostering Partnerships. Strengthening Success.

*Lumax Industries is committed to fostering synergies and collaborations to seamlessly propel its success. Over the years, the Company has actively pursued strategic partnerships, resulting in significant achievements. To bolster expansion, Lumax further solidified its position by setting up a design center in the Czech Republic. This is a major milestone for Lumax Industries as it provides access to cutting-edge technologies and strengthens its foothold in the European market.*

Lumax enjoys a four-decades-long relationship with Stanley Electric Co., a global leader in vehicle lighting and illumination products based in Japan. Additionally, the Company has a collaboration with SL Corporation, an automotive player from South Korea, for nearly three decades. These strategic relationships enable Lumax to deliver top-notch automotive components and solutions to the Indian markets. Leveraging the expertise and resources of the trusted partners, Lumax provides best-in-class products and solutions in its offerings. In addition to expanding its technological capabilities, the Company has also reinforced its supply chain management, driving its success to the next level.

### HARNESSING SYNERGIES FOR UNMATCHED EXCELLENCE

## Four-Decades-Long

Relationship with Stanley Electric Co., Japan

Lumax has fostered a robust partnership with its four-decades-long partner, Stanley Electric Co. Japan. This enduring alliance has proved invaluable in the manufacturing and design of advanced lighting solutions. The collaboration has facilitated the manufacturing of the Printed Circuit Board (PCB), a crucial part of LED lighting systems to serve the Indian customers. Through shared expertise, advanced technology, and a deep understanding of the industry, this longstanding relationship has played a pivotal role in strengthening Lumax's position as a reliable and innovative manufacturer in the industry.

## Nearly Three-Decades-Long

Relationship with SL Corporation, South Korea

Lumax Industries has established a strategic partnership with SL Corporation to manufacture a wide range of products. This collaboration encompasses the production of end to end lighting systems and other automotive components.

### Established Lumax Europe Technical Center

Lumax Industries has set up European Technology Centre through its Wholly Owned Subsidiary namely Lumax Industries Czech s.r.o.

Lumax Europe Technical Center will focus on design and development of advanced technologies for automotive lighting systems for the existing and new customers in Indian and international market.



### Setting Up Greenfield Facility

Lumax Industries is setting up a new greenfield facility at Chakan, Pune. The construction of the facility has already begun in FY 2022-23 and the operations is expected to commence in second quarter of FY 2023-24.

**2.6** Lakh Square feet  
Total Plant Area



## Letter from the Management

# Charting Consistent Growth

### Dear Fellow Shareholders,

With utmost privilege and delight, we extend our warm greetings to each and every one of you as we present Lumax Industries Limited Annual Report for FY 2022-23. As we take a moment to contemplate the outstanding achievements and significant milestones of the past year, we feel an immense sense of pride in our performance and a deep sense of optimism for the future that lies ahead of us.

In a time of unprecedented challenges and uncertainties, Lumax Industries has demonstrated resilience, adaptability, and a firm commitment to its core values. We have continued to navigate the ever-evolving landscape of the automotive industry with innovation, collaboration, and a customer-centric approach.

### Looking at the Volatile Global Perspective

Taking a broader perspective, FY 2022-23 witnessed major fluctuations in the global business environment, attributed to macroeconomic volatility and geopolitical factors. Moving forward, as we navigate these challenges, it is anticipated that global growth will be impacted, primarily due to a noticeable deceleration in developed markets. Nevertheless, emerging markets have displayed resilience and are positioned to provide support amidst these difficult circumstances.

In the Indian context, the GDP growth for the year has been revised to 7.2%, positioning itself as one of the fastest-growing economies worldwide. This

growth reflects the sustained efforts made by the Indian Government to establish India as a robust economy on the global stage. It is attributed to focused initiatives aimed at developing transportation, infrastructure, logistics, and the overall business ecosystem, coupled with strong private consumption.

In addition to benefitting domestic industries, these developments have also attracted foreign investments, bolstering India's position as an attractive destination for global businesses.

### What the Industry Says

Focusing on industry-specific developments, India today ranks as the third-largest passenger car market globally, reflecting the increasing demand for automobiles. This surge in demand has also led to a corresponding growth in the demand for auto components within the country. Interestingly, while FY 2022-23 commenced with supply chain disruptions owing to geopolitical conflicts, improved supply chain management and greater availability of commodities have helped stabilize prices over the past year.

Furthermore, favorable policy initiatives, supportive pronouncements in the budget, forward-thinking logistics and foreign trade policies are expected to support the growth of the industry. As a result, despite the challenges posed by global headwinds, the industry is expected to achieve substantial single-digit growth in FY 2023-24. This growth will be propelled by a resilient domestic environment

and the pursuit of Original Equipment Manufacturers (OEMs) for top-notch auto components to cater to the rising demand for sophisticated and unique vehicles. This trend indicates a progression towards premium segments, SUVs, and vehicles with higher volumes and value.

### Enabling Excellence, Creating Value

Lumax Industries has showcased resilience and strength in navigating the challenging business environment of the past two years. Despite the obstacles faced, the Company has achieved impressive results, with a robust order book and positive growth as the business environment gradually reopened.

### Remarkable Revenue Growth

Lumax Industries witnessed a remarkable growth rate of 32% in FY 2022-23, achieving its highest-ever revenue of ₹ 2,320 Crore, a significant increase from the previous year's figure of ₹ 1,751 Crore. The Company's consolidated EBITDA for FY 2022-23 stood at ₹ 222 Crore, with a margin of 9.6%, surpassing the previous year's figure of ₹ 148 Crore by an impressive 50%.

### Focused Capex Investment

During the FY 2022-23, Lumax Industries invested ₹ 136 Crore in capital expenditure, which includes ₹ 33 Crore allocated for leasehold assets. The actual capex outlay amounted to ₹ 103 Crore. These strategic investments demonstrate the Company's commitment to enhancing its capabilities, improving operational





*"Our objective has been to build stronger relationships with our partners, customers, employees and all stakeholders".*



efficiency, and positioning itself for sustained growth.

As we chart our journey ahead, we have entered into meaningful collaborations to strengthen our capabilities and forge a stronger progress. Lumax Industries set up a design center in the Czech Republic. This move positions the Company with a strategic advantage, enabling it to deliver cutting-edge, technology-driven automotive lighting solutions to its existing and new clients in both domestic and international markets. In another significant move, a new greenfield facility is designed to operate on an asset-light basis, optimizing resources and maximizing efficiency. The project is progressing as per schedule, and production is expected to commence in the second quarter of the current financial year.

### Building upon the EV Momentum

India possesses the potential to emerge as one of the leading manufacturers in the electric vehicle (EV) segment, thanks to the favorable opportunities presented by robust policies from both the central and state governments. The imminent expansion of the EV market, primarily driven by the two-wheeler and three-wheeler segments, is already attracting high investments. However, there is also a notable trend emerging in the four-wheeler segment, with several major players planning to launch their own EV models. Moving into FY 2023-24, we expect the growth momentum to continue, building upon the robust demand observed in FY 2022-23.

The transition from conventional lighting to LED lighting is currently

progressing at a gradual pace. It is anticipated that this shift will eventually reach a 50-50 percent balance in the future, accompanied by a strong emphasis on localization. In line with these developments, we are strategically positioned to expand our product portfolio and introduce new and diversified offerings to cater to the evolving needs of our customers.

### People as the Pillars of our Success

At Lumax, we believe that our people are the greatest asset we have, and they play a pivotal role in shaping the Company's success. Recognizing

**32%**

**Record Breaking Performance in Terms of Revenue Growth**





this, we place highest priority on fostering a safe and positive work environment that prioritizes the well-being and growth of our employees. Additionally, we place great emphasis on employee retention and performance management. This involves providing trainings, leadership development and career progression opportunities to support their growth within the organization.

### In Closing

As we move forward with our strong capabilities to pave the way for a stronger progress, we extend our sincere appreciation to the Board of Directors for their passionate and skillful leadership. We express our profound gratitude to all our stakeholders for their trust and support to Lumax Industries. Moreover, our journey would be incomplete without acknowledging the persistent efforts of the Lumax team, whose commitment to excellence aligns well with our Company's strategic goals and sustainability endeavors. Together, we will continue to drive innovation, exceed expectations, and create a brighter future for Lumax Industries.

Warm regards,

**DK Jain    Deepak Jain    Anmol Jain**

## STRATEGIC PRIORITIES FOR THE WAY FORWARD

Continuing *product innovation* to cater to existing and new customers

Increasing *focus on OEM business* to capture the *untapped market*

*Enhancing capacity utilization*



## Strong Financial Profile

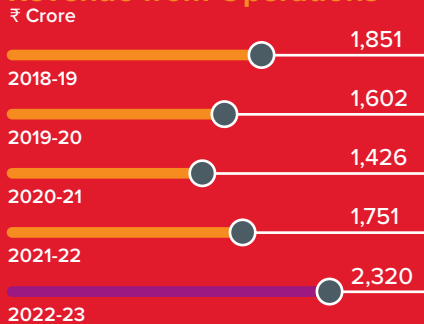
# Powering Progress with Financial Prudence

*Lumax Industries' strong focus on financial prudence enables the Company to make well-informed capital allocation and investment decisions, enhancing its competitiveness, ensuring sustainable growth, and generating long-term value for its stakeholders. This commitment to prudent financial management is reflected in the Company's consistent financial performance, marked by improving return ratios. By powering progress through sound financial strategies, Lumax Industries strives to create a prosperous future for itself and its stakeholders.*

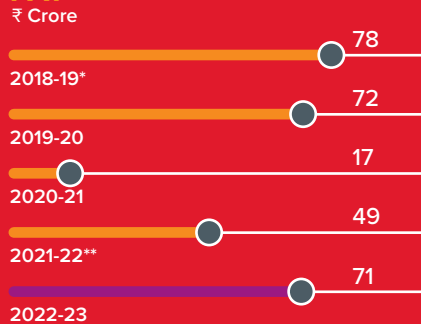


## FINANCIAL PERFORMANCE

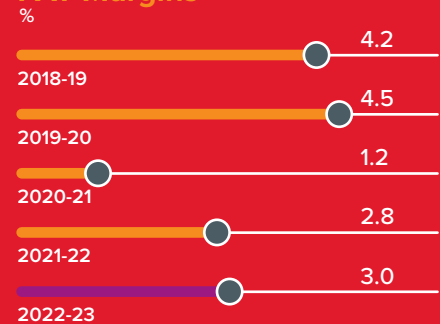
### Revenue from Operations



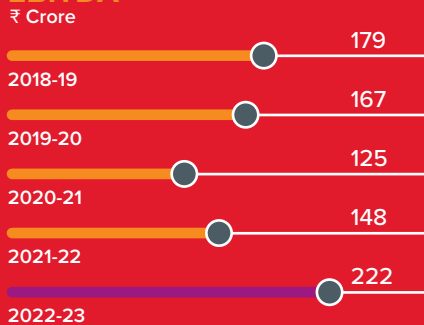
### PAT



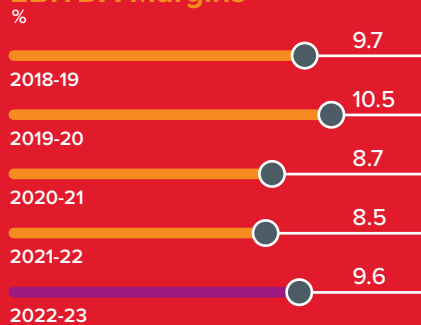
### PAT Margins



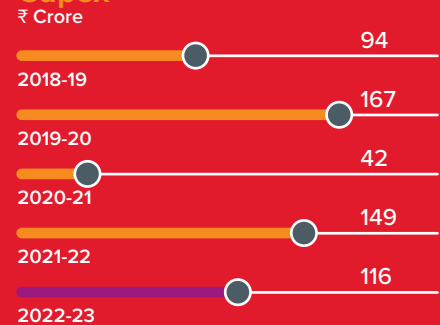
### EBITDA



### EBITDA Margins



### Capex



### Standalone Results

\* Excludes one-time gain on sale of asset of ₹ 36 Crore and the tax paid on the same was ₹ 7 Crore, in FY 2018-19

\*\* Excludes exceptional expense of ₹ 17 Crore on account of VSS, tax amount on same is ₹ 4 Crore

EBITDA: Earnings Before Interest, Tax, Depreciation, and Amortization  
PAT: Profit after Tax

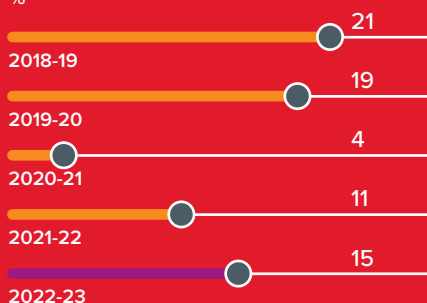




## FINANCIAL RATIOS

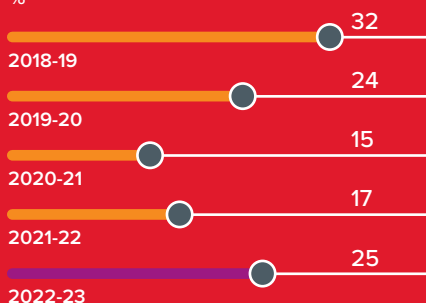
### ROE

%



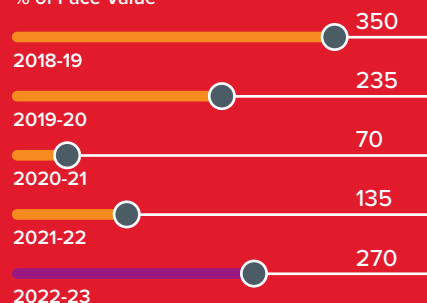
### ROCE

%



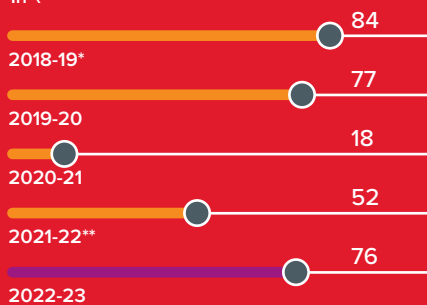
### Dividend

% of Face Value



### EPS

In ₹



Standalone Results  
 ROE: Return on Equity  
 ROCE: Return on Capital Employed  
 EPS: Earnings Per Share





## Research and Development Stewardship

# Enabling Future with Robust R&D Competence

*Research and Development is one of the most important pillars at Lumax Industries. Renowned for its exceptional R&D and robust innovation capabilities, the Company continuously strives to push the boundaries of automotive lighting technologies.*

At the heart of this endeavor is a highly skilled team of engineers and designers, who possess extensive expertise in their field. Their pursuit of cutting-edge advancements enables Lumax Industries to shape the future of automotive lighting and create innovative solutions that cater to the evolving market demands.

Over the years, the Company has diligently developed world-class solutions that are aligned with the latest advancements in the space. The R&D capabilities are not limited to the product development, but also focuses on process optimization, manufacturing efficiency, and cost-effectiveness through continuous improvements.

## ESTABLISHED NEW ADVANCED LIGHTING DESIGN AND TECHNICAL CENTER IN THE CZECH REPUBLIC

Lumax Industries has taken a significant step forward by establishing the Lumax Europe Technical Center (LETC) in the Czech Republic. It is located at the CT Park industrial zone in Ostrava-Hrabova, the Czech Republic.

The key purpose of LETC is to develop cutting-edge automotive lighting technologies and adapt them for the Indian market. The Czech Republic, known for its vibrant ecosystem of innovation and new technology development, provides an ideal environment for LETC to thrive. Furthermore, LETC is also set to be involved in augmenting the Company's engineering competencies in the areas of process development, creation of custom engineering tools and software, as well as training and skill development.

Moreover, LETC is expected to play a critical role in enhancing competencies in the design of optics, electronic hardware and software for automotive lighting which includes CAE analysis and simulation.

With this strategic step, Lumax Industries will particularly focus on electronics and software development and manufacture the automotive lighting technologies for future.

## STRATEGIC FOCUS ON R&D

Lumax Industries constantly aims at enhancing the skills of its teams to be able to develop advanced technologies in India at a cost effective price bracket, with specific focus on Electronics Hardware and Software.

By investing in the development and proficiency of its design team, Lumax Industries intends to offer innovative solutions that align with the market demands, while maintaining cost-competitiveness.



### Objective

*To become a Globally Preferred Lighting System Provider having focus on Introducing new innovative high value technologies, maintaining a Best-in-Class development cost structure and Exceeding customer expectations.*



# 15 Employees

Deployed in the Czech Republic

*Customer Preferred Supplier*



*Self-Reliant*



*Innovative*



*Affordable*

This approach enables the Company to introduce advanced automotive technologies and make them accessible and cost-competitive for a wider customer base in India.

## OPPORTUNITIES OF TOMORROW

- ▶ Accelerating implementation of LED technology
- ▶ Formulating EV-aligned technologies for Low Power/Weight
- ▶ Enhancing customer connections for export opportunity
- ▶ Initiating Interior Lighting/Cross-car Body Control Modules (BCM)
- ▶ Bringing new OEMs as potential customers through EV-related expertise
- ▶ Increasing content involving small lamps opens export opportunity

## Total Productive Maintenance

# Total Productive Maintenance (TPM) at Lumax Industries

The Company adopts a holistic approach to enhance facility maintenance, with the main objective of improving productivity, resource wastage, employee accidents, product defects, and unplanned downtime. As part of the organizational culture and commitment to improving manufacturing capabilities, the Company has adopted the concept of Total Productive Maintenance (TPM). Lumax is implementing the TPM methodology in all its manufacturing facilities and is further expanding its implementation throughout the entire supply chain, embracing a concept of deepening, and widening.

The Company has prepared TPM guidelines on the basis of the JIPM-TPM guidelines with the objective of strengthening and standardizing TPM activities undertaken across the organization. Furthermore, the Company introduced Lumax TPM awards for the facilities recording turnover less than ₹ 100 Crore.

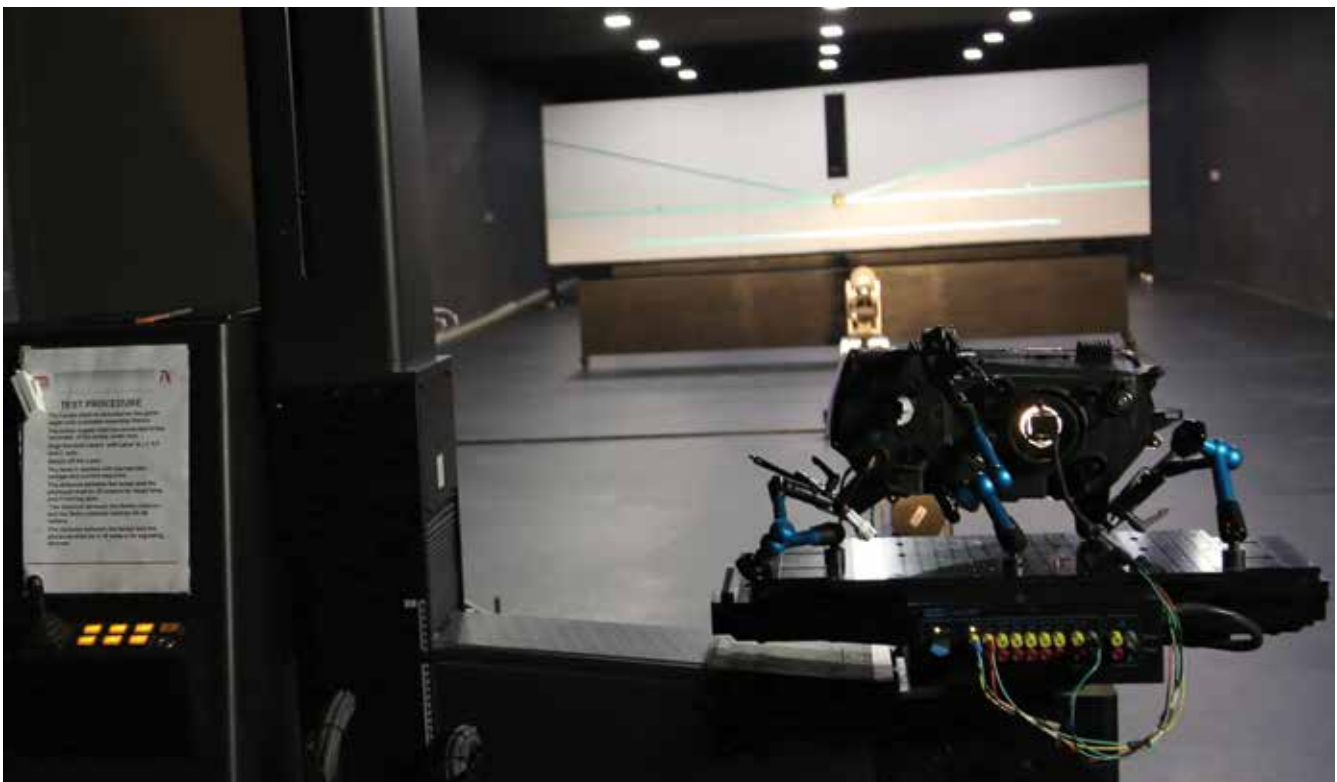
## EFFORTS TOWARDS ACHIEVING MANUFACTURING EFFICIENCY

Lumax Industries has achieved breakthrough business outcomes by integrating TPM with not only with its manufacturing system but also other functions like LCIA, Energy Management, and QCC. This helps in identifying the improvement areas under TPM and effectively implement them by leveraging LCIA, Energy Management, and QCC. Through this comprehensive approach, the Company is able to drive continuous improvement and enhance its overall performance in alignment with its business goals.

# 5

## JIPM-TPM Excellence Awards

- 2015 Pantnagar
- 2018 Bawal
- 2019 Pantnagar (consistency)
- 2019 Bengaluru
- 2020 Dharuhera

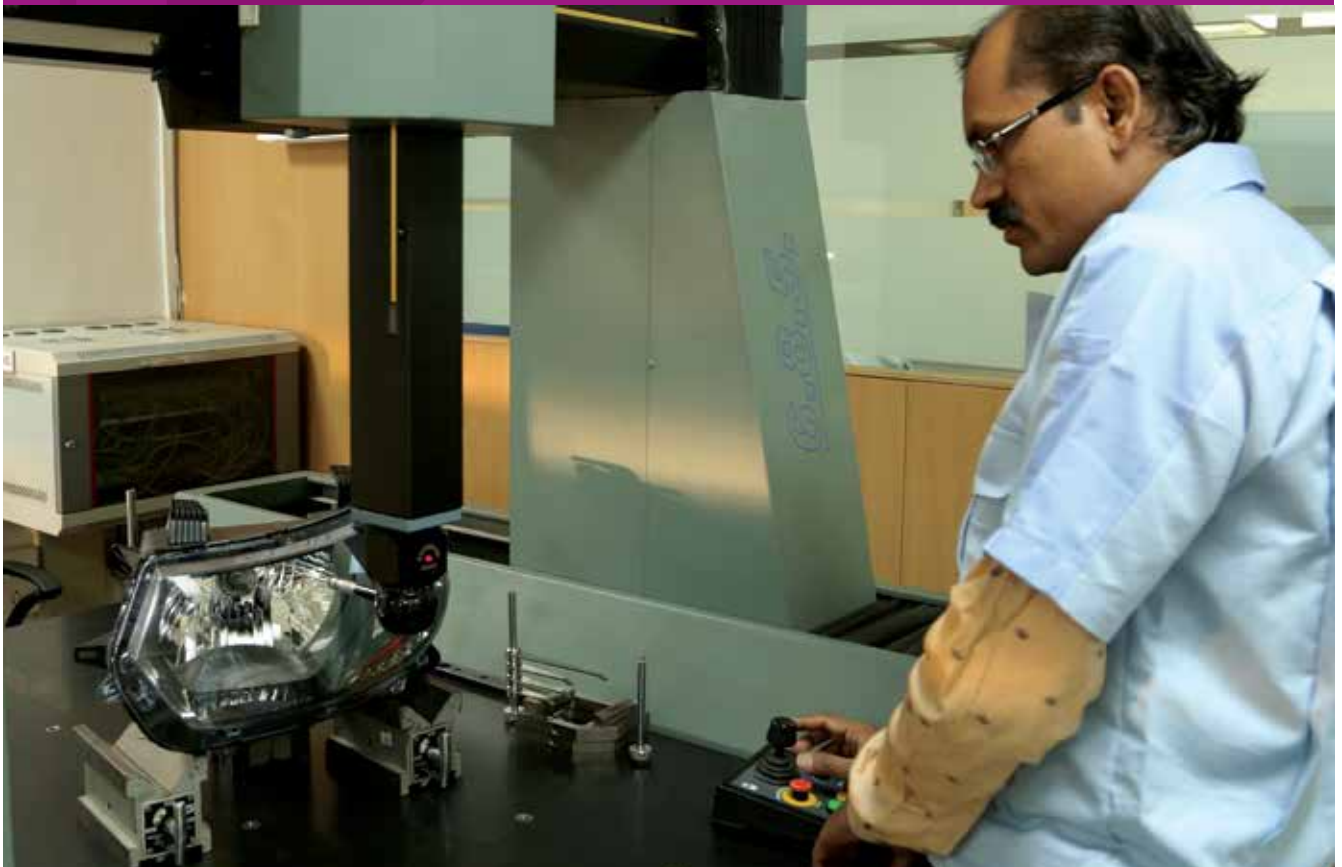


## TPM INTEGRATION WITH MANUFACTURING

In order to achieve optimal business outcomes, the Company adopted Total Productive Maintenance (TPM) into its manufacturing process, aiming to improve output and achieve its ultimate business goals.

### TPM 8 Pillars

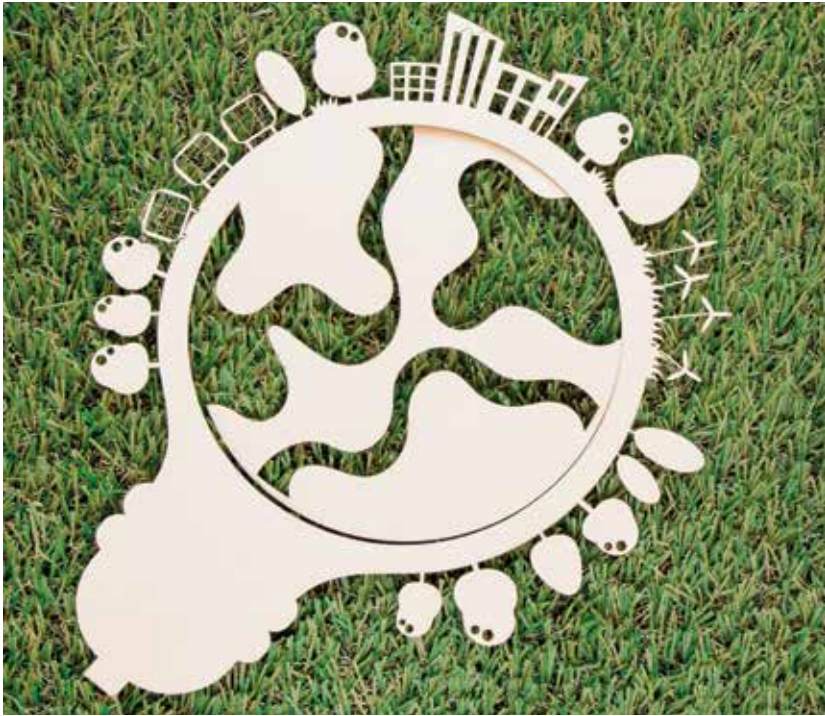
Major Objectives: Zero Accident, Zero Breakdown, Zero Defects





## Responsible Action - E

# Embedding Sustainability in Every Step



*Lumax Industries upholds its commitment towards being a responsible corporate citizen and places great emphasis on making meaningful and lasting contributions to the environment. The Company actively engages in various environmental endeavors and works diligently to play a significant role in promoting sustainability.*

By undertaking environmental initiatives, Lumax Industries strives to minimize its environmental footprint and actively contribute to preserving and protecting the natural resources. Through these efforts, the Company aims to create a positive and enduring impact on the environment, aligning its business operations with environmental sustainability.

## CONSERVATION OF ENERGY

Lumax Industries Limited is committed towards the implementation of energy conservation practices in an efficient and responsible manner to reduce waste and conserve resources. The Company has adopted various means to save energy resources, like the utilization of energy-efficient appliances, minimizing energy usage, and promoting the adoption of renewable energy sources.

As a consequence, the Company is benefited through reduced energy bills, reduced **greenhouse gas emissions**, and **preservation of natural resources**. Energy conservation is an important strategy for **addressing climate change** and reducing dependence on non-renewable energy sources. This is helping Lumax to reduce its **dependency on non-renewable energy sources**, which are finite and subject to price fluctuations.

Energy management is becoming an increasingly important aspect of sustainability.

## Key Initiatives Undertaken during the Year to Promote Conservation of Energy

The Company is working on the energy conservation activities and controlling

the usage of power consumption through different initiatives for all the plants. Some initiatives taken in this direction are noted below:

### Reduction of Power Consumption in Chiller Network System

- ▶ Implemented line modification in the chiller plant to reduce the return water temperature
- ▶ Replaced inefficient chiller system with energy efficient chiller system
- ▶ Installed chilled water pipeline and chilled water tank for reduction in energy consumption of chiller

### Optimization of Compressed Air Usage in Plants

- ▶ Provided training to maintenance team, sensitizing towards controlling air leakage losses and implementation of air leakage register
- ▶ Created Standard Operating

Procedures (SOPs) for identification of air leakage test and FAD test for calculating compressor efficiency

- ▶ Reduced generation pressure of compressor by arresting air leakage points
- ▶ Installed flow control system for compressor switching and modulation of pressure as per need
- ▶ Replaced pneumatic tools with electrical tools
- ▶ Substituted old air-dryer by energy efficient air-dryer

#### Optimizing the Performance of Pumping system

- ▶ Replaced higher capacity pump with energy efficient pump
- ▶ Utilized VFD to optimize the pump performance
- ▶ Modified process pump pipe network to reduce the friction loss and improve efficiency

#### Controlling the Thermal Losses in Different Machine

- ▶ Installed hopper to control thermal losses in injection moulding machine
- ▶ Applied paint on oven surface to reduce heat loss

#### Optimization of Cooling Tower

- ▶ Replaced cooling tower fan blade, changing it from aluminium to FRP
- ▶ Saved power by interlocking cooling tower fan speed temperature control sensor
- ▶ Initiated Cooling Tower Performance Assessment (change of Old Pump with New Pump)

#### Power Saving in Motor System

- ▶ Replaced conventional motors with energy efficient motors (IE3 & IE4 class)
- ▶ Substituted higher capacity motors by lower capacity motor
- ▶ Implemented VFD on motor with variable load to reduce energy consumption

#### Power Saving from Technology Change

- ▶ Replaced old conventional mica band heaters with IR heater in injection moulding machine
- ▶ Substituted conventional fan by Brush-Less Direct Current (or BLDC) fans
- ▶ Used EC motor in place of induction motor that is used in Air Washer
- ▶ Converted hydraulic motor to servo motor of injection molding machines

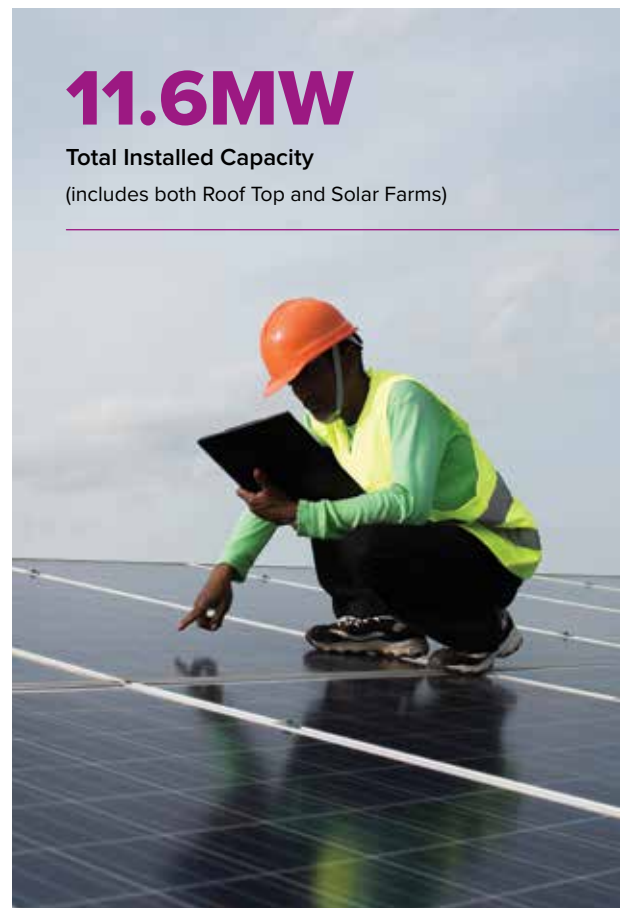
## Sustainability Awareness Initiatives

The Company conducted sustainability awareness workshops, taken ESG trainings on

- ▶ Sustainability and Business Responsibility and Sustainability Reporting
- ▶ Awareness program for value chain partners
- ▶ Carbon footprint analysis

## Installed Green Power to Reduce Non-renewable Energy

Lumax Industries has made investments to procure solar power from a group captive solar park for two of its plants in Karnataka and Maharashtra. The Company is actively engaging in discussions with various power producers operating under the group captive mode. By harnessing the potential of these sustainable energy sources, Lumax Industries seeks to effectively reduce its energy expenses, while making a significant contribution to reduce its operational carbon footprint.



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

Lumax Industries has taken steps to strengthen its energy management practices by implementing the (EnMS) ISO-50001 System at Bawal and Pantnagar plant. Furthermore, the Company is actively pursuing additional certifications for its various facilities located in different regions. This certification will help plants to effectively monitor and regulate energy consumption, facilitating ongoing improvements in energy efficiency and consumption reduction.

### Online Energy Monitoring System

Lumax Industries prioritizes the metering and sustenance of energy data as a fundamental requirement. To simplify tracking and monitoring, the Company has implemented an efficient online monitoring system. This system captures real-time data, enabling Lumax Industries to identify areas of concern and optimize energy usage effectively.

Further, the Company is planning to have interlinkage of plant energy data with corporate dashboard to facilitate easy monitoring.

### Waste Management

Lumax Industries is committed to responsible waste management practices. The Company employs strategies to minimize waste generation and maximize recycling and reuse. Some initiatives taken in this direction are noted below:

- ▶ Implemented waste reduction strategies, including waste segregation at the source and recycling programs
- ▶ Collaborated with certified waste management vendors to ensure proper disposal of both hazardous and non-hazardous waste, generated during manufacturing processes
- ▶ Set waste reduction targets and diligently monitors its progress in attaining these objectives

### Water Conservation

Lumax Industries recognizes the importance of conserving water resources. The Company has implemented water management practices to optimize water usage and reduce wastage within its manufacturing processes. Some initiatives taken in this direction are noted below:

- ▶ Adopted water-efficient technologies, such as recycling and reusing water wherever possible, and implementing water conservation initiatives across facilities
- ▶ Initiated monitoring and optimization of water consumption and conducted regular assessments of water usage efficiency
- ▶ Aimed to minimize water consumption and promote sustainable water management practices
- ▶ Monitored its progress towards achieving its objective of reduced water footprint

**21.61%**

Usage of  
Renewable Energy





**3.64** MW

Total Installed Solar  
Roof Panels across the  
Manufacturing Facilities

**8** MW

Total Usage  
of Solar Park  
Capacity





## People Responsibility - S

# Social Impacts

Lumax Industries adopts a strategic approach to its social development activities, consistently seeking opportunities to leverage its capabilities and expertise for the betterment of the community.

### People are the Driving Force

Lumax Industries places great importance on the growth, well-being, and aspiration of its employees. The Company has a dedicated team that is fully committed to nurturing and supporting its people. Recognizing their dedication and commitment, Lumax Industries strives to create an environment where employees can thrive and contribute to the Company's achievements.

To provide comprehensive support to its employees, Lumax Industries implements various initiatives. These include welfare and safety programs, skill development and training programs, employee engagement and welfare activities. The Company also prioritizes diversity, inclusion, and equal opportunity. It creates opportunities for growth, aspiring to establish a nurturing organization where employees can explore their full potential and achieve personal and professional goals.

In order to promote alignment between employees and the organization's business objectives, operations, and culture, the Company has HR policies to create conducive work environment. As a result, biases are reduced and employee development and progress are promoted. These rules place a high priority on employee well-being, foster positive employer-employee interactions, and support fair practices.







## Learning and Development Programs

Lumax Industries is committed to nurturing the skills and talents of its employees. Through comprehensive training programs, the Company creates opportunities for professional growth and advancement. It actively invests in learning and development initiatives to enhance technical expertise, leadership skills, and overall industry knowledge. By empowering its employees with the necessary skills and knowledge, Lumax Industries enables them to excel in their respective roles and make valuable contributions to the overall success of the business.

### Gurukul – The First Step to Educating and Empowering

Drawing inspiration from the ancient practice of Gurukul education, Lumax Industries strives to enhance the skills of its workforce and provide comprehensive training to shopfloor employees. This training encompasses educating them about the Company's processes, production, values, workplace safety and the operational procedures.

At all Lumax Industries locations, Gurukul centers have been established to ensure that both newly joined and existing employees undergo training to sharpen their knowledge and technical skills before commencing work on the shopfloor.

### Leadership Development Program

Focusing on the core elements of behaviors that lead to success in both personal and professional life, the leadership development Program, strives to forge lasting connections. Continuous coaching and mentoring that includes various interventions through workshops leading to a journey of self-discovery, teaching participants on how their actions have impacts on both interpersonal and organizational results.

**4**

Batches

**81**

Participants

### MBR Workshop

**1**

Batch

**30**

Participants

## Employee Well-being

### Enhancing Healthcare Infrastructure

The Company provides the convenience of having an in-house doctor onboard, available for consultation to all employees. Several health initiatives are implemented for the well-being of the employees, including health check-up camps, vaccination drives, and scheduled visits by external doctors from renowned hospitals. Lumax Industries has setup 6 Medical Rooms/OHC services during the year that are fully functional. The OHC/Medical rooms are providing below mentioned services at the unit:

- ▶ Consultation services
- ▶ Medicines for all minor ailments
- ▶ Emergency care
- ▶ Pre-employment health check-up for contractual employees
- ▶ Daily audit round of the plant with regard to hygiene
- ▶ Health wellness and awareness session

**1,351 benefited**

from Health Camps Organized at 13 Locations

## Equal Opportunity

Lumax Industries acknowledges and recognizes the growing importance of diversity and gender equality, particularly in leadership and decision-making positions.

Lumax Industries demonstrates its commitment to gender diversity by providing equal opportunities.

Lumax Industries upholds equal rights and equitable remuneration for all its employees, regardless of gender identity, ethnicity or religion. The Company prioritizes the creation of a safe and secure working environment for all, ensuring their well-being and fostering a conducive environment.





## Health and Safety

The Company is committed to create a safe work environment, striving to achieve zero incidents in its manufacturing operations. It also offers medical facilities and support in case of any incident to help in early recovery and well-being of the impacted employees.

## Solidifying Digitalization and Cybersecurity Competencies

Lumax Industries undertakes initiative to drive positive outcomes in process digitalization, supply chain management and security. As a result, the Company has experienced notable advancements in human resource practices, enhanced design capabilities, improved manufacturing operations and strengthened marketing strategies.

- ▶ Digitalizing all the manual processes
- ▶ Standard manufacturing cockpit at plant level artificial intelligence (AI) / machine learning (ML) based alert system
- ▶ Robust data security and surveillance system to protect data and thwart cyber attacks





## Committed to Meaningful Contribution to the Society - CSR at Lumax Industries

*Lumax Industries wholeheartedly embraces the principles of sustainable development and demonstrates a strong commitment to the United Nations' Sustainable Development Goals (SDGs). The Company actively fosters meaningful engagement with the local communities*

*residing near its manufacturing facilities, acknowledging the significance of social development.*

Lumax Industries is deeply committed to conducting its business operations in a manner that actively contributes to society, while fostering responsible growth. The Company undertakes a range of corporate social responsibility (CSR) initiatives with the aim of creating value for the broader community. Through these initiatives, Lumax Industries seeks to make a positive impact on society and uphold its responsibilities as a corporate citizen.

### Commitment to SDGs



Cancer screening and awareness, free cataract surgeries, juvenile diabetes care & health check-up camps, menstrual hygiene, and distribution of sanitary pads

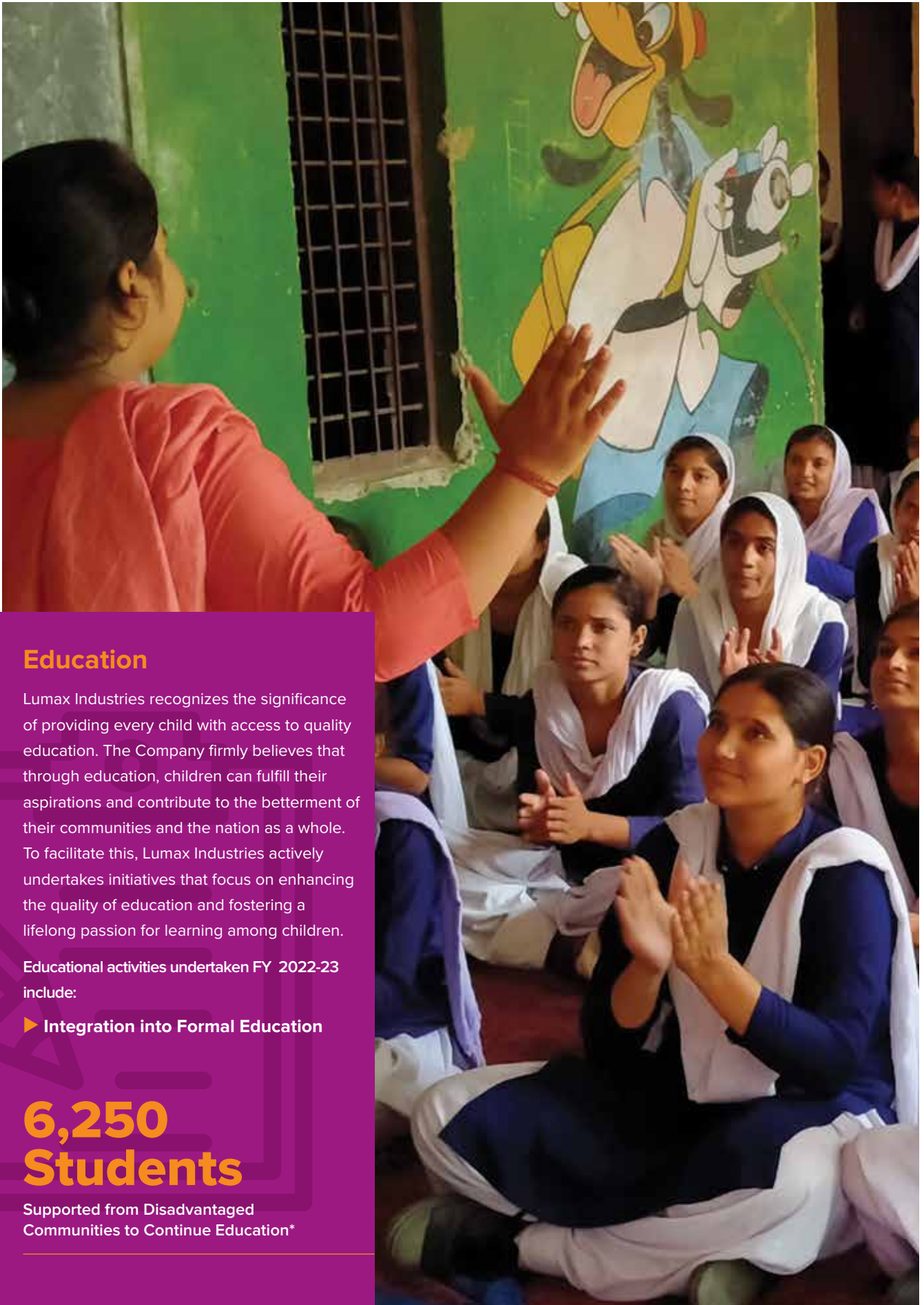


Beyond school learning opportunities - learning aids, life skill and soft skills, career counselling & scholarships ("Usha ki Kiran") integration in schools, and mainstreaming into formal education



Toilet construction in schools and providing safe drinking water





## Education

Lumax Industries recognizes the significance of providing every child with access to quality education. The Company firmly believes that through education, children can fulfill their aspirations and contribute to the betterment of their communities and the nation as a whole. To facilitate this, Lumax Industries actively undertakes initiatives that focus on enhancing the quality of education and fostering a lifelong passion for learning among children.

Educational activities undertaken FY 2022-23 include:

- ▶ Integration into Formal Education

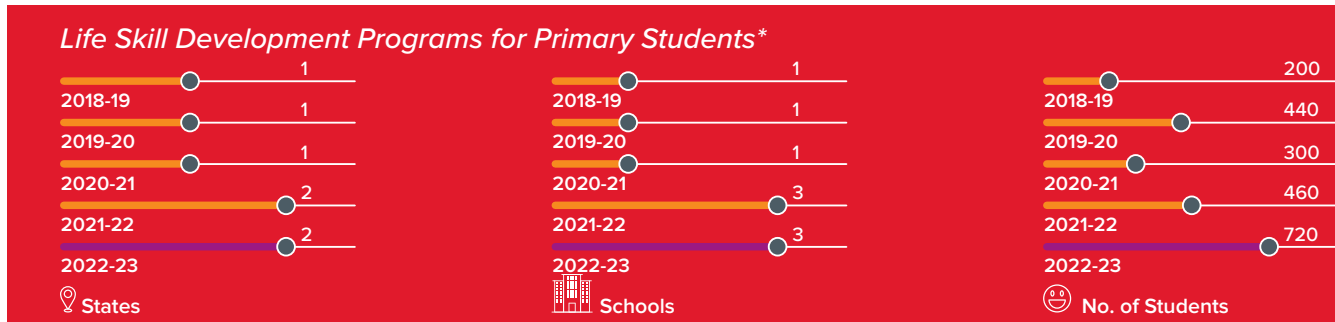
# 6,250 Students

Supported from Disadvantaged Communities to Continue Education\*

\* All data is at Group level

► **Beyond School Learning – Life Skill Intervention for Primary Students in Haryana and Uttarakhand**

The ultimate goal of Lumax is to enable students to create a better life and a successful future through its life skill development programs. These programs stimulate the mind, foster teamwork, enhance creativity, improve personality and build character.



*Student Testimonials*

In the life skill development sessions, I have participated in making the model of lungs. This helped me understand the respiratory system in human beings. I liked the simplified way of explanation, that was easy to absorb. We also learned how to make many art and craft items that can be displayed at home.

*DEV (Class - V)*

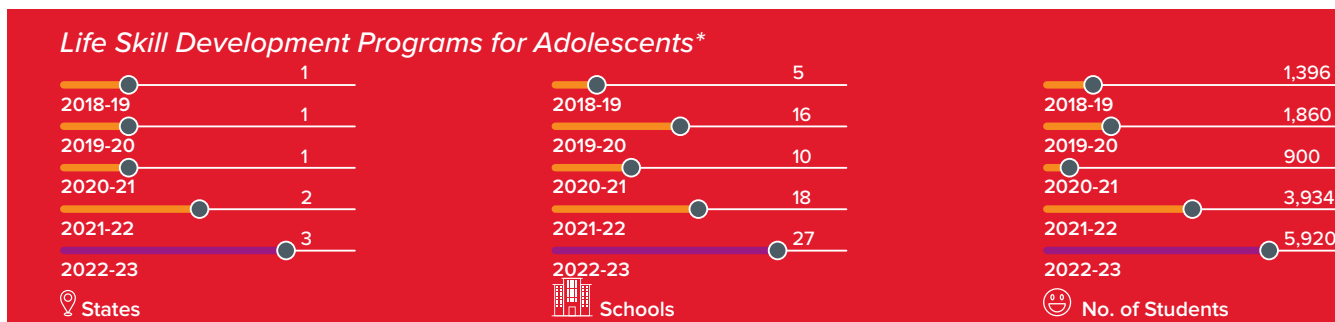
I have learned the making of lanterns in the life skill development sessions during Diwali festival. Under the guidance of our teachers, I learned and sharpened my reading and writing skills in English and I am further improving my ability in the language. Furthermore, actively participating in games and quizzes, organized during these sessions significantly boosted my confidence levels.

*Dayawati (Class - IV)*

*Life Skill for Senior Students – in Haryana, Maharashtra and Gujarat*

Life skill programs helped the senior secondary students to boost confidence, build interpersonal relationships, develop good communication skill, improve self-worth, hone decision-making, practice critical thinking, and enhance problem solving abilities, among others.

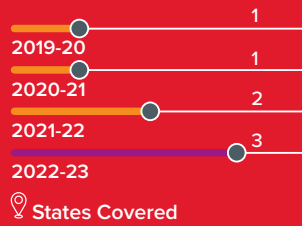
The Company has also extended its initiative towards resolving the social issues such as early marriage, and school dropouts, among others.



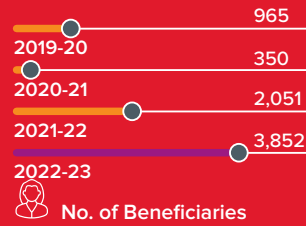
### Personal Hygiene for Adolescent Girls – Haryana, Maharashtra and Gujarat

Lumax Industries has undertaken a significant initiative to promote menstrual hygiene among adolescent girls between the ages of 10 and 17. The Company has facilitated access to environment friendly sanitary napkins for girls residing in rural areas. Additionally, they were also informed regarding safe disposal of sanitary napkins.

#### States Covered over the Years\*



#### Personal Hygiene Provided to Beneficiaries\*



### ► ‘Usha Ki Kiran’ Scholarship

In order to mitigate dropouts and support students in pursuing their education without interruption, the Student2scholar project offers a scholarship program known as ‘Usha ki Kiran’.

This program aims to provide financial assistance and enable students to continue their education without any hindrance. These scholarships are provided based on need, talent, and merit.

**614**

Scholarships  
Provided till Date\*

#### Project Locations:

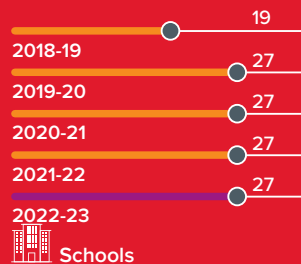
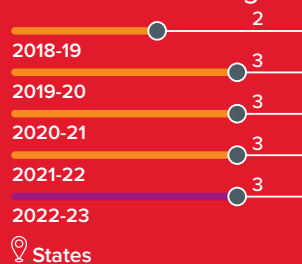
- Dharuhera, Rewari - Haryana
- Chakan, Chinchwad - Maharashtra
- Sanand - Gujarat



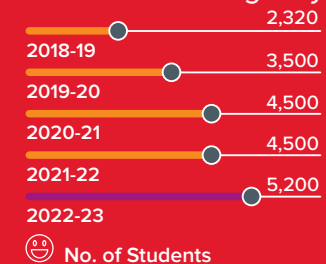
### ► Career Counselling

Lumax provides career counselling program to the youth. The Company conducts aptitude test, orientation, and individual counselling. Additionally, it guides, counsels, and shares regular information on career, opportunities, eligibility criteria, and application processes, among others.

#### Career Counselling – by Schools and States\*



#### Career counselling – by students\*



\* All data is at Group level



► **Transformation of School**

Lumax has supported construction and transformation of school infrastructure to ensure conducive environment to students. Addition of new toilets, classrooms construction played a crucial role in instilling confidence among girls to enroll in school and pursue education.

The school supported in Sanand caters to the educational requirements of children from around 30 villages.

► **Bengaluru Need Assessment**

As part of the need assessment activity to identify schools and projects that need intervention and support, Lumax identified a school in Bidadi with a strength of only 11 students from class 1 to 5. The Company's objective will be to integrate more number of students into the school.



## Healthcare

Lumax supports various health initiatives and interventions around its plant locations. During the year, the Company conducted cataract screening programs and surgeries at Haryana and Maharashtra and organized cancer camp in Haryana.

### Healthcare Activities Undertaken in FY 2022-23

#### Cataract Screening Program in Haryana

<b>2,897</b> No. of Screenings*	<b>1,259</b> Reading Glasses*	<b>1,681</b> Eye Drops*	<b>787</b> Cataract Surgeries*
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#### Cataract Screening Program in Maharashtra

<b>500</b> No. of Screenings*	<b>100</b> Reading Glasses*	<b>15</b> Cataract Surgeries*
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#### Cancer Camp in Haryana

<b>694</b> No. of Screenings*	<b>20</b> Mammography*	<b>3</b> Advanced Tests*	<b>18</b> Suspected cases*	<b>8</b> Patient Support*
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\* All data is at Group level

## Governance - G

# Fostering Growth with Expertise in Action

*Lumax Industries takes charge of overseeing comprehensive activities within the organization and offers strategic guidance and direction at all levels of the Company. The corporate governance framework of the Company aims to foster principled behavior and ensure effective monitoring of compliance and performance, ultimately safeguarding the long-term interests of shareholders.*

Furthermore, Lumax Industries is deeply committed to upholding the highest standards of ethical governance and fostering a culture of integrity all across the organization. Its code of conduct serves as a guiding framework for all the employees, ensuring that the Company operates with transparency, accountability, and respect for all stakeholders.

**6**

Independent Directors

**4**

Executive Directors

**2**

Non-Executive Director

## KEY ELEMENTS OF CODE OF CONDUCT

- ▶ *Compliance with Laws and Regulations: The Company strictly adheres to all applicable laws, regulations, and industry standards, ensuring that its business practices are in full compliance.*
- ▶ *Ethical Business Practices: The Company conducts its business with utmost honesty, integrity, and fairness. It does not tolerate bribery, corruption, or any form of unethical behavior.*
- ▶ *Conflicts of Interest: The Company maintains strict policies to identify and manage conflicts of interest. Its employees are expected to act in the best interests of the Company and avoid situations that may compromise their objectivity.*
- ▶ *Protection of Confidential Information: The Company safeguards confidential and proprietary information, both internally and externally. It respects the intellectual property rights of others and ensures the responsible use of the Company resources.*
- ▶ *Fair Competition: The Company promotes fair competition and complies with anti-trust and competition laws. It strives to win business, based on the quality of its products and services, rather than engaging in unfair or anti-competitive practices.*
- ▶ *Respect for Human Rights: The Company is committed to upholding fundamental human rights and treating all individuals with dignity and respect. It does not tolerate discrimination, harassment, or any form of unfair treatment.*
- ▶ *Health, Safety, and Environment: The Company prioritizes the health and safety of its employees, customers, and communities. It is committed to environmental sustainability and responsible use of natural resources.*





## GOVERNANCE POLICIES

To ensure strict adherence to ethical practices, Lumax Industries has established key governance policies.

- ▶ **Anti-Bribery & Anti-Corruption (ABAC):** The Company has a robust ABAC policy in place, prohibiting any form of bribery or corrupt practices.
- ▶ **Whistle-blower Policy:** The Company has put in place a mechanism for employees and stakeholders to report any concerns or unethical behavior confidentially and without fear of retaliation.
- ▶ **Prevention of Sexual Harassment (POSH):** The Company has a zero-tolerance policy for sexual harassment and nurtures a safe and inclusive work environment for all.
- ▶ **Diversity and Inclusion:** The Company fosters a diverse and inclusive workplace that values and respects individuals from all backgrounds, promoting equal opportunities for growth and success.

## Strong Leadership and Independent Board

# Leading by Expertise and Excellence



**Mr D. K. Jain**

Chairman Emeritus

- ▶ 80 years of age & holds an MBA degree from the University of Delhi
- ▶ Successfully completed President Management Program from the Harvard Business School
- ▶ Over 50 years of experience in the automotive industry in management, operations and administrative roles
- ▶ Past President of ACMA, President of Suppliers' Association – Toyota Kirloskar Motors, Chairman of Trade Fairs Committee ACMA, Co-Chairman of Regional Committee on Membership of Northern Region CII, past Chairman of CSR Sub-Committee of the Northern Region of CII



**Mr Deepak Jain**

Chairman & Managing Director

- ▶ 48 years of age & holds a business graduate degree from the Illinois Institute of Technology, USA with specialization in operations management & international business
- ▶ Undergone extensive training at Stanley Co. Limited, USA & Stanley Electric Co. Limited, Japan
- ▶ Over 25 years of experience
- ▶ Chairman - CII Northern Region, Member of Governing Council for National Automotive Board (NAB), Member of International Centre for Automotive Technology (ICAT), Member of Research Advisory Board (RAB) and Vice President of the Governing Council of Central Manufacturing Technology Institute (CMTI)
- ▶ Holds the position of Vice President of Toyota Kirloskar Supplier's Association (TKSA), Executive Council Member of Maruti Suzuki Supplier Welfare Association (MSSWA), TATA Motors Suppliers Council and Hero Supplier Council
- ▶ Immediate Past President of Automotive Component Manufacturers Association of India (ACMA) - (2019-2021)



**Mr Anmol Jain**

Jt. Managing Director

- ▶ 44 years of age & holds a bachelor's degree in business administration in finance & supply chain management (double major) from Michigan State University, USA
- ▶ Worked as a management trainee with GHSP, USA
- ▶ Joined Lumax Group, in 2000 & has over 22 years of experience
- ▶ Currently President of Honda Cars India Supplier's Club & MC member of Bajaj Auto Vendor Association and Executive Council member of ACMA, also holding the Co-chairperson positions for both the Northern Region & Business Development vertical
- ▶ Held various positions in Industry associations:
  - ▶ National Coordinator of ACMA-YBLF 2014-16
  - ▶ Chairman CII Haryana State Council 2012-13



Audit Committee

Nomination and Remuneration Committee

Share Transfer/ Stakeholders Relationship Committee

Corporate Social Responsibility Committee

Risk Management Committee

C: Chairman M: Member



### Mr Toru Tanabe

#### Non-Executive Director

- ▶ 64 years of age & is a graduate from Hosei University, Japan
- ▶ Over 32 years of rich experience in R&D of Electrical components & advanced Illumination systems for automotive equipment. He also has about 17 years of experience in automotive electronics
- ▶ Joined Stanley, Japan in 1981



### Mr Yoshitsugu Matsushita

#### Non Executive Director

- ▶ 59 years of age & has a degree in Economics from Hosei University, Japan
- ▶ Holds experience of more than 35 years in the Automotive Industry
- ▶ Associated with Stanley Electric Co., Limited since 1987



### Mr Tadayoshi Aoki

#### Senior Executive Director

- ▶ 56 years of age & is a mechanical engineering from Tokoyo Denki University, Japan
- ▶ Nominee Director of Stanley Electric Co. Limited, Japan and possesses over 28 years of rich experience in the field of car electronics, engineering, sales of car electronic parts and sales planning division
- ▶ Associated with Lumax since 2017



### Mr Raajesh Kumar Gupta

#### Executive Director

- ▶ 54 years of age & is a qualified Company Secretary, Cost Accountant and Law Graduate
- ▶ Over 3 decades of experience in managing secretarial, legal and compliance matters across various industries including 15 years in the automotive industry
- ▶ Has a wealth of experience in managing and maintaining relationships with joint venture partners
- ▶ Associated with Lumax since June, 2020



### Mr A P Gandhi

#### Independent Director

- ▶ 84 years of age & holds a degree in Mechanical Engineering
- ▶ Graced top leadership positions in prestigious organizations
- ▶ Over 5 decades of experience
- ▶ Past President at Hyundai Motors India Limited. Prior to that he was Chief Executive – R&D at Escorts Limited & at Telco, held various senior positions in the area of manufacturing operations







C M M

### Mr Dhiraj Dhar Gupta

Independent Director

- ▶ 72 years of age & holds a B. Com (Hons) degree from SRCC, University of Delhi
- ▶ A reputed Industrialist with more than 30 years of experience in auto component manufacturing industry



C M

### Mr Rattan Kapur

Independent Director

- ▶ 65 years of age & holds a B. Com degree from University of Delhi
- ▶ An Industrialist with more than 34 years of experience in auto component industry
- ▶ Past President of ACMA & Chairman of Haryana State Council of CII



C

### Mr Rajeev Kapoor

Independent Director

- ▶ 70 years of age & holds a degree in mechanical engineering (Hons) from, Kurukshetra
- ▶ Over 45 years of experience in Automotive, Engineering and FMCG, Corporations with specific skills in General Management, Marketing / Brand Management, Performance Analysis, HRD, Business Development, Innovation and Change Management.
- ▶ Listed on the power list of 2012, alongside Mr Ratan Tata, Mr Rahul Bajaj, Mr Anand Mahindra, and other eminent personalities
- ▶ Past President and CEO of Fiat India Automobiles Limited, Past Managing Director for Copart Inc. and Co-Chair of Economic Committees SIAM, served on the Board of ARAI, Pune, and Indo Italian chamber of Commerce.
- ▶ Presently Independent Director on the Board of RICO Auto Industries Limited



### Ms Ritika Modi

Independent Director

- ▶ 57 years of age
- ▶ Over 28 years of experience in the travel and airline industry
- ▶ Currently Regional President of UNIGLOBE Travel South Asia, heads the largest single brand travel franchise network in South Asia region



### Mr Vikrampati Singhania

Independent Director

- ▶ 57 years of age & holds an MBA degree from Fuqua School of Business, Duke University, USA
- ▶ Currently MD of JK Fenner (India) & JK Agri Genetics
- ▶ Possesses over 27 years of experience in the industry
- ▶ 4th generation industrialist from the industrial group - JK Organization
- ▶ Involved extensively in the motor sports activity of the JK Organization

## Corporate Information

### CHAIRMAN EMERITUS

**Mr D.K. Jain**

### BOARD OF DIRECTORS

**Mr Deepak Jain**

Chairman & Managing Director

**Mr Anmol Jain**

Joint Managing Director

**Mr Toru Tanabe**

Non Executive Director, Stanley Nominee

**Mr Yoshitsugu Matsushita**

Non Executive Director, Stanley Nominee  
(Appointed w.e.f. June 01, 2023)

**Mr Tadayoshi Aoki**

Senior Executive Director,  
Stanley Nominee

**Mr Raajesh Kumar Gupta**

Executive Director  
(Appointed w.e.f. May 27, 2023)

**Mr Avinash Parkash Gandhi**

Independent Director

**Mr Dhiraj Dhar Gupta**

Independent Director

**Mr Rattan Kapur**

Independent Director

**Mr Rajeev Kapoor**

Independent Director

**Ms Ritika Modi**

Independent Director

**Mr Vikrampati Singhania**

Independent Director

### BOARD COMMITTEES

#### Audit Committee

**Mr Rajeev Kapoor** - Chairman

**Mr Deepak Jain** - Member

**Mr Tadayoshi Aoki** - Member

**Mr Avinash Parkash Gandhi** -

Member

**Mr Dhiraj Dhar Gupta** - Member

**Mr Rattan Kapur** - Member

#### Nomination & Remuneration Committee

**Mr Rattan Kapur** - Chairman

**Mr Avinash Parkash Gandhi** - Member

**Mr Dhiraj Dhar Gupta** - Member

### SHARE TRANSFER / STAKEHOLDERS RELATIONSHIP COMMITTEE

**Mr Dhiraj Dhar Gupta** - Chairman

**Mr Deepak Jain** - Member

**Mr Tadayoshi Aoki** - Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**Mr Deepak Jain** - Chairman

**Mr Anmol Jain** - Member

**Mr Avinash Parkash Gandhi** - Member

### RISK MANAGEMENT COMMITTEE

**Mr Deepak Jain** - Chairman

**Mr Raajesh Kumar Gupta** - Member

**Mr Avinash Parkash Gandhi** - Member

**Mr Ravi Teltia** - Member

### GROUP CHIEF FINANCIAL OFFICER

**Mr Sanjay Mehta**

### CHIEF EXECUTIVE OFFICER

**Mr Vishnu Johri**

(Appointed w.e.f. April 15, 2023)

### CHIEF FINANCIAL OFFICER

**Mr Ravi Teltia**

(Appointed w.e.f. April 01, 2023)

### COMPANY SECRETARY

**Mr Raajesh Kumar Gupta**

(Appointed w.e.f. May 27, 2023)

### REGISTRAR & SHARE TRANSFER AGENT

**KFin Technologies Limited**

Selenium Tower B, Plot No. 31-32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad - 500032

Email: einward.ris@kfintech.com

### REGISTERED OFFICE

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

Email: lumaxshare@lumaxmail.com

Website: [www.lumaxworld.in/](http://www.lumaxworld.in/)

[lumaxindustries](http://lumaxindustries)

### CORPORATE IDENTITY NUMBER

L74899DL1981PLC012804

### BANKERS

Canara Bank

Citibank N. A.

CTBC Bank Co. Limited

Federal Bank Limited

HDFC Bank Limited

ICICI Bank Limited

IndusInd Bank Limited

Kotak Mahindra Bank Limited

Standard Chartered Bank

Yes Bank Limited

### STATUTORY AUDITORS

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

New Delhi

### INTERNAL AUDITORS

**M/s Grant Thornton Bharat LLP**

### MANUFACTURING LOCATIONS

#### Northern Region

##### HARYANA

- Plot No. 195 - 195A, Sector 4,  
Phase - II, Bawal, District Rewari,  
Haryana
- Plot No. 6, Industrial Area,  
Dharuhera, District Rewari, Haryana
- Plot No. 12, Sector-5, Phase - II,  
Industrial Estate, G.C. Bawal,  
District, Rewari, Haryana
- Plot No. 16, Sector-18,  
Maruti Complex, Gurugram.  
(Operations closed w.e.f. May 31, 2023)

##### UTTARAKHAND

- Plot No. 51, Sector 11,  
IIE, Pant Nagar,  
District Udham Singh Nagar,  
Uttarakhand
- Plot No. 5, Industrial Park - II,  
Village Salempur, Mehdood,  
Haridwar, Uttarakhand

#### Western Region

##### MAHARASHTRA

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

##### GUJARAT

- Plot No. D-1, Vendors Park, Sanand,  
Distt. Ahmedabad, Gujarat
- Plot No. D-2, Vendors Park,  
Sanand, Distt. Ahmedabad,  
Gujarat

#### Southern Region

##### KARNATAKA

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

## Board's Report

### TO THE MEMBERS,

The Board of Directors ("Board") have pleasure in presenting the 42nd Annual Report on the business and operations together with Audited Financial Accounts of the Company ("the Company") for the Financial Year ended March 31, 2023.

### 1. FINANCIAL PERFORMANCE- STANDALONE & CONSOLIDATED

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

(₹ in Lakhs unless otherwise stated)

Particulars	Standalone		Consolidated	
	For the Financial Year ended March 31		For the Financial Year ended March 31	
	2023	2022	2023	2022
Revenue from contracts with customers	231,952.34	175,131.10	231,952.34	175,131.10
Other Income	1,468.43	1,338.64	1,468.43	1,338.64
<b>Total Income</b>	<b>233,420.77</b>	<b>176,469.74</b>	<b>233,420.77</b>	<b>176,469.74</b>
<b>Total Expenses</b>	<b>222,133.32</b>	<b>170,141.04</b>	<b>222,133.33</b>	<b>170,141.04</b>
<b>Profit before exceptional items, income tax and share in profit of associate</b>	<b>11,287.45</b>	<b>6,328.70</b>	<b>11,287.44</b>	<b>6,328.70</b>
Exceptional item	(543.83)	(1,713.95)	(543.83)	(1,713.95)
Share of profit of Associate	-	-	4,170.54	667.18
<b>Profit Before Tax</b>	<b>10,743.62</b>	<b>4,614.75</b>	<b>14,914.15</b>	<b>5,281.93</b>
Tax Expenses	3,680.03	1,071.38	4,606.13	1,209.46
<b>Profit After Tax</b>	<b>7,063.59</b>	<b>3,543.37</b>	<b>10,308.02</b>	<b>4,072.47</b>
Other Comprehensive Income that will not be re-classified to profit or (loss)	68.33	(332.14)	137.45	(287.02)
<b>Total Comprehensive Income</b>	<b>7,131.92</b>	<b>3,211.23</b>	<b>10,445.47</b>	<b>3,785.45</b>
Paid-up Equity Share Capital(Face value of ₹ 10/- Per share)	934.77	934.77	934.77	934.77
<b>Earnings Per Share (EPS)</b>				
Basic/Diluted (In ₹)	75.57	37.91	110.27	43.57

#### a. COMPANY PERFORMANCE

##### Standalone:

On standalone basis, the revenue from contracts with customers during the Financial year 2022-23 stood at ₹ 231,952.34 Lakhs as compared to ₹ 1,75,131.10 Lakhs in the last year registering a growth of 32.45%.

For the Financial Year 2022-23, the profit before exceptional items and income tax stood at ₹ 11,287.45 Lakhs as compared to ₹ 6,328.70 Lakhs in the last year witnessing a significant increase of 78.35%. The Profit before Tax (PBT) after exceptional items stood at ₹ 10,743.62 Lakhs as compared to ₹ 4,614.75 Lakhs in the last year registering an increase of 132.81%. The Profit after Tax (PAT) stood at ₹ 7,063.59 Lakhs as compared to ₹ 3,543.37 Lakhs registering a significant increase of 99.35%. The Total Comprehensive Income increased to ₹ 7,131.92 Lakhs as against ₹ 3,211.23 Lakhs in the last year registering an increase of 122.09%. The Basic and Diluted Earnings per share stood at ₹ 75.57 registering a significant increase of 99.35%.

##### Consolidated:

For the Financial Year 2022-23 on consolidated basis, the Profit after Tax (PAT) stood at ₹ 10,308.02 Lakhs as compared to ₹ 4,072.47 Lakhs registering a significant increase of 153.11%. The Total Comprehensive Income increased to ₹ 10,445.47 Lakhs as against ₹ 3,785.45 Lakhs in the last year registering an increase of 175.94%. The Basic and Diluted Earnings per share stood at ₹ 110.27 registering a significant increase of 153.11%.



## Board's Report (Contd.)

### b. SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2023 was ₹ 934.77 Lakhs. During the year under review, the Company has not issued shares or granted stock options or sweat equity.

### c. DIVIDEND

Your Board have recommended a Dividend @ ₹ 27/- (i.e. 270%) per equity share having face value of ₹ 10/- each for the FY 2022-23 in its meeting held on May 27, 2023 subject to approval of Shareholders in the ensuing AGM ("AGM"). The Dividend paid for the last financial year was ₹ 13.50/- (i.e. 135%) per Equity Share having face value of ₹ 10/- each.

The dividend pay-out for the FY 2022-23 would work out to ₹ 2,523.89 Lakhs, which is equivalent to 35.73% of the net profits of the Company during the year as against the pay-out of ₹ 1,261.94 Lakhs in last FY 2021-22. The Register of Members and Share Transfer Books shall remain closed from Friday, August 11, 2023 to Tuesday, August 22, 2023 (both days inclusive).

The dividend as recommended by the Board, if approved by the shareholders at the ensuing AGM shall be paid to the eligible Shareholders, whose names appear in the Register of Members as on Thursday, August 10, 2023 within the stipulated time period.

#### DIVIDEND DISTRIBUTION POLICY

Pursuant to the amended provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has Dividend Distribution Policy in place which can be accessed on the website of the Company at <https://www.lumaxworld.in/lumaxindustries/pdf/dividend-distribution-policy-lil.pdf>

### d. AMOUNT TRANSFER TO RESERVES

The Board of the Company do not propose to transfer any amount to reserves other than transfer of undistributed profits to surplus in statement of profit & loss.

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

During the year under review, the Company has acquired 100% Equity Stake (Ownership interest) in a Czech Republic based Company, named "Damberty Real s.r.o." whose name was changed to "Lumax Industries Czech s.r.o.", Wholly Owned Subsidiary (WOS). The WOS is engaged in the business of providing technical and engineering solutions for the automotive lighting systems.

The Company also has one Associate Company viz. SL Lumax Limited in which the Company holds 21.28% of equity share capital. SL Lumax is based in Chennai and primarily engaged in manufacturing of automotive components which includes lamp assemblies, chassis, mirror and front-end modules (FEM).

During FY 2022-23, the Associate's profit attributable to the Company was ₹ 4,170.54 Lakhs as compared to the ₹ 667.18 Lakhs in the last year.

In accordance with the provisions of the Companies Act, 2013 ("the Act") and Regulation 33 of the Listing Regulations and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the FY 2022-23, together with the Auditors' Report form part of this Annual Report.

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

In accordance with Section 136 of the Act, the electronic copy of Financial Statements of the WOS and Associate Company shall be available in the investor section of website of the Company at <https://www.lumaxworld.in/lumaxindustries/associate-financials.html>. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company Secretary at the Registered Office of the Company. The Financial Statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at <https://www.lumaxworld.in/lumaxindustries/index.html>

## 2. STATE OF COMPANY'S AFFAIRS

The past fiscal year was a significant year for the Indian automotive segment especially for the passenger vehicle segment where India surpassed Japan to become the 3rd largest auto market after China and United States. The passenger vehicle segment recorded a strong growth of 25% in production vis-à-vis the last year. All the other segments showed a decent growth indicating the strong economic growth. With the significant new model launches and the trust shown by the Original Equipment Manufacturers (OEMs), the Company was able to clock growth more than that of the industry.

It has been a pretty successful year for the Company with addition of new customers in its portfolio coupled with the new businesses from existing customers to improve top line.

## Board's Report (Contd.)

With the technological advancements happening in the automotive industry and with increased focus of OEMs on localization, the Company invested significantly on its R&D facility to maintain the competitive edge against the competition. This has been evident with the strong order book that the Company maintains with the development and production of new technology parts.

The Company with the new launches planned in the FY 2023-24, shall be setting up new manufacturing facility in the western region coupled with expansion in the Gujarat region. The new facility coming up in western region shall be supporting existing and new customers with the supplies of future generation of automotive lamps. This year the Company shall also be venturing into a new vertical with the introduction of Automotive Heater Control Panel for a prestigious OEM. The product shall enable the Company to expand the horizon into a new segment with support from its partners.

The technology has been changing and evolving rapidly, and in order to always be ahead with the competition, the Company has been focussing on strengthening its R&D capability. In this direction the Company's Wholly Owned Subsidiary in Czech Republic is playing a pivotal role to further enhance the skill of the local staff with exposure to new futuristic technologies.

With the introduction and emphasis of localization by OEMs, to avoid the risks associated with the supply chains, Lumax has invested in the upgradation of its existing manufacturing facilities. The same will help in successful localization of technologically advanced products thus giving the customers immunity from supply chain risks with best quality products.

The Company further tried to strengthen its internal procedures in a major push towards paperless office. During this year, the Company focused on digitalization of the key approval processes and these processes are integrated with the other important application. After the Covid-19 pandemic, the term "Digitalization" has become more pervasive and importance is well known to everyone. Now after digitalization of key approval processes, these are further streamlined and helped in increasing the productivity and faster decision making.

For Lumax, data security and business continuity will always remain in focus as this is very important from the sustainability point of view. To achieve this, the Company has implemented many security solutions which will be rare in the manufacturing industries. For business continuity, the Company is having 3 layers of security to meet the customer's supply and the Company's IT infra can't afford single minute downtime. The Company is

having IT infra in different seismic zones for continuity of the IT operations.

During the year the Company's Chakan Plant got TISAX (Trusted Information Security Assessment Exchange) certificate for its design department and this is a major achievement in security. The Company's Gurugram Design department is also ISO 27001:2013 certified.

To strengthen supply chain, the Company has covered all the domestic suppliers on portal LSETU and this is tightly integrated with SAP MRP. All suppliers can view their transactions at Lumax end on this portal and this will further increase the trust with suppliers.

Safety is the most critical and important priority in the automotive lighting industry, and will remain the Company's primary focus as new innovations are developed over time. However, the end consumer desires an increasing level of personalization possibilities in all areas of their lives and that extends into the mobility segment as well. OEMs are using lighting to fulfill that consumer demand, as well as to emphasize their brand signatures. Lighting is evolving from what was termed as "the new chrome", to what the industry is calling "intelligent chrome". Complex electronics, software, and communication with the vehicle network is becoming the norm. The Electric Vehicle (EV) segment is also growing rapidly globally and also in India. This vehicle segment is driving the adoption of new innovative technologies at an ever-increasing rate. The utilization of lighting as a communication tool is opening new areas of functionality and features. The area once occupied by the front grille or rear decklid are now a new canvas that design studios are using for exactly that purpose.

The desires of the studios to utilize low profile headlamps, hidden-til-lit functions, full end-to-end lamps integrating a variety of new features puts new challenges to engineering and manufacturing teams. The teams are focused on finding cost effective solutions to these challenges. Efficiency is the key to find the balance between high complexity and low power consumption. The Company continues to enhance its Center of Competency organization to meet the customer requirements, the priority is to build the technical competency in India. The launch of its own proprietary suite of optical design software has allowed it to efficiently develop complicated optical systems that optimize power consumption and unparalleled aesthetic appearance. This also significantly lowered the cost of engineering, and still improved the responsiveness to the customer. The vertical integration of electronics also improved the cost structure, and agility to meet

## Board's Report (Contd.)

the customer desires in terms of performance, features and compressed timelines. The Company is also able to leverage its global expertise in optics, electronics and CAE to develop lighting products for the interior of the vehicle as well. This is an exciting new area to explore, and where the Company can provide a great deal of value.

The Company demonstrated its commitment towards Quality by ensuring that quality processes are adhered to by all through its recently Launched LDR (Lumax Development Rule) Product Development Process. This is an Online Project Management 7 gate tool that has taken program execution towards excellence.

The Company has won accolades and awards not only from the customers but also at various industry conventions like ACMA competition, National Convention of Quality Control Circle (NCQCC), Kaizen etc. Also Company got International TPM awards from Japan Institute of Plant Maintenance (JIPM) for best manufacturing practices.

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

All in all, the Company made good progress in all areas in FY 2022-23, and the management is quite confident that going forward the Company will continue to deliver value to all its customers and stakeholders. The long term outlook for the Company remains positive and it is poised to outperform the industry.

### **a. CAPACITY EXPANSION & MODERNIZATION OF FACILITIES**

The Company is constantly expanding the boundaries of its existing facilities and during the year under review, the Company has invested towards capacity expansion of its manufacturing facilities to the tune of ₹ 9,737 Lakhs.

Further, an expenditure to the tune of ₹ 412 Lakhs was done on Research and Development facilities of Chakan and Gurugram.

### **b. TECHNOLOGY, INNOVATION AND QUALITY**

The accelerating desire for end consumers to personalize every aspect of their lives, have driven OEMs to push the envelope even more to integrate this aspect into their vehicles. Of course, safety remains the first priority,

and there are regulatory requirements that must be met, however new features and functions are being developed, and lighting is one of the most prominent ways to achieve this objective. The growing Electric Vehicle (EV) segment is accelerating this trend, using the space once occupied by the front grille and rear decklid as a canvas to add these features. The trend of the studios is to minimize the functional elements of lighting, to make room for new styling features such as welcome/goodbye animations, charging indicators, lit logos, projected images, and full edge-to-edge lit signatures. New features are also being implemented to improve visibility and safety such as matrix headlamps, high beam boost, AFS, and gliding turn indicators. This added complexity puts a high priority on developing compact, efficient, and light weight designs. Obviously electronic and software content is growing exponentially to enable all of these features to be seamlessly integrated into the vehicle networks. A high priority is being given to develop ultra compact/efficient projector modules for the main headlamp functions, but also for matrix headlamps. For signal lighting, highly efficient micro-optics, OLED, and light blades/guides are being developed.

The regulations will continue to evolve for even more features to be allowed, so it is very important to utilize the Company's offices in Europe and Taiwan to understand these industry trends, and adapt them to the Indian market. Interior lighting is one of the fastest growing areas for innovation, and the Company will leverage its technical competency in optics, electronics, software, and CAE to develop new innovative technologies to meet this trend. Mood lighting, accent lighting, lit smart surfaces are all areas that the Company is now aggressively exploring.

The Company continues to grow its technical competency in India through its offices in Europe and Taiwan, as well as its partner Stanley Japan. The goal remains to allow the Company to be self-reliant in new technology development and ensure that its teams have the necessary technical competency in India to best serve the customer's needs.

The Company will continue to innovate and develop world class products and put thrust and focus on R&D, Global Technology partnerships and development of advanced technological automotive products. As an annual practice, this year as well, the Company had celebrated 15 September as Innovation Day, on the occasion of Engineers Day, showcasing the Company's new products and technologies to the customers.



## Board's Report (Contd.)

### c. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

### d. Key Business Developments

During the year under review, the Company has initiated the process of setting up of the new Greenfield Project at Chakan, Pune (Maharashtra) with the Capital outlay up to ₹ 175 Crore for Phase 1. This project will cater to the new orders received from OEM customers for advance lighting solutions. The Capex will be funded by mix of Debt and internal accruals and peak annualized turnover is expected to the tune of ₹ 600 Crore post commissioning. The Project is expected to be commissioned by Q2 FY 24.

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

During the financial year ended March 31, 2023, there was no change in the nature of business of the Company.

## 3. GOVERNANCE AND ETHICS

### a. CORPORATE GOVERNANCE

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

### b. DIRECTORS & KEY MANAGERIAL PERSONNEL

#### (i) DIRECTORS

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

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

The Board of Directors in their meeting held on February 09, 2023 had approved the following reappointments:

- Re-appointment of Ms Ritika Modi for the second term of 5 years.
- Re-appointment of Mr Vineet Sahni for the further period of 3 years.
- Re-appointment of Mr Kenjiro Nakazono for the further period of 3 years.

All the above re-appointments have also been approved by the Shareholders through Postal Ballot.

Mr Kenjiro Nakazono and Mr Vineet Sahni resigned from the Board with effect from April 07, 2023 and April 14, 2023 respectively.

Subsequent to the closure of financial year, Mr Raajesh Kumar Gupta has been appointed as an Executive Director and Company Secretary of the Company with effect from May 27, 2023 and Mr Yoshitsugu Matsushita has been appointed as a Non-Executive Director on the Board of Company with effect from June 01, 2023.

### RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

In accordance with the Articles of Association of the Company and Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr Toru Tanabe, Non Executive Director (DIN: 06883767) is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for reappointment.

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

### INDEPENDENT DIRECTORS

The Board has 6 (Six) Independent Directors, including one Woman Independent Director, representing diversified fields and expertise. Details are provided in the relevant section of the Corporate Governance Report.

All Independent Directors have registered themselves with the Indian Institute of Corporate Affairs for the inclusion of their name in the data bank of independent directors, pursuant to the provision of Rule 6 (1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Further, as stipulated under the Regulation 17(10) and 19 read with Schedules thereto of Listing Regulations, an evaluation exercise of Independent Directors was conducted by the Nomination and Remuneration Committee and the Board of the Company. The Board members satisfied themselves with the performance and contribution of all the Independent Directors.

### KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2023, Mr Deepak Jain, Chairman & Managing Director, Mr Anmol Jain, Joint Managing Director, Mr Vineet Sahni, Whole Time Director (Senior Executive Director & CEO),

## Board's Report (Contd.)

Mr Tadayoshi Aoki, Whole Time Director (Senior Executive Director), Mr Kenjiro Nakazono, Whole Time Director (Executive Director), Mr Shruti Kant Rustagi, Chief Financial Officer and Mr Pankaj Mahendru, Company Secretary were regarded as Key Managerial Personnel (KMPs).

Mr Shruti Kant Rustagi, resigned from the position of Chief Financial Officer ("CFO") of the Company consequent upon his transfer to Group Corporate Materials Function, with effect from the close of business hours of March 31, 2023 and Mr Ravi Teltia was appointed as the Vice President and Chief Financial Officer designated as Key Managerial Personnel of the Company with effect from April 01, 2023.

Subsequent to the close of Financial Year:

- Mr Kenjiro Nakazono and Mr Vineet Sahni resigned from the Board with effect from April 07, 2023 and April 14, 2023 respectively.
- Mr Vishnu Johri has been appointed as a Chief Executive Officer (KMP) of the Company with effect from April 15, 2023.
- Mr Pankaj Mahendru, resigned from the position of Company Secretary of the Company with effect from the close of business hours of May 26, 2023, consequent upon his transfer to Group Company.
- Mr Raajesh Kumar Gupta has been appointed as an Executive Director and Company Secretary (KMP) of the Company with effect from May 27, 2023
- Mr Yoshitsugu Matsushita has been appointed as a Non Executive Director with effect from June 01, 2023.

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

During the FY 2022-23, the Board met Six (6) times on May 24, 2022, August 10, 2022, November 11, 2022, December 07, 2022, February 09, 2023 and March 29, 2023. It is confirmed that the gap between two consecutive meetings was not more than one hundred and twenty days as provided in Section 173 of the Act.

Pursuant to the requirements of Para VII (1) of Schedule IV of the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on March 29, 2023, without the presence of Non-Independent Directors and Members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the

performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive, Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

### d. DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the financial year ended March 31, 2023 the applicable Accounting Standards have been followed and there are no material departures;
- (ii) that the Directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit and loss of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the Annual Accounts on a "going concern" basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The requisite declarations, as per the Regulation 16 (1) (b) and Regulation 25 of Listing Regulations read with the provisions of Section 149 (6) of the Act, have been received from the Independent Directors regarding meeting the criteria of Independence as laid down under those provisions. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

## Board's Report (Contd.)

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

Pursuant to the provisions of Section 178(1) of the Act and Regulation 19(4) read with Part D of Schedule II of Listing Regulations, the Company has in place the Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMP) and Other Employees including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided u/s 178(3) of the Act.

The main features of the Policy are as follows:

- It acts as a guideline for matters relating to appointment and re-appointment of directors;
- It contains guidelines for determining qualifications, positive attributes of Directors, and independence of a Director;
- It lays down the criteria for Board Membership;
- It sets out the approach of the Company on Board Diversity;
- It lays down the criteria for determining independence of a Director, in case of appointment of an Independent Director.

During the year under review, there were no substantive changes in the Policy except to align the Policy with amendments made to applicable laws and the same is available on the website of the Company at <https://www.lumaxworld.in/lumaxindustries/pdf/nomination-and-remuneration-policy-of-directors-keymanagerial-personnel-and-other-employees.pdf>.

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

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

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

### **Evaluation Technique**

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

### **EVALUATION OUTCOME**

The feedback of the evaluation exercise and inputs of Directors are collated and presented to the Board and an action plan to further improve the effectiveness and efficiency of the Board and Committees is placed.

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



## Board's Report (Contd.)

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

### **h. AUDIT COMMITTEE & COMPOSITION**

The Composition of the Audit Committee is in alignment with the provisions of Section 177 of the Act read with rules framed thereunder and Regulation 18 of the Listing Regulations. The members of the Committee are financially literate and having experience of financial management.

As on March 31, 2023 the Audit Committee of Board comprised of Six (6) Members viz. Mr Rajeev Kapoor (Chairman), Mr Avinash Parkash Gandhi, Mr Dhiraj Dhar Gupta, Mr Rattan Kapur (Independent Directors), Mr Deepak Jain and Mr Tadayoshi Aoki (Executive Directors). The Company Secretary acts as a Secretary to the Audit Committee.

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

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

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

For the FY 2022-23, all the Related Party Transactions entered into by the Company were in ordinary course of business and at arms-length basis. All Related Party Transactions, which are foreseen and repetitive in nature, are placed before the Audit Committee on yearly basis for obtaining prior omnibus approval of the Committee.

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

There were no material significant Related Party Transactions entered into, by the Company with

Promoters, Directors or Key Managerial Personnel, which may have a potential conflict of interest for the Company, at large.

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

Further, the Shareholders approval on such Material Related Party Transactions have been taken by way of Postal Ballot for which the results were declared by the Company on September 29, 2022.

The details of the Related Party transactions as per IND AS 24 are set out in the notes to the financial statement to the Company.

The Company has formulated a policy on Related Party Transactions, which is available on the Company's website at <https://www.lumaxworld.in/lumaxindustries/pdf/policy-document-on-materiality-and-dealing-withrelated-party-transactions.pdf>

### **j. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

The Whistle Blower Policy is available on the website of the Company [https://www.lumaxworld.in/lumaxindustries/pdf/vigil-mechanism-whistle-blower-policy\\_LIL.pdf](https://www.lumaxworld.in/lumaxindustries/pdf/vigil-mechanism-whistle-blower-policy_LIL.pdf).

To further strengthen this mechanism, the Company has an Employee App which is available for both android and iOS users to report any instances of financial irregularities, breach of Code of Conduct, abuse of authority, unethical/unfair actions concerning Company vendors/suppliers, malafide manipulation of Company records, discrimination among employees, anonymously, to provide protection to the employees who report such unethical practices and irregularities.

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

During the year under review, no incidence under the above mechanism was reported.

## Board's Report (Contd.)

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

The Company has adopted the Code of Conduct for Directors and Senior Management of the Company. The same is available on the website of the Company at <https://www.lumaxworld.in/lumaxindustries/pdf/Code-of-Conduct-for-Directors-and-Senior-Management.pdf>.

### l. **PARTICULARS OF REMUNERATION OF DIRECTORS AND OTHER EMPLOYEES**

Information on Employees as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this Report as an **Annexure - D**.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules which form part of the Boards' Report, will be made available to any shareholder on request, as per provisions of Section 136(1) of the Act.

### m. **COMPLIANCE MANAGEMENT FRAMEWORK**

The Company has a robust and effective framework for monitoring compliances with applicable laws. The Company has installed a Software namely AVACOM (Team Lease Product) for Compliance Management and through this Software the Company is able to get the structured control over applicable compliances by each of the units of the Company.

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

### n. **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Please refer to the Paragraph on Familiarization Programme in the Corporate Governance Report for detailed analysis.

### o. **HUMAN RESOURCES**

Please refer to the paragraph on Human Resources in the Management Discussion & Analysis section for detailed analysis.

## 4. **INTERNAL FINANCIAL CONTROLS & ADEQUACY**

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

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

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

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015.

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

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

### b. **RISK MANAGEMENT POLICY**

The Company has adopted the Risk Management Policy as per Regulation 21 of the Listing Regulations.

The Risk Management Committee is responsible to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for development and implementation of a Risk management Policy for the Company including identification therein elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company and is responsible for reviewing the risk management plan and its effectiveness. The Company has Risk Management Policy which can be accessed on Company's website <https://www.lumaxworld.in/lumaxindustries/pdf/riskmanagement-policy-lil.pdf>.

## Board's Report (Contd.)

### c. AUDITORS

#### Statutory Auditors

M/s B S R & Associates LLP, Chartered Accountants (FRN:116231W/W-100024), Statutory Auditors of the Company, have completed their tenure of 5 years and accordingly ceased to act as Statutory Auditors upon the conclusion of the 41st Annual General Meeting.

M/s S.R. Batliboi & Co. LLP, Chartered Accountants (FRN: 301003E/E300005) were appointed as Statutory Auditors of the Company from the conclusion of the 41st Annual General Meeting of the Company.

#### Statutory Auditors Report

The Report given by M/s S.R. Batliboi & Co. LLP, Chartered Accountants on the Financial Statements of the Company for the FY 2022-23 forms part of the Annual Report. There are no qualification, reservation, adverse remark, or disclaimer given by the Auditors in their Report.

#### Cost Auditors

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

The Board, on recommendation of Audit Committee, has re-appointed M/s Jitender, Navneet & Co. (Firm Registration No. 000119) as the Cost Auditors of the Company, for the audit of the cost accounts of the Company for the FY 2023-24.

The remuneration proposed to be paid to the Cost Auditor requires ratification by the shareholders of the Company. In view of this, your approval for payment of remuneration to Cost Auditors is being sought at the ensuing AGM. Accordingly, a resolution, seeking approval by members for the ratification of the remuneration to be paid to Cost Auditors amounting to ₹ 1.75 Lakhs (Rupees One Lakh Seventy-Five Thousand only) excluding taxes and out of pocket expenses, if any, payable to M/s Jitender, Navneet & Co., is included in the Notice convening 42nd AGM of the Company.

#### Cost Audit Report

The Cost Audit Report for the FY 2021-22 has been filed with the Central Government within the stipulated time.

#### Disclosure on Maintenance of Cost Records As Specified By Central Government under Sub Section (1) Of Section 148

The Company is maintaining cost records as stipulated under law.

#### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Mr Maneesh Gupta, Practising Company Secretary (M. No. F4982) as the Secretarial Auditor of the Company to conduct the Secretarial Audit for FY 2023-24.

The Company has received consent from Mr Maneesh Gupta to act as the auditor for conducting audit of the secretarial records for the financial year ending March 31, 2024.

#### Annual Secretarial Audit Report & Annual Secretarial Compliance Report

The Secretarial Audit Report for the financial year ended March 31, 2023 under the Act, read with Rules made thereunder and Regulation 24A (1) of the Listing Regulations is set out in the **Annexure - E** to this Report. There are no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Pursuant to Regulation 24 A (2) of Listing Regulations, all listed entities on annual basis are required to get a check done by Practising Company Secretary (PCS) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and get an Annual Secretarial Compliance Report issued in this regard which is further required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company has engaged the services of Mr Maneesh Gupta (FCS No.: 4982), PCS and Secretarial Auditor of the Company for providing this certification.

Accordingly, the Company has complied with the above said provisions and an Annual Secretarial Compliance Report has been submitted to the Stock Exchanges within stipulated time.

#### Internal Auditors

In compliance with the provisions of Section 138 of the Act, read with the Companies (Accounts) Rules, 2014, the Internal Audit, of various units of Company, for the FY 2022-23 was carried out by M/s Grant Thornton Bharat LLP. Further, the Board in their meeting held on May 27, 2023 has re-appointed M/s Grant Thornton Bharat LLP as Internal Auditors for the FY 2023-24.

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

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



## Board's Report (Contd.)

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

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

The Company's CSR initiatives are implemented primarily through its CSR arm/trust, Lumax Charitable Foundation ("Foundation"), with focus on education, empowerment of girl child through education and the healthcare, for disadvantaged Section of society.

During the year, the Company's obligation to spend on CSR activities was ₹ 112.60 Lakhs i.e. 2% of the average net profits during the three immediately preceding financial years against which the Company has actually spent ₹ 123.70 Lakhs.

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

#### Key CSR Activities

Lumax provides holistic education opportunities and preventive and curative health interventions, committed to the India Sustainable Goals of Quality Education and Good Health. These interventions and programs are managed by the Lumax Charitable Foundation team along with implementation partners.

#### Education

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

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

#### Health

Under health, the Foundation has been supporting communities near the plants with preventive cancer awareness and screening camps and also provide eye care camps for eye-check up and conducting cataract surgeries.

The cancer screening includes blood profiling along with physical examination by a surgeon, ENT specialist and a gynecologist, complete with radiology examination.

The programs also include Juvenile diabetes for the underprivileged children.

#### Constitution of CSR Committee

As on March 31, 2023, the CSR Committee of the Company comprised of three (3) Members namely, Mr Deepak Jain (Chairman), Mr Avinash Parkash Gandhi and Mr Anmol Jain.

The details of the CSR Policy of the Company are also available on the website of the Company at [https://www.lumaxworld.in/lumaxindustries/pdf/corporate-socialresponsibility-policy\\_Lumax-industries-limited.pdf](https://www.lumaxworld.in/lumaxindustries/pdf/corporate-socialresponsibility-policy_Lumax-industries-limited.pdf).

The contents of the said policy are as below:

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

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

### 6. OTHER DISCLOSURES

#### Material Changes and Commitments

The Gurugram plant of the Company was not operating at its full efficiency. Therefore the production facilities and the production operations of the Gurugram plant were transferred to Dharuhera Plant and consequently the manufacturing operations at Gurugram plant were discontinued w.e.f May 31, 2023. There was no adverse impact of this closure on the financials of the Company.

There were no other material changes and commitments which have occurred after the end of the financial year ended March 31, 2023 till the date of this Report that affects the financial position of the Company.

#### Particulars of Loans, Guarantees and Investments

The particulars of Investments and Loans as on March 31, 2023 as covered under the provisions of Section 186

## Board's Report (Contd.)

of the Act is given in the Notes to Financial Statements of the Company. The Company has not given any guarantees during the year under review.

### **Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

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

During the course of the year, the manufacturing units of the Company have continued their efforts to reduce energy consumption in all areas of their operations with energy efficient technologies and offtake of electricity from renewable sources wherever feasible. These manufacturing units are constantly encouraged to improve operational activities and maximizing production volumes and minimizing consumption of natural resources. Systems and processes have been put in place for utilization of alternate sources of energy and monitoring of energy consumption for all the units.

Disclosure of information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, etc. as required under Section 134(3) (m) of the Act read with the Companies (Accounts) Rules, 2014, is annexed as an **Annexure – G** to this Report.

### **Annual Return**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website on <https://www.lumaxworld.in/lumaxindustries/annual-return.html>.

### **Details of Deposits**

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

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

During the FY 2022-23, one Company namely Lumax Industries Czech s.r.o. became Subsidiary of the Company.

### **Significant and Material Orders passed by the Regulators or Courts**

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

### **Constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)**

As per Section 134(3) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014, a "Statement that the Company has complied with the provisions related to Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)" has to be included in the Board's Report.

In accordance with the above-mentioned provisions of POSH, the Company is in compliance with and has adopted the "Policy on Prevention of Sexual Harassment of Women at Workplace" and matters connected therewith or incidental thereto covering all the related aspects. The constitution of ICC is as per the provisions of POSH and includes external Members from NGO or those individuals having relevant experience.

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

During the year under review i.e. FY 2022-23, thirty nine (39) meetings and forty three (43) awareness sessions were held across all manufacturing locations to discuss on strengthening the safety of employees at workplace. In addition, the awareness about the Policy and the provisions of Prevention of Sexual Harassment Act was also carried out in the said meetings. Further, as per the applicable provisions of POSH, the Company continues to submit Annual Report to the District Officer consisting of details as stipulated under the said Act.

### **Environment, Health, Safety**

The Company continues to identify and manage risk to ensure the Safety of the employees. The Company focuses on "Safety" continuously to ensure policies, procedures and systems to meet the requirements of current legislation and best practices. Over the last seven years the Company has been working to strengthen the position in relation to Safety management. This has been a process of gradually tightening up on policies and procedures and ensuring that these remain relevant and up-to date. The Company has improved systems for carrying out risk assessments and making sure that they are regularly reviewed; for tracking of workers; workstation assessments and for many other aspects of a good Safety management system. The Company continues to work closely with its internal Safety Officers and external Agencies to build on that work and promote continuous improvement.

## Board's Report (Contd.)

### **Key aims and objectives achieved in 2022-23 includes: Strong and Active Leadership:**

- Corporate safety procedures & Emergency Procedures were reviewed and safety management audit program was delivered.
- Safety competence, awareness & training was in place.
- Safety performance and risk management arrangements established in the organization.
- Team approach has continued to progress key Safety objectives.
- Continuation of strong Safety Management System through the established safety committees to ensure effective communication and consultation arrangements for discussion and promotion of Safety improvements at scale and pace.
- Safety as a standing item on all Corporate, Directorate and manager meeting agendas to embed best practice and drive cultural change and improvement.

### **Apart from the above, the Company has also performed below activities in FY 2022-23 sincerely:**

1. Employee Engagement Activities (Celebrated National Safety week, Personal Protective equipment demonstrations, Unplanned – Evacuation Drill, Road Safety Week, World Environment Day, Safety Motivational Reward activities, Work place Safety awareness Training, Safety Quiz Program & World Environment Health Day).
2. KYT - Kiken Yochi Training (Identifying hazard and taking corrective measures with the help of actual users).
3. Hazards specific Safety training (Fire Fighting, Near Miss, First Aid, Electrical Safety, Chemical & Machine Safety).
4. Monthly Internal safety Committee Meeting.
5. Regional Safety Meeting at all regions.
6. Safety Gemba Audit and Monitoring.
7. Fire Risk Assessment Audit.
8. Comprehensive review/surveillance audit done as per ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health & Safety Management system).
9. Near miss incident capturing and Investigation.
10. Thermography study for health check-up of electrical Panel.
11. Third Party Audit / Safety assessment done.
12. Surface treatment – ST booth and Duct Cleaning activities for all locations.

### **For Tier-2 Suppliers:**

From the last Six years, the Company also commenced the Fire Risk Assessment Audit for Tier-2 suppliers (63 Nos) to reduce the fire related incident and achieved significant OK result.

Also, the Company has initiated for safety and started the Safety Audit from 2019-20 for (5 Nos) suppliers to reduce the human injury (Only for those who are having the heavy power press machinery- Critical Operation).

Apart from the above activities, the Company is strictly monitoring the injury status and sharing the same every month to its Vendors. The Company also delivered Training awareness programs related to Fire, Electrical, Machine Safety and Fire Mock drill.

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

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

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

Accordingly, the details relating to amount of Dividend transferred to the IEPF and corresponding shares on which Dividends were unclaimed for seven (7) consecutive years, are provided in the Report on Corporate Governance annexed to this Report.

It may be noted that the due date for transfer of the Unpaid/Unclaimed Dividend lying in the Unpaid Dividend Account of the Company for the FY 2014-15, which was declared on August 19, 2015, was transferred to IEPF on October 18, 2022 and also the Interim dividend for FY 2015-16, which was declared on March 12, 2016, was transferred to IEPF on April 28, 2023 and accordingly the



## Board's Report (Contd.)

shares lying unclaimed for the respective Financial Years were also transferred to IEPF within stipulated timelines.

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

The Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons [Pursuant to Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]. This Code of Conduct is intended to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by Designated Persons and their immediate relatives.

The said Code lays down guidelines, which advise Designated Persons and Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. This Code includes a Policy and Procedure for Inquiry in case of leakage of UPSI or suspected leakage of UPSI and is available for reference on the website of the Company i.e. [https://www.lumaxworld.in/lumaxindustries/pdf/codeof-conduct\\_SEBI-regulations-2015.pdf](https://www.lumaxworld.in/lumaxindustries/pdf/codeof-conduct_SEBI-regulations-2015.pdf).

### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

A detailed Business Responsibility and Sustainability Report in terms of the provisions of Regulation 34 of the Listing Regulations forms part of the Annual Report.

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

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

### **GENERAL**

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

- (a) issue of equity shares with differential rights as to dividend, voting or otherwise;

- (b) issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- (c) raising of funds through preferential allotment or qualified institutions placement;
- (d) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and
- (e) instance of one-time settlement with any bank or financial institution. Your Company did not have any subsidiary or joint venture or associate Company.

### **CONTRIBUTION TO EXCHEQUER**

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

## **7. ACKNOWLEDGEMENT**

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

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

**Deepak Jain**

Chairman & Managing Director  
DIN: 00004972

Place: Gurugram  
Dated: July 28, 2023

## Economic Overview

### Global Economy

The global economy saw recuperation from the significant setbacks inflicted by the Covid-19 pandemic. Since the start of 2022, it has been in a relatively robust state. Economies like the US, China, and India have successfully rebounded to their pre-Covid-19 levels, while those in Europe and Southeast Asia were steadily progressing towards recovery. Across the world, countries have taken essential measures to prepare for potential future 'Black Swan' disasters, having gained valuable experience from the pandemic. As the global economy is staging its most powerful post-recession rebound, suppressed demand brought on by economic stagnation, and a significant improvement in the supply situation are further driving the recovery.

Unfortunately, the long-standing rivalry between Russia and Ukraine has sharply intensified and snowballed into a full-fledged war since early 2022, denting the pace of post-pandemic economic recovery. Furthermore, higher-than-expected global inflation is also holding the recovery back. Naturally, the prospect of global economic outlook reflects the sluggishness induced by these two critical factors. This is evident from the fact that the International Monetary Fund (IMF) has projected a decline in the global economic growth forecast, from 3.4% in 2022 to 2.8% in 2023.

### Outlook

The global economy weathered the headwinds better than anticipated. Despite the cost-of-living crisis affecting most economies, the priority remains achieving sustained reduction in inflation. However, there was a possibility of a stronger boost from pent-up demand in several economies or a faster decline in inflation.

As per IMF forecasts, global growth is projected to rise to 3.0% in 2024. Asian economies are anticipated to remain the main drivers of global development in 2023, since these nations continue to see reopening dynamics and experience less severe inflationary pressures than other regions. For the next five years, the global economy is expected to grow at a rate of 2.6% to 3.3% on an annual basis. By 2026, the global GDP is projected to increase at a CAGR of 3.2%.

## Indian Economy

India's economy exhibited remarkable resilience in 2022, due to significant improvements in the country's digital infrastructure over the past five to six years. Despite the Covid-19 pandemic, India's domestic market experienced robust growth, largely propelled by the expansion of B2B and B2C online platforms. In addition, Government policies are being progressively customized to promote and enhance the manufacturing sector's growth within the economy. Furthermore, with manufacturers worldwide seeking to diversify their production facilities, the Indian Government is well-positioned to capitalize on this opportunity.

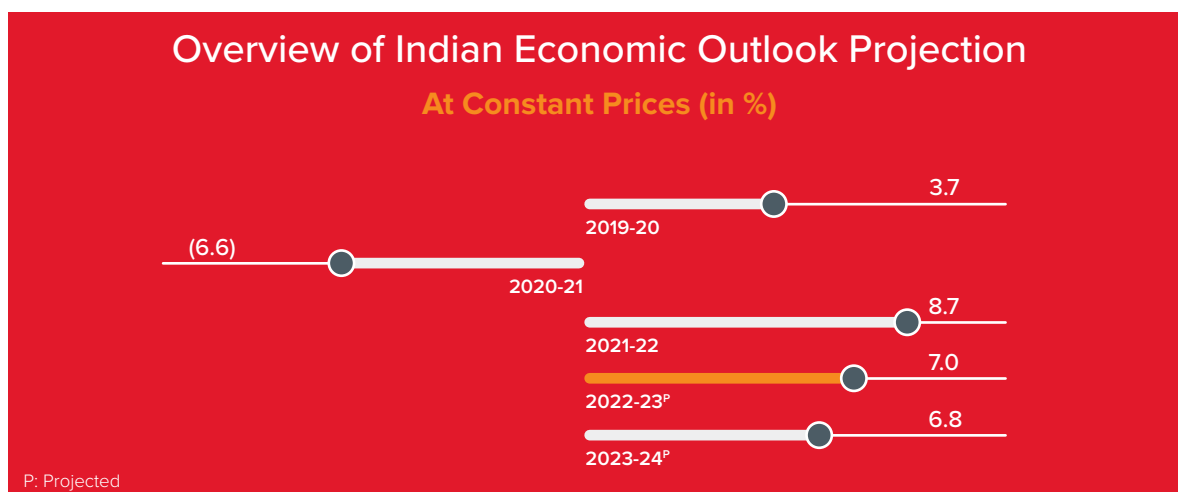
Additionally, reductions in corporate tax rates and, more recently, sector-specific fiscal incentives through the Production Linked Incentive (PLI) Scheme, have been crucial motivators for both domestic and international manufacturers. Besides the inherent domestic momentum, global macroeconomic factors, such as geopolitical issue, supply chain gap, and rising trade conflict provide the spark to propel the Indian economy towards its target of USD 5 trillion in nominal GDP from an estimated USD 3.4 trillion this year. Buoyed by this momentum, India's economy has surpassed that of the United Kingdom to become the world's fifth-largest economy in terms of nominal GDP (USD).

### Outlook

Ceteris paribus, as we say, change is the only constant including the economy. India has maintained its position as the world's fastest-growing major economy in 2022-23 and is anticipated to maintain the position throughout 2023-24, with a projected growth rate of 7.0%. The country's economic prospects are optimistic, as investments are expected to lead to significant increase in manufacturing output, bank lending, and consumer spending. This in turn, would enhance business confidence and encourage more private-sector investment, thereby fueling further growth of the Indian Economy.

Furthermore, the Indian economy has almost 'recovered' what was lost, 'renewed' what had halted and 're-energized' what had stagnated during the Covid-19 pandemic, and since the conflict in Europe in FY 2022-23. In the coming years, India is set to emerge as a more formidable and rapidly evolving force, impervious to any resistance.

## Annexure - A (Contd.)



(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1894932>)

**Industry Overview****Indian Automotive Industry**

India experienced a significant downturn in auto manufacturing and sales between FY 2017-18 and FY 2021-22. The automotive industry was one of the sectors, hit hardest by the strict lockdown measures implemented in the country to control the Covid-19 pandemic. Severe cash constraints, supply chain difficulties, a cessation of global trade, reduced purchasing power, and stifling raw material shortages had a devastating impact on industry.

Furthermore, the automotive sector was impacted by the implementation of the Goods and Services Tax (GST), the change from BS-IV to BS-VI phase 2, new emission regulations, the shift to electronic vehicles (EV), and technological improvements in ride sharing applications, like Uber and Ola.

Notwithstanding the severe headwinds, India managed to stand tall as one of the acknowledged markets for automobiles, with domestic sales of 21.2 million units in FY 2022-23. In December 2022, India surpassed Germany and Japan to take over as the third-largest automobile market, as the sector contributed about 7% of India's GDP.

During FY 2022-23, domestic demand for automobiles experienced significant growth, driven by an upswing in demand for premium vehicles and the introduction of new models. Passenger vehicle demand remained buoyant throughout the year. Nevertheless, inflationary pressures caused distress in rural demand, leading to concerns about the demand for entry-level passenger vehicles and 2-wheelers. Despite this, sales of 2-wheelers experienced steady growth, while the growth of 3-wheelers was driven by an increase in auto-rickshaw and public transportation services. Furthermore, companies like Maruti Suzuki have planned to set up new plants to launch hybrid models of vehicles as a way forward.

**Segment-Wise Sales of Automobiles in India from FY 2018-19 to FY 2022-23 (₹ in Thousands)**

Segment	April-March (Nos. in Thousands)				CAGR %
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	
PVs	2,774	2,711	3,069	3,890	12%
CVs	718	569	716	962	10%
3-wheelers	637	216	261	488	-8%
2-wheelers	17,416	15,119	13,466	15,862	-3%

Source: <https://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=14>

**Indian Automotive Component Industry**

The Indian auto components industry is well-positioned for growth, with an optimistic outlook according to the Automotive Component Manufacturers Association of India (ACMA). The nation's automobile component market is split between organized and unorganized sectors. Original Equipment Manufacturers (OEMs) are a part of the organized sector, which oversee the production of expensive precision devices. In contrast, low-value products, that are geared towards after-market services, are found in the unorganized industries. Engine parts, electrical parts, drive transmission and steering parts, suspension and braking parts, and allied equipment are the sub-sectors of the automobile component industry in India.

The auto component sector witnessed a successful FY 2022-23, despite supply-side issues. OEMs, aftermarket, and exports contributed to the sector's outstanding growth during the year. The factors responsible for this surge include greater value addition to satisfy regulatory compliance, a recovery in external markets, and resilience in the domestic market. While recent supply-side challenges with semiconductor supply and input raw material pricing have more or less subsided, the auto industry continues to be concerned that the ongoing



## Annexure - A (Contd.)

geopolitical turmoil may have a detrimental impact on the sector.

### Indian Automotive Lighting Industry

According to Research and Markets, the automotive lighting market is anticipated to increase from USD 21.9 Billion in 2022 to USD 28.5 Billion in 2027, at a CAGR of 5.3% during the forecast period. (Source: <https://www.businesswire.com/news/home/20221124005221/en/Automotive-Lighting-Market-for-ICE-EVs-Global-Market-Report-2022-Increase-in-Demand-for-Premium-Vehicles-Drives-Sector---ResearchAndMarkets.com>). The analysis predicts that increased customer demand for aesthetically pleasing automobile lights and the implementation of strict safety regulations by regulatory agencies are poised to be the major drivers of growth. Additionally, rising purchases of electric vehicles are expected to open up a number of profitable prospects for the supplying of EV-agnostic automotive lighting solutions.

Growing demand for luxury cars & SUVs, and technological developments in adaptive lighting technology, are some of the factors driving the substantial growth of the automotive lighting industry. The automotive lighting market is likely to be driven further by strict safety standards, put forward by the Government regulations. In addition, the increasing global sales of automobiles are anticipated to drive the growth of the automotive lighting industry. Factors like growing population and rising customer demand are further stimulating the industry.

### Key Growth Drivers

#### LED Technology to Witness Growth

LED technology is anticipated to grow at the fastest rate during the estimated period owing to the numerous technical advantages of LEDs compared to conventional lighting technology. The benefits include reduced power consumption, improved visibility and safety, increased durability, enhanced design flexibility for better aesthetics, and environment friendly attributes, among others. Furthermore, Government regulations have been the driving force for boosting the adoption of LEDs in automobiles.

(Source: <https://www.marketsandmarkets.com/PressReleases/automotive-lighting-market.asp>).

#### Technological Advancements

Automotive lighting companies are creating new lighting solutions to replace outdated standard lights in response to the growing trend of advanced vehicles. The most recent advancements in car lighting are being sought after by drivers for improved safety, aesthetics, in addition to just lighting the road in front.

The new technologies in the market include Laser Light Technology, Bendable Headlights with LED and Organic Light Emitting Diodes.

### Opportunities

#### Supporting Infrastructure and Expanding R&D Hub

India is evolving into a worldwide automotive R&D hub, with multiple market participants entering the automotive development and manufacturing sector. This has been made possible by the availability of economically viable labor force, favorable Government initiatives, ease of doing business, knowledge pool and expertise, robust technical and managerial support for establishing manufacturing facilities, and convenient access to a large client base.

### Threats

#### Raw Material Shortage

The automotive industry's supply chain was significantly impacted by Covid-19 pandemic, followed by current geopolitical tensions.

Volatility of raw material prices, growing competition and relative lower penetration of advanced lighting in passenger and commercial vehicles are one of the biggest challenges to the Indian automotive lighting market.

Price sensitivity towards adopting new advanced technology is still a road block.

#### Persistent Spike in Commodity Prices

Due to the current geopolitical concerns, manufacturers in the automotive sector are struggling with the high cost of raw materials. The OEMs had to push up their prices during H1 FY 2022-23 as a result of the sharp increase in the prices of aluminium and steel, in process, raising the price of the vehicles. It is felt that such a substantial price increase could have a negative impact on demand as well.

### Business Overview

Lumax Industries Limited (referred to as 'Lumax' or 'The Company'), the flagship company of DK Jain Group, is a prominent automotive lighting supplier in India with a rich history of over 75 years in the industry. The Company has established itself as a significant player in the Indian automotive market, specializing in automobile lighting. Lumax is known for its strong emphasis on customer satisfaction and has been growing steadily by delivering superior-quality lighting solutions to its customers.

Lumax, a company with its roots in India, has established itself as a versatile and innovative manufacturer of automotive lighting solutions over the years. The Company's wide range of

## Annexure - A (Contd.)

product portfolio include end-to-end premium lighting solutions such as headlamps, tail lamps, fog lamps, and other lighting components and auxiliary lamps, among others. In addition to lighting products, Lumax also manufactures electronic components for 4-wheelers, 2-wheelers, commercial vehicles, and tractors in the Farm Equipment Segment (FES).

Lumax is well known for its exceptional R&D capabilities and innovation prowess. This has enabled the Company to create aesthetically appealing and best-in-class automotive lighting solutions, establishing the Lumax brand as a symbol of excellence.

Lumax Industries recognizes the value of collaboration and has formed a robust partnership with Stanley Electric Co. Limited, a global leader in offering premium electronic components and systems such as LED components, displays, electronic control units, and energy management systems for nearly four decades. The Company, including its associate company, SL Lumax, has 11 ultra-modern manufacturing facilities that are spread across 6 states in India, strategically located near the manufacturing locations of major OEMs.

### Operational and Financial Overview

#### Standalone

On standalone basis, the revenue from contracts with customers during the FY 2022-23 stood at ₹ 231,952.34 Lakhs as compared to ₹ 1,75,131.10 Lakhs in the last year, registering a growth of 32.45%.

For the FY 2022-23, the profit before exceptional items and income tax stood at ₹ 11,287.45 Lakhs as compared to ₹ 6,328.70 Lakhs in the last year, witnessing a significant

increase of 78.35%. The Profit Before Tax (PBT) after exceptional items stood at ₹ 10,743.62 Lakhs as compared to ₹ 4,614.75 Lakhs in the last year, registering an increase of 132.81%. The Profit After Tax (PAT) stood at ₹ 7,063.59 Lakhs as compared to ₹ 3,543.37 Lakhs, registering a significant increase of 99.35%. The total comprehensive income increased to ₹ 7,131.92 Lakhs as against ₹ 3,211.23 Lakhs in the last year, registering an increase of 122.09%. The basic and diluted earnings per share stood at ₹ 75.57, registering a significant increase of 99.35%.

#### Consolidated

For the FY 2022-23 on consolidated basis, the Profit After Tax (PAT) stood at ₹ 10,308.02 Lakhs as compared to ₹ 4,072.47 Lakhs, registering a significant increase of 153.11%. The total comprehensive income increased to ₹ 10,445.47 Lakhs as against ₹ 3,785.45 Lakhs in the last year, registering an increase of 175.94%. The basic and diluted earnings per share stood at ₹ 110.27, registering a significant increase of 153.11%.

#### Details of Key Financial Ratios

Please refer Note 51 of the Notes to the Standalone Financial Statements for the year ended March 31, 2023.

#### Risk Management

Lumax is dedicated to identifying potential business risks and implementing the necessary measures to mitigate them. The Company engages in comprehensive risk management activities to minimize the impact of any potential threats and ensure the ongoing success and sustainability of its business operations.

Risk	Impact	Mitigation
Economic Risk	Changes in the social, geopolitical, legal, or economic environment, both domestically and internationally, have the potential to disrupt Lumax's regular operations or impede its business expansion plans.	To address this risk, Lumax diligently monitors developments in the relevant business environment, while taking proactive measures to mitigate any potential disruptions to its operations or business expansion plans.
Competition Risk	The automotive industry is known for its high level of competition, and this trend is expected to continue as the industry evolves. As a result, Lumax faces the risk of a potential negative impact on its market share, margin profile, and return on capital employed.	Lumax remains vigilant in developing and implementing strategies to maintain its competitiveness and consolidate its position in the market. As the market leader, the Company leverages its technological expertise, strategic alliances, customer relationships, and development solutions, to mitigate this risk.
Technology Risk	Currently, the automotive industry is undergoing a significant transformation, driven by the adoption of Industry 4.0, and the continued digitization of the entire value chain. These new developments present inherent risks that must be carefully addressed.	Lumax remains focused on the development and adoption of new technologies and offerings, that can enhance its efficiency and help safeguard and expand its market position. By prioritizing innovation and staying ahead of industry trends, the Company aims to mitigate this risk.

## Annexure - A (Contd.)

Risk	Impact	Mitigation
Regulatory Risk	The automotive industry is subject to extensive regulatory oversight, particularly around safety and environmental standards. Non-compliance can lead to significant fines, reputational damage, and legal liability.	Lumax has developed robust compliance mechanism and implemented a Software-based Compliance Tool to identify the compliance requirement and monitor the on a regular basis. The Company also communicates with regulators to stay ahead of changes in regulatory requirements.
Procurement Risk	Any adverse fluctuations in market prices or the disruption of supply chain, availability of raw material could potentially impact its financial position and earnings.	Lumax is aware of these risks and proactively works towards their mitigation, including closely monitoring market prices, developing a robust supplier base, contingency plans and focusing more on localization.

### Human Resources

Lumax acknowledges that its workforce is its most precious asset and plays a pivotal role in driving success. Through its employee-centric approach, the Company endeavors to establish a secure and stimulating workplace that fosters productivity. It invests in its people by building their capabilities, sharpening their expertise, and nurturing their leadership skills. To achieve this, Lumax offers relevant learning and development programs. The Company respects employee diversity, and it aims to strengthen its corporate capabilities accordingly. Lumax Management believes in teamwork and a self-motivating work environment to propel the holistic growth of the Company's employees.

To strengthen its human capital, and attract, cultivate, and recognize exceptional talent, Lumax has formulated human resource policies, centered on fostering a positive work environment.

As of March 31, 2023, the Company had a total of 2,514 employees on its payroll.

### Internal Control Systems and Its Adequacy

Lumax maintains an adequate and synchronized system of internal controls. The Company strictly adheres to various procedures, laws, rules, and statutes. Keeping the nature and business complexity of operations in mind, periodic risk assessment, mitigation, and monitoring are done to ensure

operational efficiency. Lumax's independent auditors carry out internal audits, ensuring proper recording and reporting. In the event of discrepancies, the issue is immediately reported to the Management and Audit Committee for timely correction. The IT system implemented by the Company ensures the security of sensitive data and streamlines the audit process. Accounting standards are strictly followed at the time of recording transactions. The MIS, on the other hand, strengthens real time reporting and assists in controlling expenses. Any variance in the actual and budgeted allocations, if any, is promptly reported and rectified to ensure strict compliance.

### Cautionary Statement

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

# Corporate Governance Report

# ANNEXURE - B

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

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

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term.

Your Company’s philosophy on Corporate Governance is aimed at optimizing the balance between stakeholders’ interests and corporate goals through the efficient conduct of its business and meeting obligations in a manner that is guided by transparency, accountability and integrity. Company’s actions are governed by its values and principles, which are reinforced at all levels within the Company. The Company is committed in doing things the right way which means taking business decisions and acting in a way that is ethical and in compliance with applicable legislations.

The Company considers stakeholders as partners in its success and is committed at maximizing stakeholders’ value, be it shareholders, employees, customers, vendors, governments or the community at large. The Company believes that following global practices, transparent disclosures and empowerment of stakeholders are as necessary as delivering solid financial results, for creating and sustaining value for shareholders and meeting expectations of customers and society.

The Company’s Corporate Governance system provides a fundamental framework to execute its business in line with business ethics. The Company’s corporate governance framework ensures that it makes timely disclosures and share accurate information regarding Company’s financials and performance, as well as disclosures related to the leadership and governance of the Company. The Company not only adheres to the prescribed Corporate Governance Practices as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) but is also committed to sound Corporate Governance principles and practices. Your Company takes proactive approach and revisits its governance practices from time to time so as to meet business and regulatory needs. The Company has ensured stability in a dynamic environment and in challenging times.

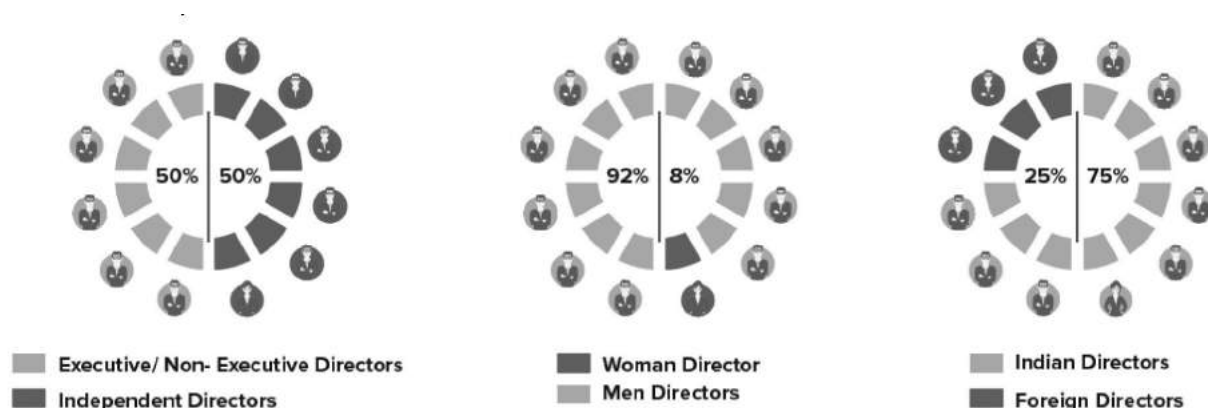
## 2. BOARD OF DIRECTORS (“BOARD”)

The Board is at the core of the Company’s Corporate Governance practices and oversees how the Management serves and protects the long-term interests of all the shareholders. The Board is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders.

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. Your Company is managed and guided by a professional Board comprising Executive, Non-Executive and Independent Directors. The Board critically evaluates Company’s strategic direction, management policies and their effectiveness.

### Composition and Category of Board

The Board of the Company has an optimum combination of Executive and Non-Executive Directors. The Board members have in-depth knowledge of Business, in addition to the expertise in their areas of specialization.





## Annexure - B (Contd.)

As on March 31, 2023, there were twelve (12) Directors on the Board of the Company, out of which, five (5) Directors were Executive Directors including the Chairman & Managing Director, one (1) Non-Executive Director and six (6) Independent Directors, including one (1) Woman Independent Director, which constitutes 50% of Board Strength.

However, Mr Kenjiro Nakazono, Executive Director and Mr Vineet Sahni, CEO and Senior Executive Director, resigned from the Board of the Company with effect from April 07, 2023 and April 14, 2023 respectively.

Further the Board of Directors appointed Mr Raajesh Kumar Gupta as an Executive Director on the Board of the Company with effect from May 27, 2023. Also Mr Yoshitsugu Matsushita has been appointed as a Non Executive Director on the Board of Company with effect from June 01, 2023.

The Securities and Exchange Board of India (SEBI) regulates corporate governance for listed companies through Listing Regulations which mandate the following:

- For a company with an executive chairman, at least half of the board shall consist of independent directors: **Complied**
- The Board of directors of the top 1000 listed entities shall have at least one independent woman director: **Complied**

The Composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as Section 149 of the Companies Act, 2013 read with the Rules issued thereunder and is explained as below for the sake of simplicity:

### Category of Board of Directors

S. No.	Name of Directors	Category
<b>A.</b>	<b>PROMOTER</b>	
1.	Mr Deepak Jain	Chairman & Managing Director
2.	Mr Anmol Jain	Joint Managing Director
<b>B.</b>	<b>NON- PROMOTER</b>	
3.	Mr Vineet Sahni <sup>1</sup>	CEO & Senior Executive Director
4.	Mr Tadayoshi Aoki	Senior Executive Director
5.	Mr Kenjiro Nakazono <sup>2</sup>	Executive Director
6.	Mr Toru Tanabe	Non-Executive Director
7.	Mr Avinash Parkash Gandhi	Independent Director
8.	Mr Dhiraj Dhar Gupta	Independent Director
9.	Mr Rattan Kapur	Independent Director
10.	Mr Rajeev Kapoor	Independent Director
11.	Ms Ritika Modi <sup>3</sup>	Independent Director
12.	Mr Vikrampati Singhania	Independent Director
13.	Mr Raajesh Kumar Gupta <sup>4</sup>	Executive Director
14.	Mr Yoshitsugu Matsushita <sup>5</sup>	Non Executive Director

Note:

1. Mr Vineet Sahni has resigned from the Board of the Company with effect from April 14, 2023.
2. Mr Kenjiro Nakazono has resigned from the Board of the Company with effect from April 07, 2023.
3. As tenure of Ms Ritika Modi is till July 27, 2023 the Company obtained the approval for the reappointment for second term of 5 years from the shareholders by way of Special resolution through postal ballot during the FY 2022-2023 for which the voting results were declared on March 24, 2023.
4. Mr Raajesh Kumar Gupta has been appointed as an Executive Director on the Board of the Company with effect from May 27, 2023.
5. Mr Yoshitsugu Matsushita has been appointed as a Non Executive Director on the Board of Company with effect from June 01, 2023.

Furthermore, detailed profile of the Directors is available on Company's website at <https://www.lumaxworld.in/lumaxindustries/board-of-directors.html> and the terms and conditions of appointment of Independent Directors are also hosted on the website of the Company at <https://www.lumaxworld.in/lumaxindustries/>

## Annexure - B (Contd.)

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

Mr Deepak Jain, CMD of the Company presides over the Meetings of the Board and Shareholders of the Company. He is primarily responsible for setting and implementing the Company’s direction and strategy under superintendence, direction and control of Board. He actively oversees the functioning of the Company, supervise and support the Officers & Senior Team and ensures that all the matters needed to be considered by the Board are in fact brought before it and provides Board members with the opportunity to represent their views and also understands & respect their views.

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

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

### Role of Chief Executive Officer (“CEO”)

The CEO of the Company has been entrusted with the responsibility of day to day and overall management of affairs of the Company both internally and externally viz. achieving annual business targets and budgetary targets, execution of long-term business plans, opportunities of expansion/acquisitions, promotion of business and industry etc. Mr Vineet Sahni was acting as a CEO and Senior Executive Director of the Company till April 14, 2023 and consequent to his resignation Mr Vishnu Johri has been appointed as CEO of the Company.

### Independent Directors

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

The Independent Directors have submitted declarations that they meet the criteria of independence laid down under the Act and the rules made thereunder and Regulation 16 (1)(b) of the Listing Regulations.

Further, as per Regulation 17(A) (1) of Listing Regulations, no Independent Director is a director in more than seven listed companies and as per Regulation 17 (A) (2) of Listing Regulations, no Director who is a Wholtime Director/Managing Director in any listed Company serves as an Independent director in more than three listed entities. Further neither any Director is a member in more than 10 committees nor acts as a chairperson of more than 5 committees in terms of Regulation 26(1) of Listing Regulations.

### Details of other Directorships and Chairmanship/Membership of Committees of each Director in various Companies for the Financial Year ending on March 31, 2023 including the Names of the Listed Entities and the Category of Directorship therein

S. No.	Name of the Director	DIN	Category (Chairperson/ Executive/ Non-Executive/ Independent/ Nominee)	No. of Directorship in listed entities including this listed entity	No. of Independent Directorship in listed entities including this listed entity	No. of memberships in Audit/ Stake-holder Committee (s) including this listed entity#	No. of post of Chairperson in Audit/ Stake-holder Committee held in listed entities including this listed entity	Name of other Listed Entity and Category of Directorship
1	Mr Deepak Jain	00004972	Chairman and Managing Director	4	2	3	1	<ul style="list-style-type: none"> <li>Lumax Auto Technologies Limited (Non-Executive Director)</li> <li>RSWM Limited (Independent Director)</li> <li>Talbro Automotive Components Limited (Independent Director)</li> </ul>
2	Mr Anmol Jain	00004993	Joint Managing Director	2	0	1	0	<ul style="list-style-type: none"> <li>Lumax Auto Technologies Limited (Managing Director)</li> </ul>

Annexure - B (Contd.)

S. No.	Name of the Director	DIN	Category (Chairperson/ Executive/ Non-Executive/ Independent/ Nominee)	No. of Directorship in listed entities including this listed entity	No. of Independent Directorship in listed entities including this listed entity	No. of memberships in Audit/ Stake-holder Committee (s) including this listed entity#	No. of post of Chairperson in Audit/ Stake-holder Committee held in listed entities including this listed entity	Name of other Listed Entity and Category of Directorship
3	Mr Vineet Sahni <sup>1</sup>	03616096	Chief Executive Officer and Senior Executive Director	1	0	0	0	-
4	Mr Tadayoshi Aoki	08053387	Senior Executive Director	1	0	2	0	-
5	Mr Kenjiro Nakazono <sup>2</sup>	08753913	Executive Director	1	0	0	0	-
6	Mr Toru Tanabe	06883767	Non-Executive Director	1	0	0	0	-
7	Mr Avinash Parkash Gandhi	00161107	Independent Director	4	4	8	1	<ul style="list-style-type: none"> <li>Lumax Auto Technologies Limited (Independent Director)</li> <li>Minda Corporation Limited (Independent Director)</li> <li>Action Construction Equipment Limited (Independent Director)</li> </ul>
8	Mr Rattan Kapur	00304573	Independent Director	1	1	1	0	-
9	Mr Dhiraj Dhar Gupta	01089718	Independent Director	1	1	2	1	-
10.	Mr Rajeev Kapoor	02051466	Independent Director	2	2	2	1	<ul style="list-style-type: none"> <li>Rico Auto Industries Limited (Independent Director)</li> </ul>
11.	Ms Ritika Modi	00463560	Independent Director	1	1	0	0	-
12.	Mr Vikrampati Singhania	00040659	Independent Director	3	2	1	0	<ul style="list-style-type: none"> <li>JK Agri Genetics Limited (Managing Director)</li> <li>Transport Corporation of India Limited (Independent Director)</li> </ul>

- As required under Regulation 26 of Listing Regulations, the disclosure includes chairmanship/membership of the Audit Committee and Share Transfer/Stakeholders' Relationship Committee only.

Notes:

- Mr Vineet Sahni has resigned from the post of Senior Executive Director and CEO with effect from April 14, 2023
- Mr Kenjiro Nakazono has resigned post of Executive Director with effect from April 07, 2023

## Annexure - B (Contd.)

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

S. No.	Name of the Directors	Relationship Inter-se
1.	Mr Deepak Jain	Related as Brother to Mr Anmol Jain
2.	Mr Anmol Jain	Related as Brother to Mr Deepak Jain
3.	Mr Vineet Sahni*	Not related to any Director
4.	Mr Tadayoshi Aoki	Related to Nominee Directors of Stanley Electric Co. Limited
5.	Mr Kenjiro Nakazono*	Related to Nominee Directors of Stanley Electric Co. Limited
6.	Mr Toru Tanabe	Related to Nominee Directors of Stanley Electric Co. Limited
7.	Mr Avinash Parkash Gandhi	Not related to any Director
8.	Mr Rattan Kapur	Not related to any Director
9.	Mr Dhiraj Dhar Gupta	Not related to any Director
10.	Mr Rajeev Kapoor	Not related to any Director
11.	Ms Ritika Modi	Not related to any Director
12.	Mr Vikrampati Singhania	Not related to any Director
13.	Mr Raajesh Kumar Gupta*	Not related to any Director
14.	Mr Yoshitsugu Matsushita*	Related to Nominee Directors of Stanley Electric Co. Limited

\* Mr Kenjiro Nakazono has resigned from the post of Executive Director with effect from April 07, 2023 and Mr Vineet Sahni has resigned from the post of Senior Executive Director and CEO with effect from April 14, 2023. Mr Raajesh Kumar Gupta has been appointed as an Executive Director on the Board of the Company with effect from May 27, 2023. Mr Yoshitsugu Matsushita has been appointed as a Non Executive Director on the Board of Company with effect from June 01, 2023.

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

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

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



## Annexure - B (Contd.)

Further, the Skill Matrix setting out Key Skills/Expertise/Competencies is enclosed herein:

AREA OF EXPERTISE												
Sr. No.	Name of Director	Knowledge of Automobile/Auto Component Sector	Understanding of Government legislation/legislative process	Finance & Accounting	Corporate Laws and Governance	Sales & Marketing	Human Resource Management	Information Technology	Risk Management	Strategy Development and Implementation	Stakeholder Relationships	Proximity to Social Issues
1	Mr Deepak Jain	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Mr Anmol Jain	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Mr Vineet Sahni*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Mr Toru Tanabe	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Mr Tadayoshi Aoki	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y
6	Mr Kenjiro Nakazono*	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Mr Avinash Parkash Gandhi	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Mr Rattan Kapur	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Mr Dhiraj Dhar Gupta	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Ms Ritika Modi	Y	N	Y	Y	Y	Y	Y	N	Y	N	Y
11	Mr Rajeev Kapoor	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
12	Mr Vikrampati Singhania	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

YES - Y      No - N

\* Mr Kenjiro Nakazono has resigned from the post of Executive Director with effect from April 07, 2023 and Mr Vineet Sahni has resigned from the post of Senior Executive Director and CEO with effect from April 14, 2023.

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

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

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

As no Independent Director has resigned from the Board of the Company during the year, therefore the said regulation doesn't apply to the Company.

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

During the FY 2022-23, none of the Non-Executive Directors were holding any shares or convertible instruments in the Company.

### Director and Officer Liability Insurance (D&O)

The Company has taken a Directors and Officers Liability Insurance ("D&O") for all Directors including Independent Directors and Officers, of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

## Annexure - B (Contd.)

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

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Corporate Office in Gurugram. Moreover, the Company generally provide its Directors the option to attend the meeting through Video Conferencing. Furthermore, all the necessary information and documents as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations pertaining to the Meetings are made available to Board of Directors. Senior Executives/Management Team and Statutory Auditors of the Company are invited to attend Meetings of the Board and Committees, to make presentations covering Finance, Sales, major business segments and operations of the Company, all business areas of the Company including business opportunities, business strategy and the risk management practices and Internal Audit issues and provide clarifications as and when required. The Board meets at least once a quarter (and in no case the gap between 2 meetings of the Board remains more than 120 days), inter-alia, to review the quarterly performance and approve the financial results.

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

#### Role of the Company Secretary in Overall Governance Process

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

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

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

S. No.	Names of Directors	Board Meetings						AGM
		May 24, 2022	August 10, 2022	November 11, 2022	December 07, 2022	February 09, 2023	March 29, 2023	July 22, 2022
01.	Mr Deepak Jain	✓	✓	✓	✓	📺	✓	📺
02.	Mr Anmol Jain	✓	✓	✓	✓	📺	✓	📺
03.	Mr Vineet Sahni	✓	✓	✓	✓	✓	✓	📺
04.	Mr Tadayoshi Aoki	✓	✓	✓	✓	📺	×	📺
05.	Mr Kenjiro Nakazono	📺	📺	✓	✓	📺	×	📺
06.	Mr Toru Tanabe	📺	📺	×	×	📺	×	×
07.	Mr Avinash Parkash Gandhi	📺	✓	✓	✓	📺	✓	📺
08.	Mr Dhiraj Dhar Gupta	📺	✓	×	✓	📺	✓	×
09.	Mr Rattan Kapur	✓	✓	✓	✓	📺	×	📺
10.	Mr Rajeev Kapoor	×	📺	✓	✓	📺	✓	📺
11.	Ms Ritika Modi	📺	📺	📺	✓	📺	📺	📺
12.	Mr Vikrampati Singhania	✓	✓	✓	✓	📺	✓	📺
<b>Total No. of Directors Present:</b>		11	12	10	11	12	8	10

✓ Present × Absent 📺 Attended through Video Conferencing

## Annexure - B (Contd.)

### Meeting of Independent Director

In accordance with Section 149 (7) of the Act read with Para VII (1) of Schedule IV of the Act and Regulation 25 of Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on March 29, 2023, without the presence of Non-Independent Directors and Members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive, Non-Executive and Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

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

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

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

The details of such Familiarization Program for Independent Directors are posted on the website of the Company and the web link of the same is provided hereunder: <https://www.lumaxworld.in/lumaxindustries/corporate-governance.html>.

### Web link where Annual Secretarial Compliance Report as per sub-regulation (2) of regulation 24A of the Listing Regulations is disclosed

Pursuant to Regulation 24A (2) of Listing Regulations, all listed entities on annual basis are required to get a check done by Practising Company Secretary (PCS) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and get an Annual Secretarial Compliance Report issued in this regard which is further required to be submitted to Stock Exchanges within 60 days of the end of the Financial Year.

The Company has engaged the services of Mr Maneesh Gupta (FCS No.: 4982), PCS and Secretarial Auditor of the Company for providing this certification.

Accordingly, the Company has complied with the above said provisions and an Annual Secretarial Compliance Report has been submitted to the Stock Exchanges within stipulated time.

The Annual Secretarial Compliance Report of the Company is available on the website of the Company and the web link of the same is provided hereunder: <https://www.lumaxworld.in/lumaxindustries/annualsecretarialcompliancereport.html>.

## 4. COMMITTEES OF THE BOARD

As on March 31, 2023, the Board has constituted five (5) statutory committees which have been mandated under the provisions of Companies Act, 2013 and/or the Listing Regulations. Every Committee has an important role to play within terms of its reference. The process and procedure related to the Board Meetings are also applicable and followed in the Committee Meetings.

### Audit Committee

#### Brief Description of terms of reference

The Audit Committee has been duly constituted as per Section 177 of the Act and Regulation 18 of the Listing Regulations. The Audit Committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The role of Audit Committee as enshrined in Part C of Schedule II of Listing Regulations is as follows:

- (i) to oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible;
- (ii) to recommend the appointment, remuneration and terms of appointment of Auditors;
- (iii) approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- (iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Director's responsibility statement to be included in the Board's Report in terms of clause (c) of subsection (3) of Section 134 of the Act;

## Annexure - B (Contd.)

- changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- (v) reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
- (vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the board to take up steps in this matter;
- (vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (viii) approval or any subsequent modification of transactions of the listed entity with related parties;
- (ix) scrutiny of inter-corporate loans and investments;
- (x) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (xi) evaluation of internal financial controls and risk management systems;
- (xii) reviewing, with the management, performance of Statutory and Internal auditors, adequacy of the internal control systems;
- (xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
- (xiv) discussion with internal auditors of any significant findings and follow up there on;
- (xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) to review the functioning of the whistle blower mechanism;
- (xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (xxi) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (xxii) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- In addition, the Audit Committee shall mandatorily review the following information:
- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (iii) management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- (iv) internal audit reports relating to internal control weaknesses; and
- (v) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.
- (vi) statement of deviations:
- (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).



## Annexure - B (Contd.)

### Composition, Name of Members and Chairman

As on March 31, 2023, the Audit Committee comprised of Six (6) Members including Four (4) Independent Directors. The Independent Director acts as a Chairman of the Committee. The Composition of the Audit Committee on March 31, 2023 was as follows:

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

\* Mr Avinash Parkash Gandhi stepped down from the position of Chairman and Mr Rajeev Kapoor became Chairman of the Audit Committee with effect from November 11, 2022.

### Meetings and Attendance

The Audit Committee met Six (6) times during the Financial Year ended March 31, 2023. The details of Meetings held and attendance of Directors in those Meetings are tabulated as under:

S. No.	Name of Directors	Details of Audit Committee Meetings						Number of Meetings Attended
		May 22, 2022	August 10, 2022	November 11, 2022	January 18, 2023	February 09, 2023	March 29, 2023	
1.	Mr Rajeev Kapoor	×	🖥️	✓	✓	🖥️	✓	5
2.	Mr Avinash Parkash Gandhi	🖥️	✓	✓	🖥️	🖥️	✓	6
3.	Mr Rattan Kapur	✓	✓	✓	✓	🖥️	×	5
4.	Mr Dhiraj Dhar Gupta	🖥️	✓	×	🖥️	🖥️	×	5
5.	Mr Deepak Jain	✓	✓	✓	×	🖥️	×	4
6.	Mr Tadayoshi Aoki	✓	✓	✓	×	🖥️	×	4

✓ Present    × Absent    🖥️ Attended through Video Conferencing

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

### Nomination and Remuneration Committee

#### Brief Description of terms of reference

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

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (ii) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.

## Annexure - B (Contd.)

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

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

### Composition, Name of Members and Chairman

The Nomination and Remuneration Committee comprises of Three (3) Directors as its Members. All the Members of the Committee are Independent Directors and have sound knowledge of management practices. The Chairman of the Committee is a Independent Director.

The Composition of the Nomination and Remuneration Committee as on March 31, 2023 is given as below:

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

### Meetings and Attendance

The Nomination & Remuneration Committee had met Four (4) times during the FY 2022-23.

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

S. No.	Name of Directors	Details of Meetings Held				No. of Meetings Attended
		May 24, 2022	November 11, 2022	February 09, 2023	March 29, 2023	
1.	Mr Rattan Kapur	✓	✓	📺	📺	4
2.	Mr Avinash Parkash Gandhi	📺	✓	📺	✓	4
3.	Mr Dhiraj Dhar Gupta	📺	×	📺	✓	3

✓ Present    × Absent    📺 Attended through Video Conferencing

### Performance evaluation of Board including Independent Directors, Committees etc.

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

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

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

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

## Annexure - B (Contd.)

### Succession Planning

The Company believes that sound succession plans for the Board Members and Senior Management are very important for creating a robust future for the Company. The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the senior management.

The Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, in an endeavor to introduce new perspectives, whilst maintaining experience and continuity. The succession plan is closely aligned with the strategy and long-term needs of the Company.

### Share Transfer/Stakeholders Relationship Committee

In adherence with the provisions of Section 178(5) of the Act and Regulation 20 of Listing Regulations, the Company has constituted a Share Transfer/Stakeholders Relationship Committee to address Investor's grievances, redressal mechanism and recommend measures to improve the level of Investors' services and to look into and decide matters pertaining to share transfers, duplicate share certificates/issuance of letter of confirmation and related matters.

The terms of reference of the Committee, inter-alia, include the following:

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

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

Mr Dhiraj Dhar Gupta, Independent Director is the Chairman of Share Transfer/Stakeholders Relationship Committee. The Committee comprises of Three (3) Members and the details of constitution of the Committee as on March 31, 2023 are given as below:

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

### Name and Designation of Compliance Officer

Mr. Pankaj Mahendru resigned from the position of Compliance Officer and Secretary to the Committee w.e.f. May 26, 2023 and Mr. Raajesh Kumar Gupta was appointed as Executive Director, Company Secretary and Compliance Officer of the Company w.e.f. May 27, 2023 and he acts as the Secretary to the Committee.

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

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

S. No.	Name of Directors	Status
1.	Number of Complaints Received	3
2.	Number of Complaints Resolved	3
3.	Number of Complaints Pending	0

**Annexure - B (Contd.)**
**Meetings and Attendance:**

During the Financial year under review Five (5) Meetings of Committee were held. The following is the attendance record at the Committee Meeting:

S. No.	Name of Directors	Details of Meetings Held					No. of Meetings Attended
		May 14, 2022	May 24, 2022	August 10, 2022	November 11, 2022	February 09, 2023	
1.	Mr Dhiraj Dhar Gupta	✓	🖥️	✓	×	🖥️	4
2.	Mr Deepak Jain	✓	✓	✓	✓	🖥️	5
3.	Mr Tadayoshi Aoki	×	✓	✓	✓	🖥️	4

✓ Present    × Absent    🖥️ Attended through Video Conferencing

**Corporate Social Responsibility (CSR) Committee**

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

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

**Composition, Name of Members and Chairman**

The Committee Social Responsibility Committee comprises of Three (3) Members out of which one member is an Independent Director.

The Chairman of the Committee is the Chairman and Managing Director of the Company. The Composition of the Corporate Social Responsibility Committee as on March 31, 2023 is given as below:

S. No.	Name of Directors	Status	Category of Membership
1.	Mr Deepak Jain	Chairman	Chairman & Managing Director
2.	Mr Avinash Parkash Gandhi	Member	Independent Director
3.	Mr Anmol Jain	Member	Joint Managing Director

**Meetings and Attendance**

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

S. No.	Name of Directors	Details of Meetings Held		No. of Meetings Attended
		May 24, 2022	November 11, 2022	
1.	Mr Avinash Parkash Gandhi	🖥️	✓	2
2.	Mr Deepak Jain	✓	✓	2
3.	Mr Anmol Jain	×	✓	1

✓ Present    × Absent    🖥️ Attended through Video Conferencing

**RISK MANAGEMENT COMMITTEE**

The Risk Management Committee has been constituted by Board pursuant to the requirement of Regulation 21 of the Listing Regulations and its terms of reference is in compliance with the governing provisions of the Listing Regulations. The role of the Risk Management Committee is in line with those specified in Part D of the Schedule II of the Listing Regulations and is as follows:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.



## Annexure - B (Contd.)

- (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
- (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.

The Risk Management Committee coordinates its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Risk Management Policy of the Company is available at <https://www.lumaxworld.in/lumaxindustries/policies.html>.

### Composition, Name of Members and Chairman

The Risk Management Committee comprises of Four (4) Members out of which 3 members are the Directors of the Company including one (1) Independent Director and the Chief Financial officer of the Company. The Chairman of the Committee is the Chairman and Managing Director of the Company. The Composition of the Risk Management Committee as on March 31, 2023 is given as below:

S. No.	Name of Members	Status	Category of Membership
1.	Mr Deepak Jain	Chairman	Chairman & Managing Director
2.	Mr Avinash Parkash Gandhi	Member	Independent Director
3.	Mr Vineet Sahni*	Member	CEO & Senior Executive Director
4.	Mr Shruti Kant Rustagi**	Member	CFO

\* Mr Vineet Sahni resigned from his position on the Board and CEO and also ceased to be the member of Risk Management Committee with effect from April 14, 2023.

\*\* Mr Shruti Kant Rustagi, CFO (KMP) resigned from the position of Chief Financial Officer of the Company consequent upon his transfer to Group Corporate Materials Function, with effect from the close of business hours of March 31, 2023 and he ceased to be the member of Risk Management Committee with immediate effect.

Further in the Board Meeting held on May 27, 2023, Mr Raajesh Kumar Gupta, Executive Director and Mr Ravi Teltia, CFO have been nominated as members of the Risk Management Committee in place of Mr Vineet Sahni and Mr Shruti Kant Rustagi.

### Meetings and Attendance

During the financial year under review Three (3) Meetings of Risk Management Committee were held. The attendance record of Members is as follows:

S. No.	Name of Members	Date of Meeting held			No. of Meetings Attended
		August 06, 2022	November 11, 2022	March 29, 2023	
1.	Mr Deepak Jain	✓	✓	✓	3
2.	Mr Avinash Parkash Gandhi	✓	✓	✓	3
3.	Mr Vineet Sahni	✓	✓	✓	3
4.	Mr Shruti Kant Rustagi	✓	✓	✓	3

✓ Present    × Absent     Attended through Video Conferencing

## Annexure - B (Contd.)

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

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors and Independent Directors during the FY 2022-23 except for the Sitting Fees paid/payable to them for attending the meetings of the Board/ Committees of Directors.

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

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

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

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

The details of remuneration paid to Executive Directors during the Financial Year ended March 31, 2023 are as follows:

(₹ In Lakhs)

S. No.	Name of the Directors	Salary (₹)	Perquisites and other benefits	Statutory & Other Contribution	Commission	Total
1	Mr Deepak Jain	72.00	48.00	15.84	609.21	<b>745.05</b>
2	Mr Anmol Jain	31.20	15.60	6.86	243.69	<b>297.35</b>
3	Mr Vineet Sahni	128.31	194.64	41.06	121.84	<b>485.85</b>
4	Mr Tadayoshi Aoki	2.88	15.20	-	-	<b>18.08</b>
5	Mr Kenjiro Nakazono	2.88	16.13	-	-	<b>19.01</b>
	<b>Total</b>	<b>237.27</b>	<b>289.57</b>	<b>63.76</b>	<b>974.74</b>	<b>1,565.34</b>

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

Details of payments in form of Sitting Fees for attending Board Meetings and Committee Meetings paid to the Independent Directors during the Financial Year ended March 31, 2023 are as under:

S. No.	Name of the Directors	Board Meetings	Audit Committee Meetings	Nomination & Remuneration Committee Meetings	CSR Committee Meetings	Independent Directors Meeting	Share Transfer/ Stakeholders Relationship Committee Meetings	Risk Management Committee Meetings	Total
1.	Mr Avinash Parkash Gandhi	4.80	2.40	0.80	0.40	0.40	NA	0.60	<b>9.40</b>
2.	Mr Dhiraj Dhar Gupta	4.00	2.00	0.60	NA	0.40	0.80	NA	<b>7.80</b>
3.	Mr Rattan Kapur	4.00	2.00	0.80	NA	NA	NA	NA	<b>6.80</b>
4.	Mr Rajeev Kapoor	4.00	2.00	NA	NA	0.40	NA	NA	<b>6.40</b>
5.	Ms Ritika Modi*	1.60	NA	NA	NA	NA	NA	NA	<b>1.60</b>
6.	Mr Vikrampati Singhania	4.80	NA	NA	NA	0.40	NA	NA	<b>5.20</b>

\*Ms Ritika Modi, Independent Director of the Company had voluntary waived off and foregone her current and future rights to receive the sitting fees for attending the Board and / or Committee Meeting(s) of the Company due to her personal reasons.

NA- Not Applicable

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

The service contracts, Notice Periods and severance fees to Executive Directors, Non-Executive or Independent Directors are governed through Board/ Shareholders Resolutions.

**Stock Options Details, if any:**

No stock options have been granted to any Directors during the FY 2022-23

## Annexure - B (Contd.)

### 6. GENERAL BODY MEETINGS

Location, date and time of AGMs held during the previous three (3) years are given as under:

Financial year	Date	Time	Location
2019-2020	August 28, 2020	10:30 A.M.	2nd Floor, Harbans Bhawan - II, Commercial Complex, Nangal Raya, New Delhi - 110046 (through VC/OAVM)
2020-2021	August 31, 2021	10:30 A.M.	2nd Floor, Harbans Bhawan - II, Commercial Complex, Nangal Raya, New Delhi - 110046 (through VC/OAVM)
2021-2022	July 22, 2022	11:00 A.M.	2nd Floor, Harbans Bhawan - II, Commercial Complex, Nangal Raya, New Delhi - 110046 (through VC/OAVM)

#### Details of Extraordinary General Meeting (EGM) held:

No EGM was held during the previous three (3) years.

#### Details of Special Resolutions passed in previous three AGMs are as follows:

##### AGM held on August 28, 2020

- No Special resolution was passed in the Annual General Meeting held on August 28, 2020.

##### AGM held on August 31, 2021

- Regularization of Mr Vikrampati Singhania (DIN: 00040659) as a Director and appointment as a Independent Director of the Company to hold office for 5 consecutive years.

##### AGM held on July 22, 2022

- No Special resolution was passed in the Annual General Meeting held on July 22, 2022.

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

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

##### Postal Ballot dated September 29, 2022

- Approval for Adoption of new set of Memorandum of Association of the Company as per Companies Act, 2013.
- Approval for Adoption of new set of Articles of Association of the Company as per Companies Act, 2013.

Date of Notice of Postal Ballot: August 10, 2022

Voting Period: Wednesday, August 31, 2022 at 09:00 a.m. (IST) to Thursday, September 29, 2022 at 05:00 p.m. (IST)

Date of Declaration of Result: September 29, 2022

Date of Approval: September 29, 2022

#### A summary of the voting pattern is as follows:

Item No.	Special Resolution	No. of Votes Polled	No. of Votes in favour	No. of Votes against	% of Votes Polled in favour	% of Votes Polled against
1	Approval for Adoption of new set of Memorandum of Association of the Company as per Companies Act, 2013.	70,20,987	70,04,042	16,945	99.7587	0.24123
2	Approval for Adoption of new set of Articles of Association of the Company as per Companies Act, 2013.	70,20,987	69,62,250	58,737	99.1634	0.8366

#### Person who conducted the Postal Ballot exercise

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

#### Procedure of Postal Ballot

In Compliance with the provisions of Section 110 and all other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 and the General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021 and 03/2022 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 08, 2021 and May 05, 2022 respectively issued by the Ministry of Corporate Affairs ("MCA")

## Annexure - B (Contd.)

(collectively “MCA Circulars”), the Postal Ballot Notice was sent only through electronic mode to Shareholders on August 29, 2022 to all those Members whose names appear in the Register of Members and who have registered their email addresses with Depository Participants or the Company as on Cut-off Date i.e. August 26, 2022 (“Cut-off Date”)

The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

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

The Scrutinizer submitted his report on September 29, 2022, in the absence of the Chairman, to Mr Pankaj Mahendru, Company Secretary and the results of the voting by means of Postal Ballot were announced on September 29, 2022 at the Registered Office of the Company. The said results were published in the

newspapers within 48 hours of the declaration of the results and were also placed on the website of the Company at <https://www.lumaxworld.in/lumaxindustries/postal-ballot.html> besides being communicated to Stock Exchanges.

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

### Postal Ballot dated March 24, 2023

- Approval for re-appointment of Mr Vineet Sahni (DIN: 03616096) as Senior Executive Director – Whole Time Director and CEO (Key Managerial Personnel) of the Company.
- Approval for re-appointment of Mr Kenjiro Nakazono (DIN: 08753913) as Executive Director – Whole Time Director (Key Managerial Personnel) of the Company.
- Approval for re-appointment of Ms Ritika Modi (DIN: 00463560) as an Independent Director of the Company for the second term of 5 years.

Date of Notice of Postal Ballot: February 09, 2023

Voting Period: Thursday, February 23, 2023 at 09:00 a.m. (IST) to Friday, March 24, 2023 at 05:00 p.m. (IST)

Date of Declaration of Result: March 24, 2023

Date of Approval: March 24, 2023

### A summary of the voting pattern is as follows:

Item No.	Special Resolution	No. of Votes Polled	No. of Votes in favour	No. of Votes against	% of Votes polled in favour	% of Votes polled against
1	Approval for re-appointment of Mr Vineet Sahni (DIN: 03616096) as Senior Executive Director – Whole Time Director and CEO (Key Managerial Personnel) of the Company	70,28,819	69,86,181	42,638	99.3934	0.6066
2	Approval for re-appointment of Mr Kenjiro Nakazono (DIN: 08753913) as Executive Director – Whole Time Director (Key Managerial Personnel) of the Company.	36,85,438	36,48,206	37,232	98.9898	1.0102
3	Approval for re-appointment of Ms Ritika Modi (DIN: 00463560) as an Independent Director of the Company for the second term of 5 years	70,28,819	70,28,668	151	99.9979	0.0021



## Annexure - B (Contd.)

### Person who conducted the Postal Ballot exercise

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

### Procedure of Postal Ballot

In Compliance with the provisions of Section 110 and all other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 and the General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 03/2022 and 11/2022 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 08, 2021, May 05, 2022 and December 28, 2022 respectively issued by the Ministry of Corporate Affairs ("MCA") (collectively "MCA Circulars"), the Postal Ballot Notice was sent only through electronic mode to Shareholders on February 21, 2023 to all those Members whose names appear in the Register of Members and who have registered their email addresses with Depository Participants or the Company as on Cut-off Date i.e. February 17, 2023 ("Cut-off Date").

The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

The Company also provided the facility of remote e-voting to the Members to cast their votes electronically, in accordance with Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations. The Company engaged the services of KFin Technologies Limited for the purpose of providing remote e-voting

facility. The Shareholders had the option to vote by e-voting.

The Scrutinizer submitted his report on March 24, 2023, in the absence of the Chairman, to Mr Pankaj Mahendru, Company Secretary and the results of the voting by means of Postal Ballot were announced on March 24, 2023 at the Registered Office of the Company. The said results were published in the newspapers within 48 hours of the declaration of the results and were also placed on the website of the Company at <https://www.lumaxworld.in/lumaxindustries/postal-ballot.html> besides being communicated to Stock Exchanges.

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

### Special Resolution proposed through Postal Ballot

There is no Special Resolution proposed through Postal Ballot.

### Details of Ordinary Resolution passed last year through Postal Ballot

The details pertaining to conducting of Postal Ballot during the FY 2022-23 and Ordinary Resolution passed thereat are as follows:

#### Postal Ballot dated September 29, 2022

- Approval of Material Related Party Transactions with Lumax Auto Technologies Limited.

Date of Notice of Postal Ballot: August 10, 2022

Voting Period: Wednesday, August 31, 2022 at 09:00 a.m. (IST) to Thursday, September 29, 2022 at 05:00 p.m. (IST)

Date of Declaration of Result: September 29, 2022

Date of Approval: September 29, 2022

### A summary of the voting pattern is as follows:

Item No.	Ordinary Resolution	No. of Votes Polled	No. of Votes in favour	No. of Votes against	% of Votes polled in favour	% of Votes polled against
1	Approval of Material Related Party Transactions with Lumax Auto Technologies Limited	1,71,993	1,71,901	92	99.9465	0.0535

### Person who conducted the Postal Ballot exercise

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

### Ordinary Resolution proposed through Postal Ballot

There is no Ordinary Resolution proposed through Postal Ballot.

## Annexure - B (Contd.)

### Procedure of Postal Ballot

In Compliance with the provisions of Section 110 and all other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 and the General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021 and 03/2022 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 08, 2021 and May 05, 2022 respectively issued by the Ministry of Corporate Affairs ("MCA") (collectively "MCA Circulars"), the Postal Ballot Notice was sent only through electronic mode to Shareholders on August 29, 2022 to all those Members whose names appear in the Register of Members and who have registered their email addresses with Depository Participants or the Company as on Cut-off Date i.e. August 26, 2022 ("Cut-off Date")

The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

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

The Scrutinizer submitted his report on September 29, 2022, in the absence of the Chairman, to Mr Pankaj Mahendru, Company Secretary and the results of the voting by means of Postal Ballot were announced on September 29, 2022 at the Registered Office of the Company. The said results were published in the newspapers within 48 hours of the declaration of the results and were also placed on the website of the Company at <https://www.lumaxworld.in/lumaxindustries/postal-ballot.html> besides being communicated to Stock Exchanges.

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

## 7. MEANS OF COMMUNICATION

In compliance with Regulation 46 of the Listing Regulations, the Company's website, <https://www.lumaxworld.in/lumaxindustries/index.html> contains a dedicated functional segment, named 'INVESTORS' where all the information meant for the Shareholders is available, including information on Directors, shareholding pattern,

quarterly reports, financial results, annual reports, press releases, details of unpaid/unclaimed Dividends and various policies of the Company etc.

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

Pursuant to Regulation 33 of Listing Regulations, the Company has regularly furnished within the prescribed timeline the quarterly unaudited as well as annual audited financial results to both the Stock Exchanges i.e. BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

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

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

Detailed presentations are made to the investors of Company and the same are hosted on the Company's website at <https://www.lumaxworld.in/lumaxindustries/investor-presentation.html> and are disseminated on the Stock Exchanges viz. BSE and NSE.

### Official News Releases/ Conference Calls with Investors

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

### Annual Report

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

### Stock Exchange

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

## Annexure - B (Contd.)

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

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

### NSE's Electronic Application Processing System (NEAPS)

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

### Reminders/Correspondences with Investors

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

## 8. GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting

The 42nd AGM of the Company is scheduled as under:

Date	: August 22, 2023
Day	: Tuesday
Time	: 10:30 a.m.
Venue	: 2nd Floor, Harbans Bhawan - II, Commercial Complex, Nangal Raya, New Delhi - 110046 [through Video Conferencing or other audio Visual Means (VC/OAVM)]

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

**For the FY 2022-23 Results were announced on:**

Adoption of Quarterly Results Ended	Dates
June 30, 2022	August 10, 2022
September 30, 2022	November 11, 2022
December 31, 2022	February 09, 2023
March 31, 2023 (Audited Annual Accounts)	May 27, 2023

### Financial Calendar for FY 2023-2024 (Provisional)

Adoption of Quarterly Results Ended	Tentative Calendar
June 30, 2023	On or before August 14, 2023
September 30, 2023	On or before November 14, 2023
December 31, 2023	On or before February 14, 2024
March 31, 2024 (Audited Annual Accounts)	On or before May 30, 2024

### Dividend & Dividend Payment Date

The Board of Directors have recommended, a Dividend @ ₹ 27 per equity share (i.e. 270%) of face value of ₹ 10/- each for the FY 2022-23 which was considered by the Board in its Meeting held on May 27, 2023, for the approval of Shareholders in the ensuing AGM.

For Demat Shareholders who have opted for NECS/ ECS, Dividend amount of ₹ 27 per share will be credited directly to their respective bank accounts, wherever such facilities are available, soon after the declaration of Dividend in the AGM. For others, Dividend Warrants/ Demand Drafts will be posted on or before September 20, 2023. (tentative).

**Date of Book Closure** : Friday August 11, 2023 to Tuesday, August 22, 2023 (both days inclusive)

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

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

### Stock Codes

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

BSE	517206
NSE	LUMAXIND

**The ISIN of the Company is** INE162B01018.

### Annual Listing Fees

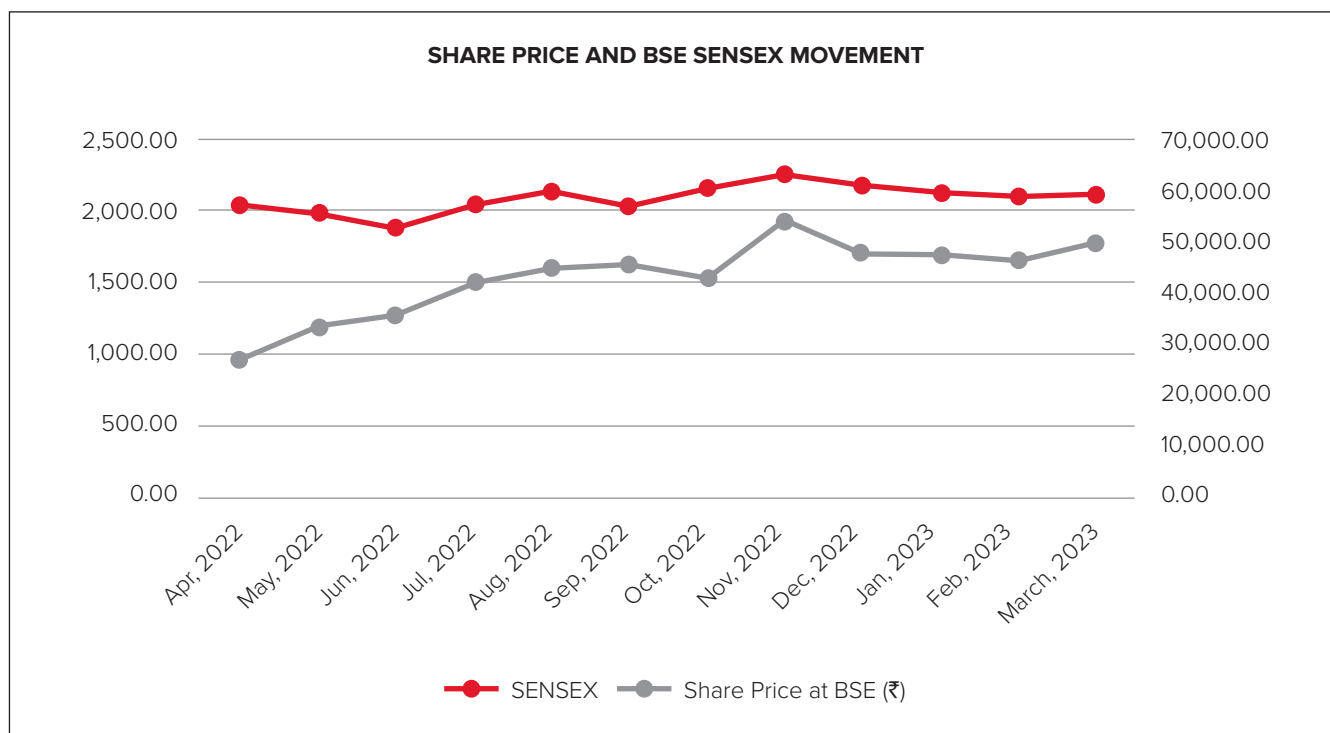
The Listing Fees for the FY 2023-24 has been paid to the BSE Limited and National Stock Exchange of India Limited within stipulated time

**Annexure - B (Contd.)**
**Market price data – High and Low during each month in FY 2022-2023**

The monthly High and Low Prices and volumes of the Shares of the Company at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) during the FY 2022-23 are as follows:

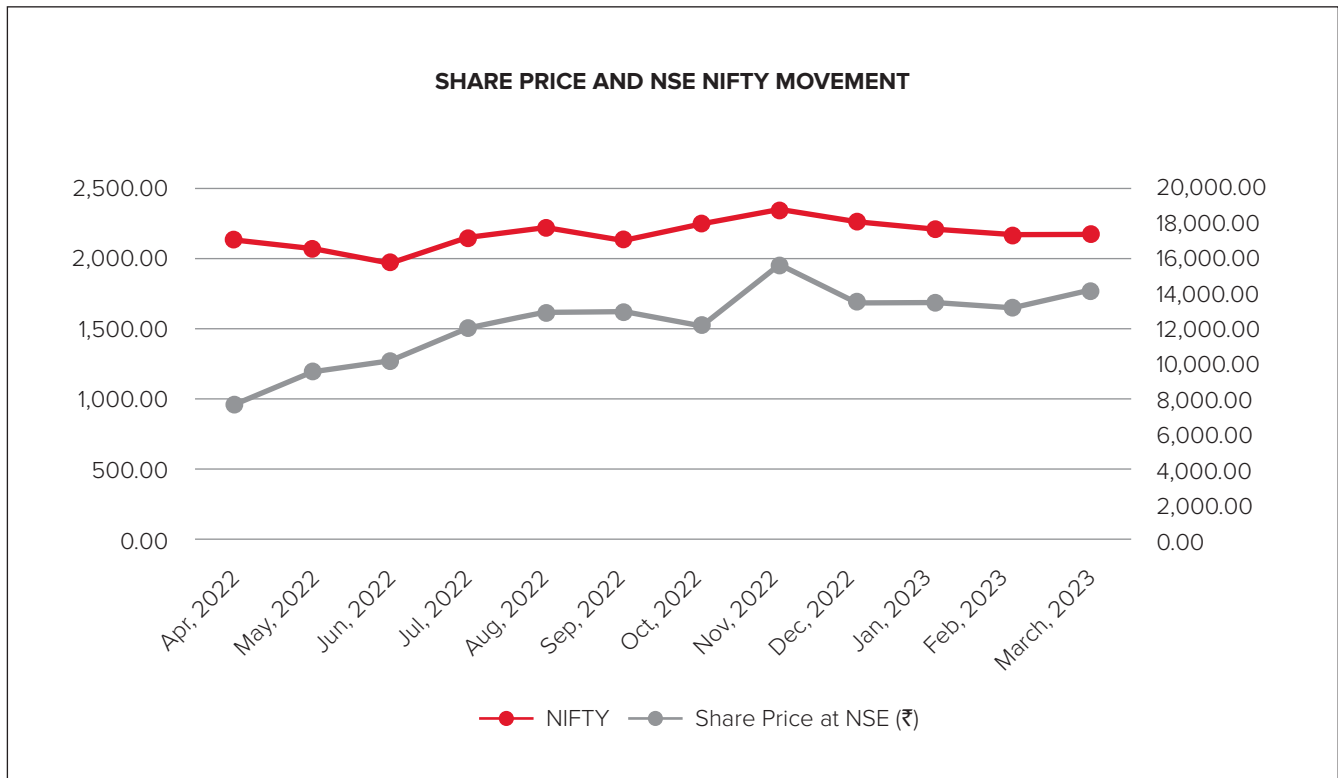
MONTH	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (Total Traded Quantity)
April 2022	1,100.00	913.35	26,888	1,079.95	890.00	1,59,514
May 2022	1,239.05	840.00	29,994	1,237.80	860.05	5,54,734
June 2022	1,339.45	1,103.00	23,693	1,340.00	1,086.50	2,70,624
July 2022	1,547.85	1,254.85	39,510	1,550.00	1,250.55	4,27,678
August 2022	1,648.95	1,350.00	30,012	1,649.75	1,340.75	3,86,728
September 2022	1,801.95	1,558.25	86,778	1,801.20	1,558.00	2,78,237
October 2022	1,800.00	1,521.50	19,037	1,802.45	1,521.10	1,33,130
November 2022	2,017.55	1,300.00	93,665	2,020.00	1,462.50	7,78,447
December 2022	2,023.00	1,578.60	49,022	1,990.00	1,563.25	4,04,825
January 2023	1,802.60	1,631.00	16,284	1,818.00	1,633.95	1,39,570
February 2023	1,850.00	1,632.05	10,922	1,850.00	1,630.20	1,51,553
March 2023	1,798.70	1,640.00	7,818	1,799.00	1,647.70	95,914

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





## Annexure - B (Contd.)



### Stock Performance in comparison to broad-based Indices from April 2022 to March 2023 is given below

The table below represents the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the Financial Year ended March 31, 2023:

MONTH	Share Price at BSE (₹)	SENSEX	Share Price at NSE (₹)	NIFTY
April 2022	961.80	57,060.87	960.95	17,102.55
May 2022	1,199.85	55,566.41	1,198.15	16,584.55
June 2022	1,270.60	53,018.94	1,273.55	15,780.25
July 2022	1,505.70	57,570.25	1,511.60	17,158.25
August 2022	1,610.75	59,537.07	1,612.25	17,759.30
September 2022	1,623.55	57,426.92	1,623.50	17,094.35
October 2022	1,524.15	60,746.59	1,526.15	18,012.20
November 2022	1,947.55	63,099.65	1,951.85	18,758.35
December 2022	1,689.40	60,840.74	1,692.10	18,105.30
January 2023	1,687.60	59,549.90	1,683.05	17,662.15
February 2023	1,658.25	58,962.12	1,653.00	17,303.95
March 2023	1,772.05	58,991.52	1,769.25	17,359.75

(Source: The aforesaid prices are the closing prices and the same have been compiled from the data available on the website of BSE & NSE)

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

The Securities of the Company have not been suspended for trading at any point of time during the Financial Year ended March 31, 2023.

**Annexure - B (Contd.)**
**Registrar to an issue and share transfer agents ("RTA")**

KFin Technologies Limited  
Selenium Tower-B, Plot No.31-32,  
Financial District, Nanakramguda,  
Serilingampally Mandal, Hyderabad-500032  
Tel : 040 -67162222  
Fax: 040 -23001153  
Toll Free No: 1800-3454-001  
E-mail : einward.ris@kfintech.com

**Share Transfer System:**

The Company has appointed KFin Technologies Limited as its RTA.

The documents received from shareholders are scrutinized by the Company's RTA and all work related to share registry, both in physical form and electronic form, is handled by RTA. The communications regarding share certificates, share transfers, change of address, Dividends, etc. are addressed to the Company's RTA.

In terms of the requirements of Regulation 40 of the Listing Regulations, the request for transfer of securities shall not be processed unless the securities are held in the dematerialized form with Depositories. Further, the request for transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25 January 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialized form:

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal/ Exchange of securities certificate;
- iv. Endorsement;

- v. Sub-division/Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios;
- vii. Transmission; and
- viii. Transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

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

The Certificate for the FY 2022-23 has been duly filed with the Stock Exchanges.

**Reconciliation of Share Capital Audit**

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

**Distribution of Shareholding as on March 31, 2023:**

Below table shows the distribution of shareholding by number of shares held and shareholding pattern in percentage pursuant to Regulation 31 of Listing Regulations as on March 31, 2023

<b>LUMAX INDUSTRIES LIMITED</b>						
<b>Distribution Schedule as on March 31, 2023</b>						
<b>S. No.</b>	<b>Range of Shares</b>	<b>No of Shareholders*</b>	<b>% of Shareholders</b>	<b>Total Shares</b>	<b>Amount</b>	<b>% of Equity Capital</b>
1	1-500	19629	97.71	951424	9514240	10.18
2	501-1000	246	1.22	178283	1782830	1.91
3	1001 - 2000	111	0.55	155060	1550600	1.66
4	2001 - 3000	36	0.18	88042	880420	0.94
5	3001 - 4000	10	0.05	34376	343760	0.37
6	4001 - 5000	13	0.06	59920	599200	0.64
7	5001 - 10000	18	0.09	137469	1374690	1.47
8	10001 - 20000	11	0.05	156322	1563220	1.67
9	20001 and above	15	0.07	7586836	75868360	81.16
	<b>TOTAL</b>	<b>20089</b>	<b>100</b>	<b>9347732</b>	<b>93477320</b>	<b>100</b>

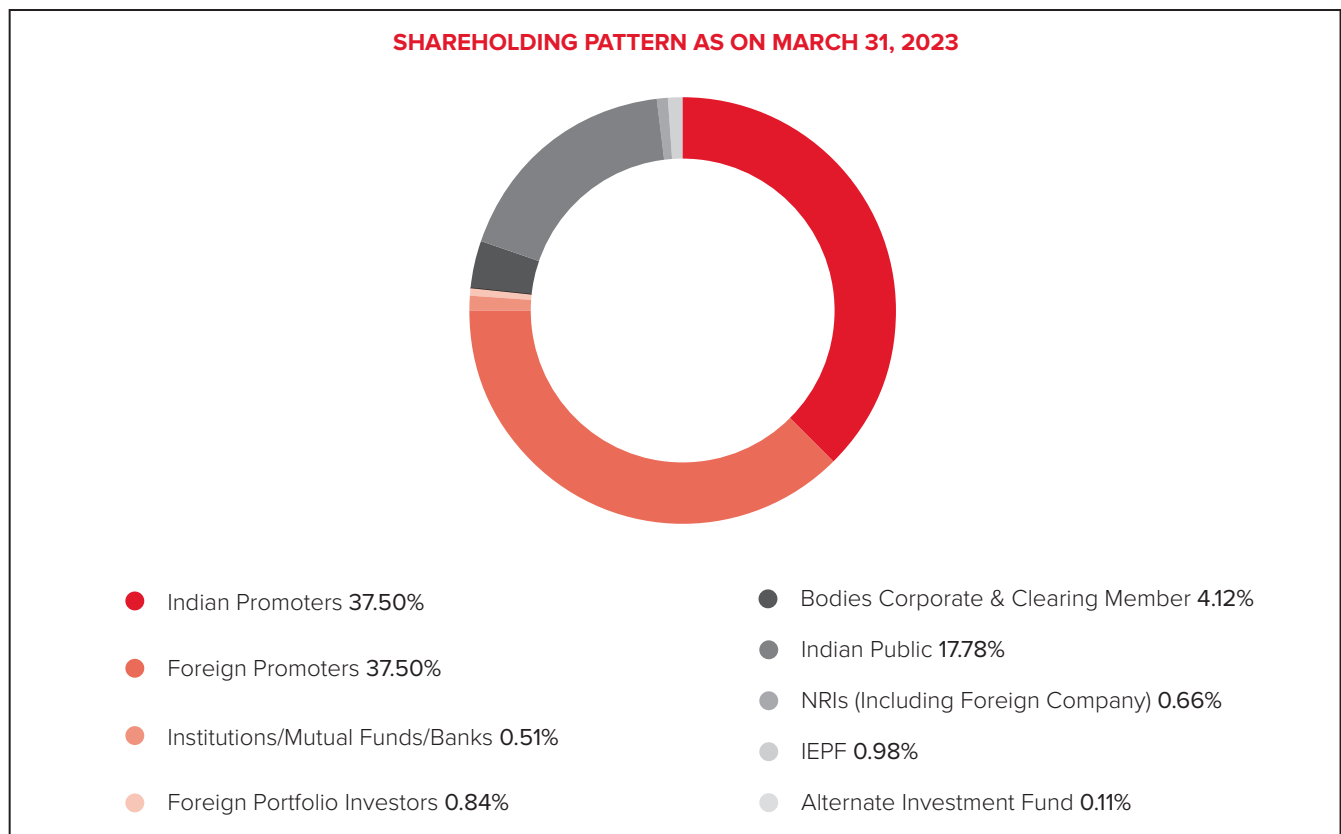
\*The no. of Shareholders have been considered on PAN basis and not on the basis of no. of folios.

Annexure - B (Contd.)

Shareholding Pattern as on March 31, 2023

S. No.	Category of Shareholders	No. of Shares held	% age of Shareholding
<b>A.</b>	<b>Promoters' Holding</b>		
<b>1.</b>	<b>Promoters</b>		
	Indian Promoters	35,05,399	37.50
	Foreign Promoters	35,05,399	37.50
<b>2.</b>	<b>Persons acting in concert</b>	-	-
	<b>Sub – Total (A)</b>	<b>70,10,798</b>	<b>75.00</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
<b>3.</b>	<b>Institutional Investors</b>		
a.	Institutions/Mutual Funds/Banks	47,900	0.51
b.	Foreign Portfolio Investors	78,834	0.84
	<b>Sub – Total (B3)</b>	<b>1,26,734</b>	<b>1.35</b>
<b>4.</b>	<b>Non-Institutional Investors</b>		
	Bodies Corporate & Clearing Members	3,85,230	4.12
	Indian Public	16,61,884	17.78
	NRIs (Including Foreign Company)	61,282	0.66
	IEPF	91,804	0.98
	Alternative Investment Fund	10,000	0.11
	<b>Sub – Total (B4)</b>	<b>22,10,200</b>	<b>23.65</b>
	<b>Sub – Total (B) (B3+B4)</b>	<b>23,36,934</b>	<b>25.00</b>
	<b>GRAND TOTAL (A+B)</b>	<b>93,47,732</b>	<b>100.00</b>

Graphical Presentation of Shareholding Pattern (Category-Wise) as on March 31, 2023



**Annexure - B (Contd.)**
**Dematerialization & Liquidity of Shares as on March 31, 2023**

In order to enable the Shareholders to hold their shares in electronic form and to facilitate scrip less trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's shares are liquid and are actively traded on BSE and NSE (Stock Exchanges).

**Status of Dematerialization**

Particulars	No. of Shares	% of the total share capital
NSDL	86,14,252	92.15
CDSL	6,23,525	6.67
Physical Form	1,09,955	1.18
<b>TOTAL</b>	<b>93,47,732</b>	<b>100.00</b>

Particulars	No. of Shareholders*	% of the Total Shareholders
NSDL	9,337	43.60
CDSL	9,501	44.36
Physical Form	2,578	12.04
<b>TOTAL</b>	<b>21,416</b>	<b>100.00</b>

\*The No. of Shareholders have been Considered on the basis of no. of folios and not on PAN basis.

**Status of Liquidity**

The number of shares of the Company traded in the Stock Exchange for the FY 2022-2023 is given below:

Particulars	BSE	NSE	Total
No of shares Traded	4,33,623	37,80,954	42,14,577
<b>% of Total Equity</b>	<b>4.64%</b>	<b>40.45%</b>	<b>45.09%</b>

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

There are no GDRs/ ADRs/ Warrants outstanding as on March 31, 2023.

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

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

The intent of this mechanism is to minimize the Financial Statement impact of fluctuating Foreign Currency Exchange Rates.

**Plant Locations of the Company as on March 31, 2023**

There are total 11 locations where the manufacturing plants of the Company are located

Sr. No.	Plant Location
1	*Plot No. 16, Sector-18, Maruti Complex, Gurugram, Haryana
2	Plot No. 195-195A, Sector-4, Phase-II, Bawal, District Rewari, Haryana
3	Plot No. 6, Industrial Area, Dharuhera, District Rewari, Haryana
4	Plot No. 12, Sector-5, Phase-II, Industrial Estate G.C. Bawal, District Rewari, Haryana
5	Plot No. 51, Sector-11, IIE, Pant Nagar, District Udhm Singh Nagar, Uttarakhand
6	Plot No. 5, Industrial Park-II, Village Salempur Mehdood, Haridwar, Uttarakhand
7	608-609, Chakan Talegaon Road, Mahalunge Ingle, Chakan, Pune, Maharashtra
8	D2-43/2, M.I.D.C. Industrial Area, Chinchwad, Pune, Maharashtra
9	Plot No. D-1, Vendors Park, Sanand, District Ahmedabad, Gujarat
10	Plot No. D-2, Vendors Park, Sanand, District Ahmedabad, Gujarat
11	Plot No. 69-70 A, Phase-II, Bidadi Industrial Area, Sector-2, Bengaluru, Karnataka

\*Gurugram plant of the Company was not operating at its full efficiency. Therefore the production facilities and the production operations of the Gurugram plant were transferred to Dharuhera Plant and consequently the manufacturing operations at Gurugram plant were discontinued w.e.f May 31, 2023.

**CONTACT DETAILS FOR CORRESPONDENCES**
**Information for Corporate & Institutional Investors and Analyst Information**

Mr Ravi Teltia  
Chief Financial Officer  
Plot No. 878, Udyog Vihar, Phase V, Gurugram-122016, Haryana  
Ph. No. +91124 4760000  
Email: ravi.teltia@lumaxmail.com

**Information for Retail Investors**

Mr Raajesh Kumar Gupta  
Executive Director, Company Secretary and Compliance Officer  
Plot No. 878, Udyog Vihar, Phase V, Gurugram-122016, Haryana  
Ph. No. +91124 4760000  
Email(s): raajesh.gupta@lumaxmail.com, lumaxshare@lumaxmail.com



## Annexure - B (Contd.)

### Registrar and Share Transfer Agent

KFin Technologies Limited  
 Unit: Lumax Industries Limited  
 Selenium Tower-B, Plot No.31-32,  
 Financial District, Nanakramguda,  
 Serilingampally Mandal, Hyderabad-500032  
 Tel: 040 -67162222  
 Fax: 040 -23001153  
 Toll Free No: 1800-3454-001  
 Email: einward.ris@kfintech.com  
 Contact Person: Mr Rajeev Kumar  
 Email: rajeev.kr@kfintech.com

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

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

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

The Company does not have any fixed deposit program or any scheme or proposal involving mobilization of funds in India or abroad during the Financial Year ended March 31, 2023. There was change in the short-term rating from A1+ to A1 issued by ICRA.

## 9. OTHER DISCLOSURES

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

There were no Related Party transactions of significant material nature that have a potential conflict with the interest of Company at large. During the FY 2022-23 all the Related Party transactions entered into were in the normal course of business and at arms-length basis. The said transactions are reported in the Annual Financial Statements.

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

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

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

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

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

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

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

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

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

### Adoption of Non-mandatory Requirements

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

- (i) The Company continues to adopt best practices to move towards the regime of Unmodified Opinion on Financial Statements.
- (ii) The Internal Auditors have direct access to the Audit Committee.

## Annexure - B (Contd.)

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

The Board has approved Policy for determining Material Subsidiaries and the same can be accessed on

[www.lumaxworld.in/lumaxindustries/pdf/Policy\\_on\\_Determining\\_Material\\_Subsidiaries\\_LIL.pdf](http://www.lumaxworld.in/lumaxindustries/pdf/Policy_on_Determining_Material_Subsidiaries_LIL.pdf)

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

The Board has approved Policy on Related Party Transactions and the same can be accessed on

<https://www.lumaxworld.in/lumaxindustries/pdf/policy-document-on-materiality-and-dealing-with-related-party-transactions.pdf>

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

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

The intent of this mechanism is to minimize the Financial Statement impact of fluctuating Foreign Currency Exchange Rates.

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

The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement during the Financial Year ended March 31, 2023.

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

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr Maneesh Gupta FCS No.: 4982 Practising Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority, was placed before the Board of Directors at their meeting held on May 27, 2023.

The same is reproduced as below:

Annexure - B (Contd.)

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To

**Lumax Industries Limited**

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

Place: New Delhi

Date: May 25, 2023

UDIN: F004982E000377992

**Maneesh Gupta**

FCS No.: 4982

CP No.: 2945

PR No.: 2314/2022

**Annexure - B (Contd.)**

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

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

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

During the Year under review, a total fee of ₹ 50.39 Lakhs has been paid by the Company for all the services provided by Statutory Auditor. The break up of same is tabulated as under:

S. No.	Particulars	Fees Paid (₹ in Lakhs)
<b>Audit Services</b>		
1.	Statutory Audit	27.50
2.	Limited Review	15.00
3.	Tax Audit	2.50
	<b>Sub total</b>	<b>45.00</b>
<b>Non-Audit Services</b>		
1.	Reimbursement of expenses	3.89
2.	Other Services / Certification fee	1.50
	<b>Sub Total</b>	<b>5.39</b>
	<b>Grand Total (A+B)</b>	<b>50.39</b>

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the FY 2022-23 are as under:

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

\*The Complaint was received on March 25, 2022. The Enquiry was concluded and the Complaint was disposed off on November 10, 2022.

**Disclosure by the Company and its subsidiary of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.**

The Company and its subsidiary has not given any Loans and advances in the nature of loans to firms/companies in which directors are interested.

**Details of Material Subsidiaries of the Company; including the Date and Place of Incorporation and the name and date of appointment of the statutory auditors of such subsidiaries as on March 31, 2023.**

The Company didn't have any Material Subsidiary during the period ended March 31, 2023.

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

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

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

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



## Annexure - B (Contd.)

### 12. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (b) TO (i) and (t) OF SUB-REGULATION (2) OF REGULATION 46

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

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

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

The Company has adopted a Code of Conduct for its Board and Senior Employees as per Listing Regulations and the same is available at the Company's website. All Members of the Board and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the FY 2022-2023. A declaration to that effect, signed by the CEO forms part of this Report. The Code of Conduct is also available on the website of Company under the weblink <https://www.lumaxworld.in/lumaxindustries/pdf/Code-of-Conduct-for-Directors-and-Senior-Management.pdf>.

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

Compliance certificate as required under Schedule V, Part E of the Listing Regulations, regarding compliance of conditions of Corporate Governance forms part of this Report.

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

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

Particulars	No. of Share-holders	No. of Equity Shares
Aggregate number of Shareholders and outstanding shares at the beginning of the year i.e. as on April 01, 2022	112	3,034

Particulars	No. of Share-holders	No. of Equity Shares
Number of Shareholders who approached for issue/transfer of Shares during the year 2022-23**	103	2,182
Number of Shareholders to whom shares were issued/transferred	103	2,182
Transfer to IEPF	-	-
Aggregate number of Shareholders and the Outstanding shares lying at the end of the year i.e. March 31, 2023	9	852

\*\*Shares Transferred to IEPF for the unclaimed/unpaid dividend for FY 2014-15 and Interim Dividend for FY 2015-16.

All the corporate benefits against those shares like bonus shares, split, Dividend etc if any declared, would also be transferred to unclaimed suspense account of the Company. The voting rights on the 852 shares shall remain frozen till the rightful owner of such shares claims the shares.

### 16. UNCLAIMED/UNPAID DIVIDENDS AND SHARES

Pursuant to the provisions of Section 124 & 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Dividend which remains unclaimed/unpaid for a period of 7 years from the date of transfer to the Unpaid Dividend Account shall be transferred to Investor Education and Protection Fund (IEPF). Further, all the corresponding shares for which Dividend has not been paid/claimed for seven (7) consecutive years shall also be transferred to the Demat Account of IEPF Authority.

The Company had sent notices to all Shareholders whose shares were due to be transferred to IEPF for the unpaid / unclaimed dividend for the FY 2014-15 and the newspaper advertisement with respect to same was also published. During the FY 2022-23, ₹ 8,68,951 of unpaid/unclaimed Dividends for FY 2014-15 and 6,883 shares were transferred to the IEPF Authority.

Further the Company had also sent notices to all Shareholders whose shares were due to be transferred to IEPF for the unpaid / unclaimed interim dividend for the FY 2015-16 and the newspaper advertisement with respect to same was also published. Subsequent to the FY 2022-23, ₹ 17,70,768 of unpaid/unclaimed Dividends for FY 2015-16 and 2,973 shares were transferred to the IEPF Authority.

Mr Pankaj Mahendru acted as a Nodal Officer under the provisions of IEPF till May 26, 2023 and thereafter Mr Raajesh Kumar Gupta has been nominated as a Nodal officer w.e.f. May 27, 2023, the details of which are available on the website of the Company.

## Annexure - B (Contd.)

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

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Code of Conduct) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons, have been uploaded on website of the Company and can be accessed through the following link [https://www.lumaxworld.in/lumaxindustries/pdf/code-of-conduct\\_SEBI-regulations-2015.pdf](https://www.lumaxworld.in/lumaxindustries/pdf/code-of-conduct_SEBI-regulations-2015.pdf) under Investor Section.

**18. CEO/CFO CERTIFICATE**

The CEO, Mr Vishnu Johri and the Chief Financial Officer, Mr Ravi Teltia have furnished the requisite certificate to the Board of Directors pursuant to Regulation 17(8) of the Listing Regulations which forms part of this Report.

**19. OTHER IMPORTANT INFORMATION FOR SHAREHOLDERS**

**SEBI via Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 Dated March 16, 2023 (the "SEBI Circular") has mandated:**

- A. furnishing of PAN, email address, mobile number, bank account details and nomination by holders of physical securities;
- B. any service request shall be entertained only upon registration of the PAN, Bank details and the nomination;
- C. to ensure that your PAN is linked to Aadhaar by June 30, 2023 or any other date as may be specified by the Central Board of Direct Taxes to avoid freezing of your folio.

The Shareholders who have not furnished the mandatory documents are requested to furnish the documents/details, as per the table below, to the Registrar and Share Transfer Agent of the Company i.e. KFin Technologies Limited.

S. No.	Purpose	Form No.
1	Request for registering PAN, KYC details or changes/updation thereof	Form ISR-1
2	Confirmation of Signature of securities holder by the Banker	Form ISR-2
3	Registration of Nomination (Nomination Form)*	Form SH-13

S. No.	Purpose	Form No.
4	Declaration Form for Opting-out of Nomination*	Form ISR -3
5	Cancellation or Variation of Nomination	Form SH-14

\*In case Shareholder is opting out for giving nomination, then the Shareholder has to submit Form ISR-3 and in such case the Form SH-13 need not be submitted.

Furthermore, the aforesaid forms for submission of various documents as aforesaid may be downloaded from the Company's website at <https://www.lumaxworld.in/lumaxindustries/investor-relations.html>.

**Freezing of Folios without PAN, KYC details and Nomination:**

- A. Folios wherein any one of the said document / details are not available on or after October 01, 2023, shall be frozen and the Shareholder will not be eligible to lodge grievance or avail service request from the RTA until the Shareholder furnishes the complete documents/details as mentioned above. Further, effective April 01, 2024 the Shareholder will be eligible for receiving dividend in electronic mode only.
- B. After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

The Shareholders are requested to forward the duly filled in documents/details along with the related proofs as mentioned in the respective forms to the following address:

**KFin Technologies Limited,  
Unit: Lumax Industries Limited  
Selenium, Tower B,  
Plot 31-32, Financial District,  
Nanakramguda, Serilingampally Mandal, Hyderabad,  
Telangana-500032**

The scanned copies of the documents may also be mailed through your registered email id with RTA at the mail id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) duly e-Signed on the forms and all proofs.

E-Sign is an integrated service which facilitates issuing a Digital Signature Certificate and performing signing of requested data by eSign user. The holder/claimant may approach any of the empaneled eSign Service

## Annexure - B (Contd.)

provider, details of which are available on the website of Controller of Certifying Authorities (CCA), Ministry of Communications and Information Technology (<https://cca.gov.in/>) for the purpose of obtaining an e-sign.

### **AVAILABILITY OF DISPUTE RESOLUTION MECHANISM**

SEBI vide its circular No. SEBI /HO/ MIRSD/ MIRSD\_RTAMB/P/CIR/ 2022/76 dated May 30, 2022 read with Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has laid down Standard Operating Procedures (SOP) to be followed for dispute resolution under the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/Investor(s) pertaining to disputes emanating from investor service requests such as transfer/transmission of shares, demat/remat, issue of duplicate shares, transposition of holders, investor entitlements like corporate benefits, dividend, bonus shares, rights entitlements, credit of securities in public issue, interest / coupon payments on securities and delay in processing/wrongful rejection of aforesaid investor service.

Further to the aforesaid circular, SEBI vide its circular No. SEBI/ HO /OIAE/2023/03391 dated January 27, 2023 has advised every listed company to intimate to all investors/ Members who hold shares in physical form that Members can file for Arbitration with stock exchange(s) if they have any dispute against the Company and/or its RTA on delay or default in processing requests as per the circular dated

May 30, 2022. Accordingly the Company had intimated the Shareholders vide intimation letter/Email dated May 08, 2023/May 09, 2023.

For more details, Members can refer below web links of the stock exchanges:

BSE – <http://tiny.cc/m1l2vz>

NSE – <http://tiny.cc/s1l2vz>

### **SCORES- SEBI Complaints Redress System**

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

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

### **20. COMPLIANCE OFFICER OF THE COMPANY**

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

## Annexure - B (Contd.)

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

I, Vishnu Johri, Chief Executive Officer of the Company hereby certify that the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct of Lumax Industries Limited (the "Company") for the FY 2022-23.

Place: Gurugram  
Date: May 27, 2023

**Vishnu Johri**  
Chief Executive officer

**CEO and CFO Certificate under Regulation 17(8) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

- a. We certify to the Board that we have reviewed Financial Statements and Cash Flow Statement for the year ended March 31, 2023 and that to the best of our knowledge and belief;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies, if any.
- d. We have indicated to the Auditors and the Audit Committee
- (i) significant changes in internal control over financial reporting during the year, if any;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**RAVI TELTIA**  
Chief Financial Officer  
Date: May 27, 2023  
Place: Gurugram

**VISHNU JOHRI**  
Chief Executive Officer  
Date: May 27, 2023  
Place: Gurugram

## Annexure - B (Contd.)

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

The Members of

**Lumax Industries Limited**

2nd Floor, Harbans Bhawan-II,  
Commercial Complex,  
Nangal Raya, New Delhi-110 046

1. The Corporate Governance Report prepared by Lumax Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

**Management's Responsibility**

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

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2023 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held between April 01, 2022 to March 31, 2023:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM);
    - (d) Nomination and Remuneration Committee;
    - (e) Share Transfer/Stakeholders Relationship Committee;



## Annexure - B (Contd.)

- (f) Independent Director Meeting;
  - (g) Corporate Social Responsibility Committee; and
  - (h) Risk Management Committee
- v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 4 above.

### Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

Place of Signature: New Delhi  
Date: May 27, 2023

**per Vikas Mehra**  
Partner  
Membership Number: 094421  
UDIN: 23094421BGYFUP2233

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

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

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

2.	Details of material contracts or arrangement or transactions at arm's length basis	
(a)	Name(s) of Related Party and nature of relationship	Lumax Auto Technologies Limited
(b)	Nature of contracts/arrangements/transactions	purchase/sale of raw materials, finished goods, assets, sale, purchase, transfer or receipt of products, goods, materials, assets or availing or rendering of services, Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Legal & Professional Charges & Rate Taxes etc.
(c)	Duration of the contracts/arrangements/transactions	April 01, 2022 to March 31, 2023
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 29,977.22 Lakhs
(e)	Date(s) of approval by the Board	August 10, 2022
(f)	Amount paid as advances, if any	Nil

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

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

Place: Gurugram

Date: July 28, 2023

## ANNEXURE - D

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

- A. Ratio of the Remuneration of each Executive Director to the Median Remuneration of the Employees of the Company for the FY 2022-23 and the Percentage increase in Remuneration of Managing Directors, other Executive Directors, Chief Financial Officer and Company Secretary during the FY 2022-23.

S. No.	Name of the Executive Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all Employees	% increase/(Decrease) in Remuneration during the FY 2022-23
1.	Mr Deepak Jain	Chairman & Managing Director	230.50	56.13
2.	Mr Anmol Jain	Joint Managing Director	91.99	129.92
3.	Mr Vineet Sahni	CEO & Senior Executive Director	150.31	18.94
4.	Mr Tadayoshi Aoki	Senior Executive Director	5.59	1.85
5.	Mr Kenjiro Nakazono	Executive Director	5.88	(0.51)
6.	Mr Shruti Kant Rustagi	Chief Financial Officer	NA	6.65
7.	Mr Pankaj Mahendru	Company Secretary	NA	17.58

- B. There is increase/(decrease) in the Median Remuneration of Employees for the FY 2022-23 by (13.95) %.
- C. The number of Permanent Employees on the rolls of the Company as on March 31, 2023 was 2514.
- D. The Average Percentage increase/(decrease) in the salaries of the employees other than the Managerial Personnel for the Financial Year was 5.02% whereas the increase in the Managerial remuneration was 48.81%. The remuneration components in case of Chairman and Managing Director, Joint Managing Director and CEO & Senior Executive Director includes Commission paid which is linked with the profitability of the Company.
- E. Affirmation that the remuneration is as per the Remuneration policy of the Company:  
The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Act.

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

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

Place: Gurugram

Date: July 28, 2023

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

## ANNEXURE - E

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

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

We were appointed by the Board of Directors of Lumax Industries Limited (hereinafter called the Company) to conduct Secretarial Audit for the financial year of the Company ended March 31, 2023.

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

#### Management's Responsibility for Secretarial Compliances

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

#### Auditors Responsibility

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

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

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

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

#### Opinion

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company

for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company during the year under review;**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – **Not applicable to the Company during the year under review;**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable to the Company during the year under review;**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable to the Company;**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable to the Company during the year under review;** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable to the Company during the year under review;**

## Annexure - E (Contd.)

- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021– **Not applicable to the Company during the year under review**

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2023, complied with the aforesaid laws, material compliances as are listed in the Annexure attached to this report.

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the financial year under review. However, Mr Kenjiro Nakazono, Whole Time Director resigned from the Board in the Board Meeting held on 29.03.2023 which was effective from 07.04.2023. Further

Mr Vineet Sahni, CEO and Senior Executive Director – Whole time Director resigned from the Board with effect from 14.04.2023.

2. Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. The Company has proper Board processes.

Based on the compliances mechanism established by the Company and based on the Compliance Certificate(s) issued by the Company Secretary and taken on records by the Board of Directors at their meeting(s), we are of the opinion that the management has:

- a) adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- b) Complied with the following laws applicable to the Company:
  - (i) Factories Act, 1948
  - (ii) Standing Order Act, 1946
  - (iii) The Industries (Development and Regulation) Act, 1951
  - (iv) The Contract Labour (Regulation and Abolition) Act, 1970,
  - (v) The Child Labour (Prohibition and Regulation) Act, 1986,
  - (vi) The Workmen's Compensation Act, 1923,
  - (vii) The Environment (Protection) Act, 1986.

Place: New Delhi  
Date: May 24, 2023  
UDIN: F004982E000365727

**Maneesh Gupta**  
FCS No.: 4982  
CP No.: 2945  
PR No.: 2314/2022



## ANNEXURE TO SECRETARIAL AUDIT REPORT

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

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts and Registered Office and publication of name of the Company;
3. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, NCLT or such other authorities;
4. Service of documents by the Company on its Members, Directors, Stock Exchanges, Auditors and Registrar of Companies;
5. Constitution of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Share Transfer/ Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee;
6. Appointment, re-appointment and Retirement of Directors including Independent Directors, Managing Director and Executive Directors and payment of remuneration to them;
7. Disclosure of interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interest in other entities by Directors;
8. Disclosure requirements in respect to Directors eligibility for appointment, declaration of their independence, compliance with code of conduct for Directors and Senior Management Personnel;
9. Establishment of a policy on related party transactions. All transactions with related parties were in the ordinary course of business and on arms-length basis and were placed before the Audit Committee periodically;
10. Establishment of a vigil mechanism and providing to complainants, if any, unhindered access to the Chairman of the Audit Committee.
11. Constitution of the Corporate Social Responsibility Committee formulating and adopting Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company;
12. Appointment of persons as Key Managerial Personnel;
13. Appointment and remuneration of Statutory Auditor, Secretarial Auditor and Cost Auditor;
14. Appointment of Internal Auditor;
15. Notice of meetings of the Board and Committees thereof;
16. Minutes of meetings of the Board and Committees thereof including passing of resolutions by circulations;
17. Notice convening annual general meeting held on July 22, 2022 and holding of the meeting on that date;
18. Minutes of General meeting including Postal Ballot;
19. Approval of Members, Board of Directors, Committee of Directors and government authorities, wherever required;
20. Form of Balance Sheet as at March 31, 2022 as prescribed under the Companies Act, 2013;
21. Report of the Board of Directors for the financial year ended March 31, 2022;
22. Borrowings and registration of charges;

Place: New Delhi

Date: May 24, 2023

UDIN: F004982E000365727

**Maneesh Gupta**

FCS No.: 4982

CP No.: 2945

PR No.: 2314/2022

## ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2023

## ANNEXURE - F

### 1. Brief outline on CSR Policy of the Company.

At Lumax, the social and environment responsibility has always been integral part of the system. The Company's commitment to be a good corporate organization has been strengthening and re-enforcing by actively assisting in the improvement of quality of life of the people in the communities, giving preference to local areas around its business operations. It is Company's belief that involvement in social issues must be deep, meaningful, and formed on the bedrock of long-term commitment, for that is the only way by which real change can happen on the ground. Company shall continue to relentlessly strive in its endeavor of nation-building, sustainable development, accelerated inclusive growth and social equity.

The main objective is to make CSR a key business process for sustainable development of the society. Through this policy, the Company aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of the policy.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr Deepak Jain	Chairman	2	2
2	Mr Anmol Jain	Member		1
3	Mr Avinash Prakash Gandhi	Member		2

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

<https://www.lumaxworld.in/lumaxindustries/pdf/corporate-social-responsibility-policy.pdf>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). NOT APPLICABLE

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil

### 6. Average net profit of the Company as per section 135(5): ₹ 5,629.90 Lakhs

### 7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ 112.60 Lakhs

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years - Nil

(c) Amount required to be set off for the financial year, if any - ₹ 5.58 Lakhs

(d) Total CSR obligation for the financial year (7a+7b- 7c) - ₹ 107.02 Lakhs

### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) (in ₹)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
123.70	-	-	-	-	-

### (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Name	Mode of Implementation - Through Implementing Agency CSR Registration number
NIL												

Annexure - F (Contd.)

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (₹ in Lakhs)	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number
1.	School Infrastructure	Quality Education	NO	Odisha	Berunapadi	7.00	NO	Lumax Charitable Foundation	CSR00001955
2.	School Infrastructure	Quality Education	Yes	Gujarat	Sanand	34.64	NO	Lumax Charitable Foundation	CSR00001955
3.	Palna -The home for orphaned and abandoned children	Quality Education	Yes	Delhi	Civil Lines	5.00	NO	Lumax Charitable Foundation	CSR00001955
4.	Life skills for Elementary Kids	Good Education	Yes	Haryana Uttarakhand	Gurugram Udham Singh Nagar	5.00	NO	Lumax Charitable Foundation	CSR00001955
5.	Life skills for Adolescents	Quality Education	Yes	Haryana Maharashtra Gujarat	Rewari, Gurugram & Mewat Pune Sanand	10.00	NO	Lumax Charitable Foundation	CSR00001955
6.	Elementary Education to children in Urban slums	Quality Education	Yes	Haryana	Gurugram	5.00	NO	Lumax Charitable Foundation	CSR00001955
7.	Girl Child Education	Quality Education	Yes	Haryana	Rewari	4.00	NO	Lumax Charitable Foundation	CSR00001955
8.	Career Counseling	Quality Education	Yes	Gujarat Maharashtra Haryana	Sanand Pune Rewari Mewat and Gurugram	11.35	NO	Lumax Charitable Foundation	CSR00001955
9.	Deeper Outreach Programs	Quality Education	Yes	Haryana Uttarakhand Maharashtra Gujarat	Rewari, Gurugram & Mewat Udham Singh Nagar Pune Sanand	1.99	NO	Lumax Charitable Foundation	CSR00001955
10.	Art and Paint work	Quality Education	Yes	Maharashtra	Pune	3.65	NO	Lumax Charitable Foundation	CSR00001955
11.	Cancer Detection Camps and Patient Support	Good Health	Yes	Haryana	Rewari and Gurugram	9.02	NO	Lumax Charitable Foundation	CSR00001955
12.	Juvenile Diabetes patient support, Health Check - up camps for students	Good Health	Yes	Maharashtra	Pune	5.00	NO	Lumax Charitable Foundation	CSR00001955
13.	Eye Screening camps and Free Cataract Surgeries	Good Health	Yes	Haryana	Rewari and Mewat	6.00	NO	Lumax Charitable Foundation	CSR00001955
14.	Supporting Lab Services	Good Health	Yes	Delhi	Darya Ganj	1.00	NO	Lumax Charitable Foundation	CSR00001955
15.	Leopard Conservation (SNS Foundation)	Wildlife Conservation	No	Rajasthan	Pali	5.00	No	Lumax Charitable Foundation	CSR00001955

## Annexure - F (Contd.)

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (₹ in Lakhs)	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number
16.	Rotary	Good Health	Yes	Haryana	Gurugram	3.00	No	Lumax Charitable Foundation	CSR00001955
17.	Educational Support	Educational Support	Yes	Haryana	Gurugram	0.95	No	Lumax Charitable Foundation	CSR00001955
<b>TOTAL</b>						<b>117.60</b>			

 (d.) Amount spent in Administrative Overheads – ₹ **6.10 Lakhs**

 (e.) Amount spent on Impact Assessment, if applicable - **Not Applicable**

 (f.) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ **123.70 Lakhs**

(g.) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	112.60
(ii)	Total amount spent for the Financial Year	123.70
(iii)	Excess amount spent for the financial year [(ii)-(i)]	11.10
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	5.58
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	16.68

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting financial year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
NIL							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced.	(5) Project duration	(6) Total amount allocated for the project (₹ in Lakhs)	(7) Amount spent on the project in the reporting Financial Year (₹ in Lakhs)	(8) Cumulative amount spent at the end of reporting Financial Year. (₹ in Lakhs)	(9) Status of the project - Completed /Ongoing.
NIL								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NOT APPLICABLE**
**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): NOT APPLICABLE**
**Vishnu Johri**

(CEO)

Place: Gurugram

Date: July 28, 2023

**Deepak Jain**

(Chairman CSR Committee)

Place: Gurugram

Date: July 28, 2023

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

## ANNEXURE - G

(Pursuant to Section 134(3)(m) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014 for the year ended March 31, 2023)

### (A) CONSERVATION OF ENERGY

We as a Lumax Industries Limited are Committed towards the implementation of Energy conservation practices in an efficient and responsible manner to reduce waste and save resources. We are achieving it through various methods such as using energy-efficient appliances, reducing unnecessary energy usage, and promoting renewable energy sources.

The benefits of energy conservation include lower energy bills, reduced **greenhouse gas emissions**, and **preservation of natural resources**. Energy conservation is an important strategy for **addressing climate change** and reducing dependence on non-renewable energy sources. This indeed help us in the lesser **dependence on non-renewable energy sources**, which are finite and subject to price fluctuations. Promoting renewable energy sources and reducing waste is also ensuring us a more stable and secure energy supply.

Energy management is becoming an increasingly important aspect of **corporate social responsibility**. By managing energy use and promoting sustainability, organizations can demonstrate their commitment to environmental stewardship and social responsibility.

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

We as a Lumax Industries Limited are also working on Energy conservation activities for our plants and controlling the usage of power consumption through our different initiative for these plants. Some areas are highlighted below where we have taken the Initiatives to reduce the energy consumption .

#### 1. Reduction of power consumption in Chiller network system

1. Reduction of Return water temperature of chiller plant via Line modification.
2. Replacement of inefficient chiller system with energy efficient chiller System.
3. Insulation of chilled water pipe line and chilled water tank so as to reduce energy consumption of chiller.

#### 2. Optimization of Compressed Air usage in Plants

1. Training to maintenance Team for **awareness program for controlling Air leakage losses** and implementation of air leakage register.

2. Creation of SOP for identification of **Air Leakage Test and FAD Test** for compressor efficiency calculation.
3. Reduction in **Generation pressure** of compressor by arresting air leakage points.
4. Installation of **Flow Control System** for compressor switching and Modulation of pressure as per need.
5. Replacement of **Pneumatic Tools with Electrical Tools**.
6. Replacement of old **Dryer with Energy Efficient Dryer**.

#### 3 Optimizing the Performance of Pumping system

1. Replacement of higher capacity pump with energy efficient Pump.
2. Use of **VFD to optimize the Pump Performance**.
3. Modification of process pump pipe network to reduce the friction loss and improve efficiency.

#### 4. Controlling the Thermal Losses in Different Machine

1. Insulation of Hopper to control Thermal losses in Injection Molding Machine.
2. Insulation paint on oven with high surface temperature.

#### 5. Optimization of Cooling Tower

1. Replacement of Cooling tower Fan blade i.e. change of blade from **Aluminium to FRP**.
2. Power Saving by interlocking Cooling Tower fan speed **temperature control** sensor.
3. Cooling Tower Performance Assessment (change of Old Pump with New Pump).

#### 6. Power Saving in Motor system

1. Replacement of conventional motors with Energy Efficient motors (IE3 & IE4 class).
2. Replacement of higher capacity motors with lower capacity motors.
3. Implementation of VFD on motor with variable load to reduce Energy consumption.

#### 7. Power Saving from Technology Change

1. Replacement of Old conventional mica band heaters with IR heater in injection molding machine.



## Annexure - G (Contd.)

2. Replacement of conventional fan to BLDC fan.
3. Use of EC motor in place of Induction motor which is used in Air Washer.
4. Conversion of Hydraulic motor to servo motor.

### 8. Plans Formulated for Implementation of Renewable Energy

#### 8.1 Installation of Solar Roof top

- a) **The organization has installed solar roof top panels to harness Solar Energy in following location**

Sl. No.	Plant	Capacity (kW)	Mode of Implementation
1	Sanand	250	Capex
2	Bawal	1050	Capex
3	Dharuhera	713	Opex
4	Pantnagar	526	Opex
5	Chakan	602	Opex
6	SMT Bawal	499	Opex
<b>Total</b>		<b>3,640</b>	

- b) **The Organization also focus on utilizing the Solar Park model to fulfill the excess demand**

Sl. No.	Plant	Capacity (KW)	Mode of Power
1	Bangalore	5000	Opex
2	Chakan	3000	Opex
<b>Total</b>		<b>8000</b>	

Total **approximately 3.64 MW** of solar roof top panels & use of **Solar Park Capacity of 8MW** from External power producing company for harnessing the solar energy, wind energy and solar Farm to run our plant to satisfy the need of current requirement. Use of Green Power also help us to mitigate the effect of greenhouse emission to some extent.

#### 8.2 Use of Green Power to Mitigate our Demand of Energy

The Company is in discussion with various power producers who are physically present in group captive mode and have set up/under final stage of completion of their captive plant for renewable energy for Haryana, Karnataka and Gujarat region that will help to reduce the energy cost along with reduction of the carbon footprint.

##### a. Energy Management System (EnMS) ISO-50001

Lumax has taken step to move further in Energy management by implementing the EnMS ISO-50001 System at Bawal and Pantnagar

location. Now Lumax is planning for more certification for its other units. This certification will help plants to keep a check on the energy consumption of plant and thereby help in continual improvement in energy consumption reduction.

##### b. Implementation of Online Energy Monitoring System – Way Forward

Metering and Sustenance of Energy data is primary requirement which can be tracked, and monitored easily via Online monitoring system as it captures the real time data to carry out pain area for energy usage.

Further Lumax is planning to have interlinkage of Plant Energy Data with Corporate Dashboard to have easy monitoring.

#### (B) Technology absorption:

##### (i) The efforts made towards technology absorption

- a. In house design of charging indicator grille lamp for EV application.
- b. In house development of best in class ultra High homogeneity DRL/position/turn indicator.
- c. Localized ADB (Matrix) projector module.
- d. In house developed “hidden until lit” DRL (India first / Lumax first).
- e. Modular / Standard Light Engines for low-cost LED application.
- f. In house compact / Low Profile LED reflector Headlamp (Lumax first / India First).
- g. Tail Lamp with 3D Crystal effect for 2W application (Lumax 1st time).
- h. CAN and LIN based controls for front/rear lighting animation.
- i. In house software for Person to Vehicle communications for EV application.
- j. Compact LED headlamp for Tractor Industry (Industry first).
- k. In house developed fully sealed bi-functional halogen projector for Farm Equipment Segment (Lumax first).
- l. In house developed High Beam Booster with thick lens (Lumax first).
- m. In house design of LED Winker Lamp with very small size for 2W (Single Chip LED).
- n. In house design of Projector Head lamp to meet India/ Europe/ USA Market requirements.( First time in Tractor Industry).

## Annexure - G (Contd.)

- o. In house micro controller based design & embedded software development.
  - p. Bi-Functional LED Projector for 2W application (1st Time in Lumax).
  - q. Implementation of standardized light engines for low cost LED Headlamp (1st time in Lumax).
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:**
- a. Self-Reliance Technology – Lower engineering cost without reliance on engineering in higher cost regions. Improved customer responsiveness. Higher engineering efficiency and reaction to customer requirements.
  - b. Self-Reliance in Technology - The Design team aligned with customer right from the concept stage to provide end to end solution. This move of the Company turned it into a System Provider from Product Supplier.
  - c. Company Implemented Core COC Organization Structure led by Pool of experts in Core Mechanical, Optics, Electronics & Standardization for Improvements in Product Design & Development.
  - d. Company through its Wholly Owned Subsidiary namely Lumax Industries Czech s.r.o. helps in bringing advance Lighting Technologies to India at Affordable cost.
  - e. Launch of new proprietary optical design software that allows for more efficient and accurate optical design. Software performs optical surface creation, ray tracing and beam analyzer to meet legal and customer requirements.
  - f. New optical software tool to allow for dynamic homogeneity and lit evaluation, eliminating the need for expensive prototypes.
  - g. The Engineers of the Company are being trained in Stanley Japan which shall prove to be beneficial for customer as well for our country with respect to localization of design as well as technology transfer in long run.
  - h. Stanley, Japan continues to provide extensive support in in-house design and development activities and under its leadership two senior designers are stationed at Company. This has enabled to provide prompt technical solution to customers for their immediate needs.

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

a.	<b>Technology Imported</b>	Light Curtain	Bi LED Projector Unit for Headlamps	Mono Projector Unit for Head lamp
b.	<b>Year of Import</b>	2018-19	2019-20	2020-21
c.	<b>Whether the technology been fully absorbed</b>	Absorbed in 2 wheeler Position Lamps	Absorbed in Higher Variant of Vehicle model	Absorbed in 4 wheeler Head Lamps
d.	<b>If not fully absorbed, areas where absorption has not taken place, and the reason thereof</b>	This technology, in future can be used in 2 wheeler/ 4 wheeler Lamps	Currently due to high cost it is not yet adopted in base version. Initiated for Localization.	This technology has the potential for being used in future models of 4 wheeler Head Lamps.

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

The adoption of new innovative lighting technology continues to accelerate in India and Lumax has responded with the increased investment and focus on leading the way to allow this trend to continue. Key element is to further develop the technical competency in India, to maximize the amount of development that can occur in the country. This allows Lumax to be not only a cost effective supplier of choice, but also provide its customers with a wide range of innovative solutions to choose from.

Lumax presently has 2 development centers in India viz. Pune and Gurugram, and one development center in Taiwan.

To further strengthen its R&D capabilities, the Company has set up the Lumax European Technology Centre through its Wholly Owned Subsidiary namely Lumax Industries Czech s.r.o.

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

- Capacity & Competency Enhancement in Core COC Engineering areas like (Optics, CAE, Core Mechanical & Electronics).

## Annexure - G (Contd.)

- Charging Indicator Animation Lamp.
- Dedicated team for the development of projector modules specific to the Indian Market.
- Ultra compact LED Headlamp modules with 15mm height.
- Matrix / ADB headlamp modules, including drivers and controls.
- Designing of BI-LED & Mono Functional Low Cost Sealed Projector 2W & 4W.
- Innovative Signaling Feature (Welcome & Good Bye).
- Innovative Signaling Feature With 3D Holographic effect.
- Next Generation O-LED Signaling Option.
- Static & Dynamic Logo Projection System as Styling/Safety features.
- Lit Logo.
- Interior and mood lighting.

### b. Benefits derived as a result of the above R&D

- Complete in house designing of LED Lighting Systems for Automotive applications as a Journey towards self reliance.
- Integration of New & Advance Technology in Automotive Lighting System (Welcome & Good Bye, 3D Holographic Effects, Lit Logo, Static/Dynamic Projection System etc. in India).
- New Interior Lighting Applications.
- High efficiency and modular solutions for the EV segment.
- Early adoption of lighting innovations., migrating from 4W market to 2W and Tractors.

### c. Future plan of action

- Continuous Development towards Capability Enhancements in Core Engineering, Prototyping & Validation capabilities for safe Launches.
- Introduction of High Resolution ADB Solutions.
- Compact and Low Profile Projector modules, including AFS and ADB.
- Innovative 3D Holographic Tail Functions for automotive application.
- Dynamic & Static Projection Logo introduction in India market.
- Work towards OLED or OLED like Tail Function on Lighting Systems.

- As a part of Personalization introduce Custom signature Features.
- Innovative Interior Lighting and Smart Surfaces.
- Ultra compact/efficient projector portfolio for 4W, 2W, and FES.

### d. The Expenditure incurred on Research and Development (R&D):

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2021-22
(i) Capital	381.64	211.02
(ii) Recurring	5,004.35	4582.34
<b>Total</b>	<b>5,385.99</b>	<b>4793.36</b>
(iii) Total R&D Expenditure as a percentage of Total Turnover (%)	2.32%	2.74%

### (C) The Foreign Exchange earned in terms of actual

- inflows during the year is ₹ 3,645.11 Lakhs.
- the Foreign Exchange outgo during the year in terms of actual outflows is ₹ 50,761.64 Lakhs.

### Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans

Your Company is continuously striving for growth in business in the export market. During the Year under review, the following export development and promotion measures were taken:

- New Full LED Headlamp [with Low Beam only] was developed for new series of Tractor and approved by JD, USA. The mass production supplies for the same will commence from Mar'23.
- Discussion with US based EV Manufacture for supply of Small Lamps to the US market.
- On-going discussion with Trucklite for upgradation of Conventional lamps to LED Lamps.
- Engagement with existing Export Customers for increasing the business by offering off the shelf products.
- Engaging with OEM's based out of Central Europe through New Design Center in Czech republic.

**For and on behalf of the Board of Directors**

**Lumax Industries Limited**

**Deepak Jain**

Place: Gurugram  
Date: July 28, 2023

Chairman & Managing Director  
DIN: 00004972

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT



SECTION

A

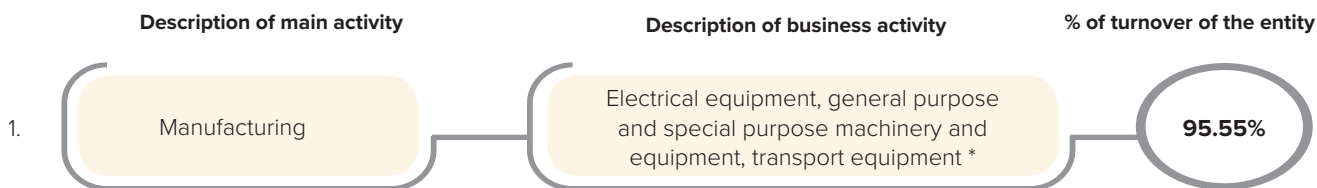
## GENERAL DISCLOSURES

### i. DETAILS OF THE LISTED ENTITY

1.	<b>Corporate Identity Number (CIN) of the Listed Entity</b>	▶ L74899DL1981PLC012804
2.	<b>Name of the listed entity</b>	▶ Lumax Industries Limited (The 'Company')
3.	<b>Year of incorporation</b>	▶ 1981
4.	<b>Registered office address</b>	▶ 2nd Floor, Harbans Bhawan-II Commercial Complex, Nangal Raya New Delhi -110046
5.	<b>Corporate address</b>	▶ Plot no. 878, Udyog Vihar, Phase V, Gurugram - 122 016, Haryana, India
6.	<b>E-mail</b>	▶ <a href="mailto:contactbrsr.lil@lumaxmail.com">contactbrsr.lil@lumaxmail.com</a>
7.	<b>Telephone</b>	▶ 0124-4760000
8.	<b>Website</b>	▶ <a href="https://www.lumaxworld.in/lumaxindustries">https://www.lumaxworld.in/lumaxindustries</a>
9.	<b>Financial year for which reporting is being done</b>	▶ 2022-2023
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	▶ BSE Limited and National Stock Exchange of India Limited
11.	<b>Paid-up capital</b>	▶ ₹ 9,34,77,320
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	▶ Mr Raajesh Kumar Gupta, 0124-4760000, <a href="mailto:contactbrsr.lil@lumaxmail.com">contactbrsr.lil@lumaxmail.com</a>
13.	<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)</b>	▶ The disclosure under this report have been made on Standalone basis.

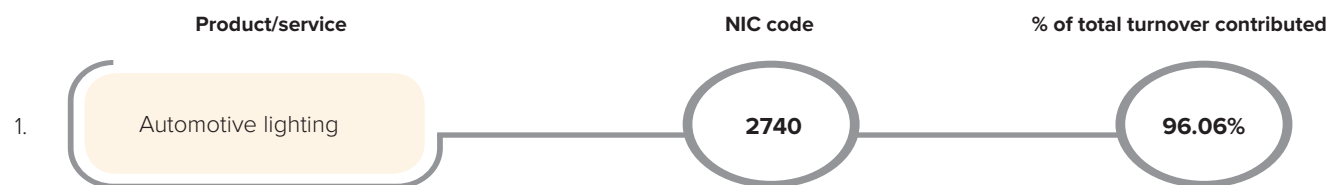
**ii. PRODUCTS/SERVICES**

**14. Details of business activities (accounting for 90% of the turnover):**



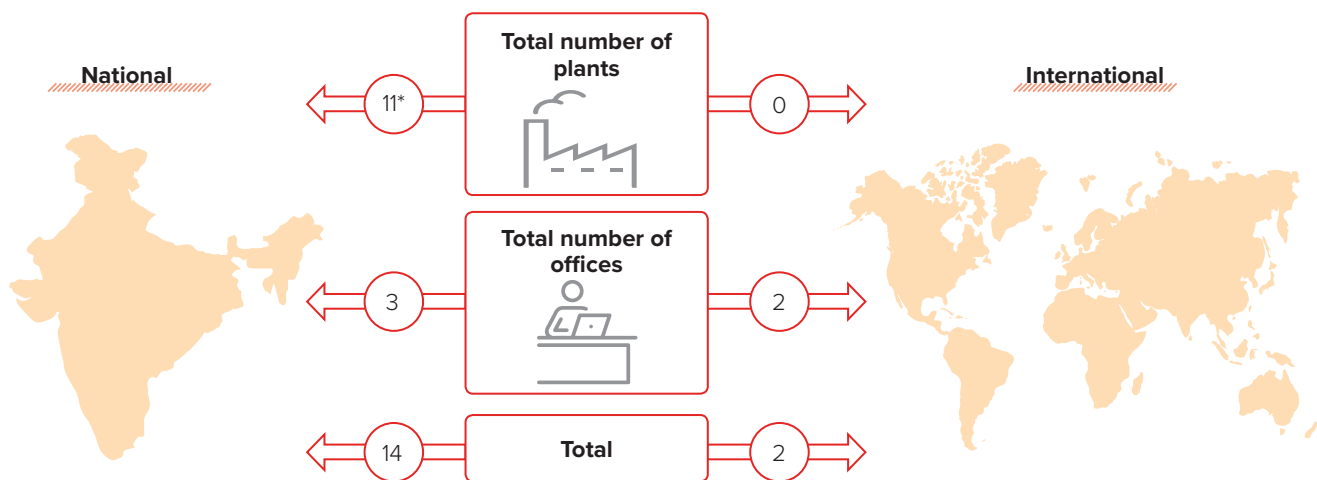
\* These details are in line with Form No. MGT-7 prescribed by MCA.

**15. Products/services sold by the entity (accounting for 90% of the entity's turnover):**



**iii. OPERATIONS**

**16. Number of locations where plants and/or operations/offices of the entity are situated:**



\* The operations of the Gurugram plant of the Company have been closed with effect from May 31, 2023.

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

**17. Markets served by the entity:**

**a. Number of locations**

Locations	Number
National (No. of states)	14
International (No. of countries)	5



**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

1.55% of the total turnover of the entity is contributed through exports.

**c. A brief on types of customers:**

The Company is engaged in the automobile lighting business, which provides a full range of premium quality automotive lighting solutions for four-wheelers, two-wheelers and commercial vehicles, catering to automobile manufacturing in India and global markets. The sales are mainly through Business to Business (B2B) model to Original Equipment Manufacturers (OEMs). The Company has a distinguished and esteemed customer base, which includes Maruti Suzuki, Tata Motors, Mahindra & Mahindra, MG Motors, Toyota Kirloskar, Hero Motocorp, Honda Motors, TVS and Suzuki Motors.

## iv. EMPLOYEES

**18. Details as at the end of financial year:**

**a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1	Permanent (D)	1,276	1,200	94.04%	76	5.96%
2	Other than permanent (E)	0	0	0.00%	0	0.00%
3	<b>Total employees (D + E)</b>	1,276	1,200	94.04%	76	5.96%
<b>Workers</b>						
4	Permanent (F)	1,238	1,147	92.65%	91	7.35%
5	Other than permanent (G)	3,208	2,609	81.33%	599	18.67%
6	<b>Total workers (F + G)</b>	4,446	3,756	84.48%	690	15.52%
<b>b. Differently abled employees and workers</b>						
<b>Differently abled employees</b>						
1	Permanent (D)	1	1	100.00%	0	0.00%
2	Other than permanent (E)	0	0	0.00%	0	0.00%
3	<b>Total differently abled employees (D + E)</b>	1	1	100.00%	0	0.00%
<b>Differently abled workers</b>						
4	Permanent (F)	0	0	0.00%	0	0.00%
5	Other than permanent (G)	0	0	0.00%	0	0.00%
6	<b>Total differently abled workers (F + G)</b>	0	0	0.00%	0	0.00%

**19. Participation/inclusion/representation of women**

Board of Directors			Key Managerial Personnel (KMP)		
No. and % of females			No. and % of females		
Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
12	1	8.33%	7	0	0%

\*5 Key Management Personnel are also included in the Board of Directors as mentioned above.

**20. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent employees</b>	28%	44%	29%	23%	23%	23%	19%	22%	19%
<b>Permanent workers</b>	49%	60%	50%	43%	22%	41%	51%	47%	50%

**V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**
**21. (a) Names of holding/subsidiary/associate companies/joint ventures**

Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the business responsibility initiatives of the listed entity? (Yes/No)
SL Lumax Limited	Associate	21.28%	No
Lumax Industries Czech s.r.o.	Wholly-Owned Subsidiary	100%	No

## vi. CSR DETAILS

22.

Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Turnover (in ₹)

Net worth (in ₹)

**Yes**

**2319.52 Crore**

**481.41 Crore**

## vii. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:










Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)*	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	-	0	0	-
Investors (other than shareholders)	No	0	0	-	0	0	-
Shareholders	Yes	3	0	-	3	0	-
Employees and workers	Yes	0	0	The enquiry was concluded on the complaint which was received on March 25, 2022. This complaint was disposed off on November 10, 2022.	1	1	The complaint was received on March 25, 2022.
Customers	Yes	83	0	-	136	0	-
Value chain partners (Productive suppliers)	Yes	0	0	-	0	0	-
Other (please specify)	-	-	-	-	-	-	-










\*The Company's stakeholders include Customers, Suppliers, Employee/Workers, Business Partners, Board of Directors, Promoters, Government, Institution/Industry Bodies, Community, Society and Investors. The Company has a strong Grievance Redressal Mechanism through various policies and procedures across all operations. For example, the Company has a well-defined Vigil Mechanism/Whistle-Blower Policy ([https://www.lumaxworld.in/lumaxindustries/pdf/vigil-mechanism-whistle-blower-policy\\_LIL.pdf](https://www.lumaxworld.in/lumaxindustries/pdf/vigil-mechanism-whistle-blower-policy_LIL.pdf)), Anti-Bribery Policy (available on Company's Intranet) and Policy on Prevention of Sexual Harassment of Women at Workplace (<https://www.lumaxworld.in/lumaxindustries/pdf/policy-on-prevention-of-sexual-harassment-of-women.pdf>) for all of its female employees to allow for the expression of concerns and grievances. Further, there is a defined Escalation matrix for the Company's productive suppliers for addressing their grievances. In addition to this, the Company through its Legal and Secretarial Department takes care of other stakeholders' grievances.

**24. Overview of the entity’s material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format :



S. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Waste management	 	Handling and disposal of waste pose as a risk. Waste reduction together with enhanced circular economy and performance has added environmental benefits as opportunity.	Disposal of waste through authorized recyclers.	Together with some negative implications, this would largely have a positive impact on cost-cutting opportunities through waste management, as the manufacturing process generates waste as a by-product.
2	Water management		Reduction in consumption in the Company’s business processes.		This would have minor financial implications as the Company has already taken significant initiatives to reduce water consumption and recycle it efficiently in past. Hence there seems to be a little scope for further efficient use of water.
3	Climate and environmental action		Global warming and industry operation and transition risk.	Climate change and industry transition are now embedded in the Company’s risk management process.	There may be negative financial consequences for failing to implement mitigating strategies. However, the Company is committed to taking positive steps in the right direction.
4	Energy	 	Use of energy is an inevitable part of the Company’s operations. However, efficient use and the implementation of own renewable energy sources will help in improving Company’s operations.	Active energy management and transition to ISO 50001.	In the short-term, there may be a negative financial impact from investing on Solar Generators; however, in the long-term there would be a positive financial impact from methodical use of energy sources and aligning with industry expectations.
5	Emissions		Challenging roadmap to address Scope 3 Green House Gases (GHG) emissions with respect to value chain partners.	Roadmap for Scope 1 and 2 GHG emission is being designed with committed timelines. Furthermore, the collaboration for detailed strategies to address Scope 3 GHG emission for the entire supply chain of the Company will help address the issue in a progressive manner.	There may be negative financial consequences for failing to implement the designed roadmap and future strategies. However, the Company is committed to taking positive steps in the right direction.
6	Employee health and safety	 	In a company, managing safety and health is an essential component of running a business. Therefore, businesses must conduct a risk assessment to identify hazards and risks in their workplace(s) and implement actions to successfully control them.  The Company is committed to continuous improvement in health and safety best practices worldwide, in accordance with its global SHE policy, for all employees and workers.	There are several initiatives and programs that have been implemented to cover all aspects of health and safety management and are being actively monitored for continuous improvement.	There may be some financial investments in terms of taking measures for employee safety; that would, in turn have a significantly high positive impact on employee health and their confidence in the Company’s culture in the long run, which would attract new talent and help retain the existing employees.

S. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Diversity and equality		Insufficient diversity across the group to find the right talent to balance the diversity equation.	Improved hiring techniques, demonstrating the Company's value and culture to attract a diverse talent pool.	There may be minor financial implications while strategizing improved hiring techniques and systems.
8	Community	 	Health and safety as risk. Talent attraction and retention as opportunity.	Socio-economic compliance.	Probable positive and negative financial impacts.
9	Employee engagement		Increased loyalty and productivity.		Neutral financial impact.
10	Risk management		Risk evaluation to mitigate negative business performance and capitalize on the opportunities.		Positive financial impact.
11	Ethics and compliance	 	Regulatory risk with respect to operating in multiple jurisdictions and culture. Healthy and safe environment and freedom to speech as opportunity.	Compliance with the Code of Conduct, Annual Ethics Training program, Grievance Redressal Mechanism and periodic Compliance Audits.	Probable and negative financial impact for regulatory breach.
12	Products and innovation		Product enhancement, diversification and value additions aligned with industry trends. Further, environmental aspects are further to be considered in product design.		Positive financial impact.
13	Management Systems		Increased efficiency, agility, consistency and productivity across the entire Company.		Positive financial impact.





## SECTION **B** MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Policies as prescribed under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 are uploaded on the website of the Company, which can be accessed at the link mentioned below. <a href="https://www.lumaxworld.in/lumaxindustries/policies.html">https://www.lumaxworld.in/lumaxindustries/policies.html</a> Other policies are uploaded on the Company's Intranet and are not publicly available.								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. Some of the Company's policies extend to certain value chain partners as well.								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> <li>• IATF 16949</li> <li>• ISO 14001</li> <li>• ISO 45001</li> <li>• ISO 27001</li> <li>• ISO 50001</li> <li>• ESD S2020</li> <li>• ISO 9001</li> </ul>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>The Company is developing an Environment, Social and Governance (ESG) Roadmap with defined commitments, goals and targets has also has identified some of the Environmental and Social Key Performance indicators (KPIs) which include:</p> <ul style="list-style-type: none"> <li>• Assessment of Scope 1, 2 and 3 GHG emissions.</li> <li>• Promoting the use of renewable energy and reducing overall energy consumption.</li> <li>• Zero waste to landfills.</li> <li>• Implementing zero liquid discharge mechanism across the Company's plants.</li> <li>• Promoting plastic alternatives in daily use and the use of returnable packaging.</li> <li>• Foster a successful and diverse workplace.</li> <li>• Promoting diversity and inclusion.</li> <li>• Enhancing suppliers' diversity.</li> <li>• Enhancing learning environment for the workforce.</li> </ul>								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company's endeavor has always been to fit and comply with its initiatives within the ESG framework. From the current year onwards, the Company has started restructuring and revamping most of its initiatives within particular ESG boundaries. Therefore, the Company would start reporting the performance of the entity against the specific commitments, goals and targets from next year onwards.								

Governance, leadership, and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements ( <i>listed entity has flexibility regarding the placement of this disclosure</i> )	<p>Lumax Industries Limited is committed to the inclusive growth objectives strengthening its efforts to align itself with the 'United Nations' 17 Sustainable Development Goals (SDGs). The Company is further committed to preserve the 3Ps (People, Planet and Prosperity) of Sustainability.</p> <p>In an increasingly complex and changing world, businesses are constantly facing new challenges and risks, which are evolving due to climate change, environmental degradation, loss of biodiversity, rising inequality, increasing expectations from local communities and associated regulatory changes.</p> <p>The Company being a responsible corporate citizen, will continuously strive to improve its performance towards environmental and social impacts while maintaining focus on strong Corporate Governance. The Company at the Board of Directors' level oversees its ESG/Sustainability initiatives.</p> <p>In a way, Sustainability is at the core of everything the Company does, in line with its purpose to be the leader in automotive technology products. The Company has its sights set firmly on helping to bring the future of mobility to the global consumers faster. Since it consistently delivers best-in-class products, exceeding consumer expectations, it would help the Company to build lasting bonds within the automotive industry.</p> <p>In terms of Environment initiatives, the Company's focus is on minimizing climate change, reducing GHG emissions, bringing energy efficiency and reducing water consumption.</p> <p>For Social initiatives, the Company emphasizes on workforce management, improved Company culture, balancing Diversity and Inclusion, Learning and Development, Occupational Health and Safety, Human Rights and Supplier Diversity.</p> <p>Regarding Governance, the Company strives to make better ESG Management, Business Integrity, Cyber-Security, Board Diversity and Policy and Reporting.</p> <p>While the Company's endeavor has always been to fit and comply with its initiatives into ESG framework; from the current year onwards, it has started restructuring and revamping most of its initiatives to fit into particular ESG boundaries, therefore, it would start reporting the achievements from the next reporting year onwards.</p>
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>For the Financial Year ended March 31, 2023, Mr Vineet Sahni, CEO and Sr. Executive Director was responsible for implementation and overseeing the Business Responsibility Policies.</p> <p>Subsequent to year end, Mr Vishnu Johri, CEO has been nominated for the said responsibility.</p>
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	<p>No specified Committee of the Board responsible for sustainability-related issues has been formed. However, Mr Raajesh Kumar Gupta, Executive Director is responsible for decision making on sustainability-related issues.</p>

#### 10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/half yearly/quarterly/any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Department heads, Business heads and Executive Directors examine the Company's policies on a regular basis or when necessary. The efficacy of the policies is examined during this assessment and any necessary modifications to policies are done and updated procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all currently applicable regulations.																	

## Statutory Reports

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No, the Company has not carried out independent assessment/evaluation of the workings of its policies by an external agency.								

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next Financial Year (Yes/No)									
Any other reason (please specify)									



**SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 01**  
**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

**1. Percentage coverage by training and awareness programs on any of the principles during the Financial Year:**

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programs
Board of Directors	2	ESG Awareness Technical Updates	75%
Key Managerial Personnel	1	ESG Awareness	100%
Employees other than BoDs and KMPs	208	<ul style="list-style-type: none"> <li>- POSH Awareness</li> <li>- ESG &amp; Sustainability</li> <li>- GHG Accounting (Carbon Emission Assessment)</li> <li>- Technical Updates (Accounting, Auditing &amp; Relevant Regulatory)</li> <li>- Prohibition of Insider Trading &amp; Awareness Session</li> <li>- New Policies &amp; Guidelines</li> <li>- SAP Module Trainings</li> <li>- Fire Safety Training</li> <li>- Budget Meeting - Functional Training</li> <li>- Sessions on Goal Setting</li> <li>- Cyber Security Awareness &amp; Training Program</li> <li>- Quality Function Development (QFD) Awareness Sessions</li> <li>- Low Cost Automation-Supplier Capability Building-Training Announcements</li> <li>- Training to Managers on Performance Management System (PMS)</li> <li>- MS Excel Training</li> <li>- Training on ISO 50001 : 2018</li> </ul>	100%

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programs
Workers	241	<ul style="list-style-type: none"> <li>• <b>Health and Safety Awareness</b> <ul style="list-style-type: none"> <li>- Health Trainings</li> <li>- Yoga Sessions</li> <li>- Safety Trainings</li> <li>- Fire Trainings</li> </ul> </li> <li>• <b>Skill Upgradation</b> <ul style="list-style-type: none"> <li>- Posh Awareness</li> <li>- ESG Awareness</li> <li>- Cyber Security Training</li> <li>- Quality Control Circle (QCC) Trainings</li> <li>- Process Trainings</li> <li>- Behavioral Trainings</li> <li>- Maintenance-related Trainings</li> <li>- Induction Trainings</li> <li>- Finance Trainings</li> <li>- Cost Cutting Trainings</li> <li>- New Product Development Trainings</li> <li>- Software Trainings</li> <li>- SAP Trainings</li> <li>- MIS Trainings</li> <li>- Resource Conservation Trainings</li> </ul> </li> </ul>	100%

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the Financial Year, in the following format**

(Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Penalty/fine Settlement Compounding fee	No material fines/penalties/punishment/award/compounding fees/settlement amount were levied/paid in proceedings by the Company or by Directors/KMPs with Regulators/Law Enforcement Agencies/Judicial Institutions during the financial year.				



Non-monetary				
	NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable.	

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has an Anti-Corruption and Bribery Policy, which is available on the Company's Intranet, that can be accessed by all the employees.

Lumax Industries Limited is committed to maintain sound standards of Business Conduct and Corporate Governance, wherein the Company follows a zero-tolerance approach towards Bribery and Corruption.

The purpose of this Policy is to establish adequate procedures in order to prevent the Company's involvement in any activity relating to bribery, corruption or facilitation payments.

The Policy is mandatory for all the Company's employees and other business partners working on behalf of the Company from anywhere in the world.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil



**6. Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current financial year)		FY 2021-22 (Previous financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable, as there were no cases of corruption and conflicts of interest were reported during the year.


**Leadership Indicators**
**1. Awareness programs conducted for value chain partners on any of the principles during the financial year:**

<b>Total number of awareness programs held</b>	<b>Topics/principles covered under the training</b>	<b>% age of value chain partners* covered (by value of business done with such partners) under the awareness programs</b>
1	Awareness session on BRSR compliance of SEBI for Suppliers	47% of all productive suppliers

\* This assessment includes only the productive suppliers. Other categories of value chain partners are not included.

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes. The Company has a Code of Conduct for Board of Directors and Senior Management. This Code lays down the roles and responsibilities of the Board of Directors and Senior Management.

The Code specifies that the Directors and Senior Management shall always act in good faith to promote the business and objectives of the Company for the members as a whole and in the best interests of the Company, its employees, shareholders, the community and shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company.

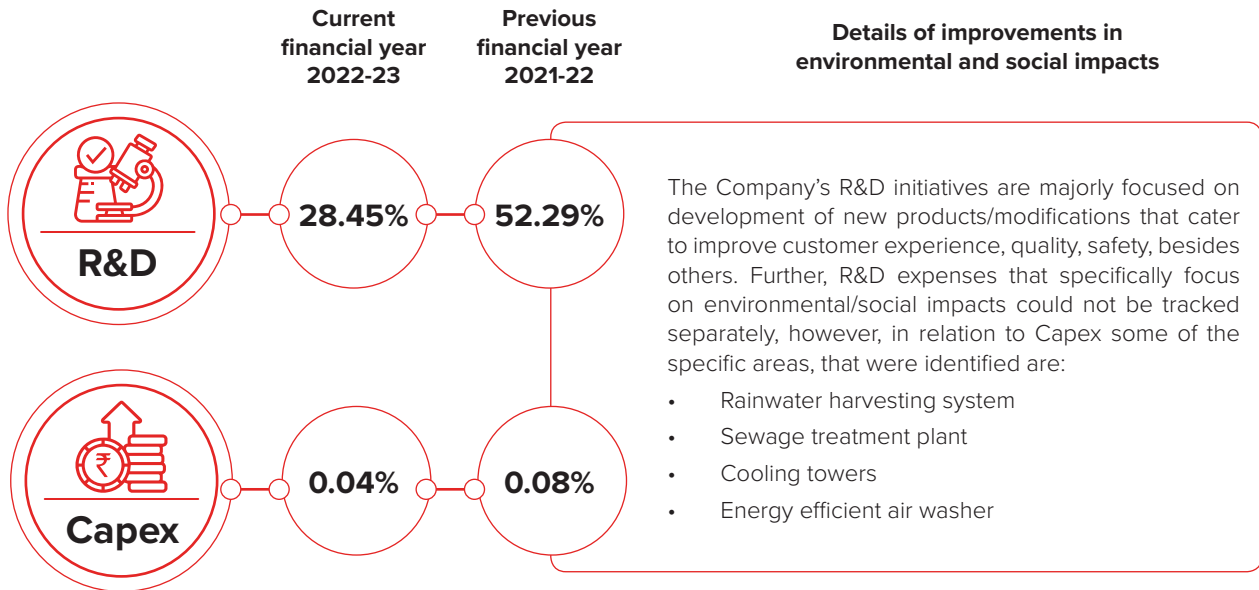
In case of any probable conflict of interest, he/she should make full disclosure of all the facts and circumstances thereof to the Board of Directors and the Audit Committee.

PRINCIPLE  
**02**

Businesses should provide goods and services in a manner that is sustainable and safe

**Essential Indicators**

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.



**2.**

- a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company has procedures in place for sustainable sourcing. The Company considers Social, Ethical and Environmental performance factors in the process of selecting suppliers. The Company's supplier selection, assessment and evaluation process includes elements of Sustainability, this process also includes initial supplier survey, continuous risk evaluations and periodic audits and assessments.

- b. If yes, what percentage of inputs were sourced sustainably?**

All productive suppliers were assessed on parameters of sustainable sourcing and results were compiled. These suppliers are mandated to adhere to the Company's Supplier's Code of Conduct, which comprises certain aspects such as Labor Law Compliance and Human Rights, Occupational Health and Safety, Environmental Protection and Ethical Business among others.

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company's products are delivered directly to OEMs, hence the Company's options for reclaiming them at the end of their life cycle are limited. The Company, on the other hand, has procedures in place to recycle plastics, e-waste, and hazardous waste in a safe manner. Furthermore, multiple measures are taken by the Company to further reduce waste generation and reuse and recycle it.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable to the Company’s activities in FY 2022-23. Out of 5 states, where the Company operates, 4 of the States (Uttarakhand, Gujarat, Maharashtra and Karnataka) are registered with Pollution Control Board (PCB) and Registration Certificates have been issued. For the state of Haryana, the application has been filed, and registration status is showing as ‘In Process’ on the EPR Portal. On an overall basis, the waste collection plan is in line with the EPR plan submitted to PCB.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC code	Name of product/service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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The Company has not carried out the LCA for any of its products so far. However, the Company is planning to do the same in the near future.

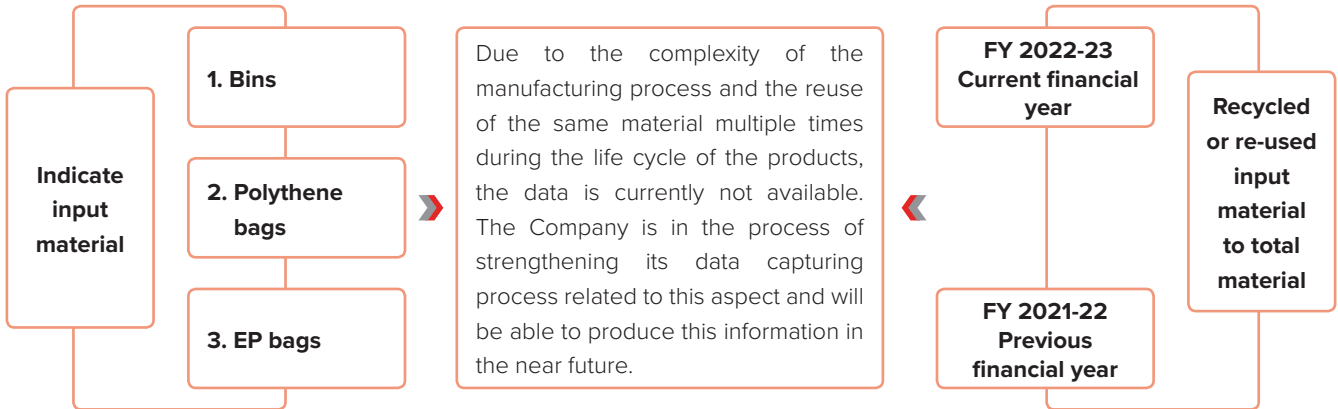
**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of product/service	Description of the risk/concern	Action taken
-------------------------	---------------------------------	--------------

Not applicable, as the Company is in the process of carrying out the LCA in the coming years.



**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**



**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	Not applicable, as the Company directly supplies its products to OEM customers as a B2B Tier-1 supplier; therefore, it does not have a business model focused on end-of-life recovery of the final product.					
E-waste						
Hazardous waste						
Other waste						

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**



Not applicable, as the Company directly supplies its products to OEM customers as a B2B Tier-1 supplier; therefore, it has limited scope for reclaiming it at the end of its life cycle.





**PRINCIPLE**  
**03**

Businesses should respect and promote the well-being of all employees, including those in their value chains


**Essential Indicators**
**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B)/(A)	Number (C)	% (C)/(A)	Number (D)	% (D)/(A)	Number (E)	% (E)/(A)	Number (F)	% (F)/(A)
<b>Permanent employees</b>											
Male	1,200	1,200	100.00%	1,200	100%	0	0.00%	1,200	100%	0	0.00%
Female	76	76	100.00%	76	100%	76	100.00%	0	0.00%	44	57.89%
<b>Total</b>	<b>1,276</b>	<b>1,276</b>	<b>100.00%</b>	<b>1,276</b>	<b>100%</b>	<b>76</b>	<b>5.96%</b>	<b>1200</b>	<b>94.04%</b>	<b>44</b>	<b>3.45%</b>
<b>Other than permanent employees</b>											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

**b. Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B)/(A)	Number (C)	% (C)/(A)	Number (D)	% (D)/(A)	Number (E)	% (E)/(A)	Number (F)	% (F)/(A)
<b>Permanent workers</b>											
Male	1,147	1,147	100.00%	1,147	100.00%	0	0.00%	718	62.60%	0	0.00%
Female	91	91	100.00%	91	100.00%	91	100%	0	0.00%	91	100.00%
<b>Total</b>	<b>1,238</b>	<b>1,238</b>	<b>100.00%</b>	<b>1,238</b>	<b>100.00%</b>	<b>91</b>	<b>7.35%</b>	<b>718</b>	<b>58.00%</b>	<b>91</b>	<b>7.35%</b>
<b>Other than permanent workers</b>											
Male	2,609	2,609	100.00%	2,609	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	599	599	100.00%	599	100.00%	599	100.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>3,208</b>	<b>3,208</b>	<b>100.00%</b>	<b>3,208</b>	<b>100.00%</b>	<b>599</b>	<b>18.67%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

**2. Details of retirement benefits, for current financial year and previous financial year.**

FY 2022-23 Current financial year			Benefits	FY 2021-22 Previous financial year		
No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
100%	100%	Y	PF	100%	100%	Y
100%	100%	Y	Gratuity	100%	100%	Y
100%	100%	Y	ESI	100%	100%	Y
-	-	-	Others-please specify	-	-	-

**3. Accessibility of workplaces**

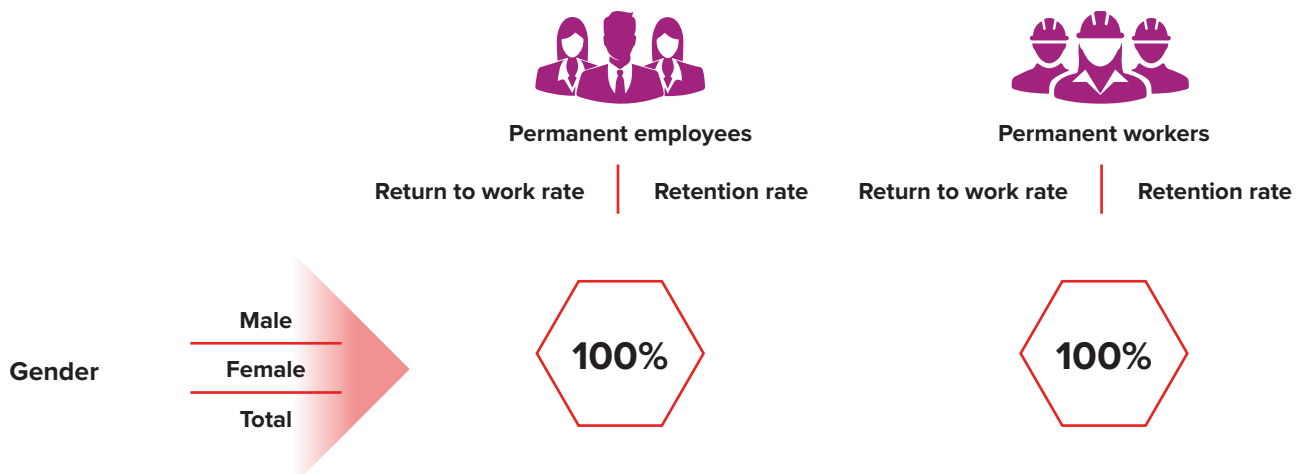
Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The premises/offices of the Company are also accessible to differently abled employees and workers together with normal employees, barring a few places/locations/manufacturing facilities due to safety considerations and the specific design and structure of certain places.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016, which is available on the Company's intranet.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**



**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

**Yes/No**

**(If yes, then give details of the mechanism in brief)**

Permanent workers

Other than permanent workers

Permanent employees



Yes, the Company's Vigil Mechanism/Whistle-blower Policy is available for all categories of permanent employees and workers. The said mechanism provides for the adequate safeguards against unfair treatment of employees who wish to raise any concern and also provides direct access to the Chairman of the Audit Committee in appropriate/exceptional cases.

Other than permanent employees



N/A

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2022-2023 (Current financial year)			FY 2021-2022 (Previous financial year)		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total permanent Employees</b>	<b>1,276</b>	<b>0</b>	<b>0.00%</b>	<b>1,191</b>	<b>0</b>	<b>0.00%</b>
Male	1,200	0	0.00%	1,117	0	0.00%
Female	76	0	0.00%	74	0	0.00%
<b>Total permanent Workers</b>	<b>1,238</b>	<b>401</b>	<b>32.39%</b>	<b>1,090</b>	<b>408</b>	<b>37.43%</b>
Male	1,147	399	34.79%	1,001	403	40.26%
Female	91	2	2.20%	89	5	5.62%





### 8. Details of training given to employees and workers:

Category	FY 2022-23 Current financial year					FY 2021-22 Previous financial year				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1,200	1,159	96.58%	872	72.67%	1,117	728	65.17%	682	61.06%
Female	76	223	293.42%*	145	190.79%*	74	59	79.73%	59	79.73%
<b>Total</b>	<b>1,276</b>	<b>1,382</b>	<b>108.31%*</b>	<b>1,017</b>	<b>79.70%</b>	<b>1,191</b>	<b>787</b>	<b>66.08%</b>	<b>741</b>	<b>62.22%</b>
<b>Workers</b>										
Male	3,756	1,769	47.10%	1,622	43.18%	3,295	996	30.23%	1,075	32.63%
Female	690	531	76.96%	429	62.17%	464	278	59.91%	376	81.03%
<b>Total</b>	<b>4,446</b>	<b>2,300</b>	<b>51.73%</b>	<b>2,051</b>	<b>46.13%</b>	<b>3,759</b>	<b>1,274</b>	<b>33.89%</b>	<b>1,451</b>	<b>38.60%</b>

\*Due to high attrition rate during the year, since the closing number at year end is less than the average number during the year, therefore the % as mentioned above is higher than 100%.

### 9. Details of performance and career development reviews of employees and worker:

FY 2022-23 Current financial year			Category 	FY 2021-22 Previous financial year		
Total (A)	No. (B)	%(B)/(A)		Total (C)	No. (D)	%(D)/(C)
<b>Employees</b>						
1,200	1,200	100%	Male	1,117	100%	
76	76	100%	Female	74	100%	
<b>1,276</b>	<b>1,276</b>	<b>100%</b>	<b>Total</b>	<b>1,191</b>	<b>100%</b>	
<b>Workers</b> 						
1,147	1,147	100%	Male	1,001	100%	
91	91	100%	Female	89	100%	
<b>1,238</b>	<b>1,238</b>	<b>100%</b>	<b>Total</b>	<b>1,090</b>	<b>100%</b>	

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?

Yes. The Company has implemented an Occupational Health and Safety Management System and it is an integral component of the Company's business. The Company's endeavor is to create an environmentally friendly system for its employees that is gentle on their health and safety through the use of the following mechanisms:

- Continuously improving the environmental Occupational Health and Safety performance
- Establishing an incident-free work environment
- Maintaining proper disposal of waste and pollutants
- Keeping waste to a minimum to preserve natural resources
- Compliance with applicable legal compliances
- Encouraging innovation for prevention of pollution, injury and ill health

Further, the Company is ISO 45001 certified and covers 80% of its plants.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis entity?

Hazard Identification Risk Assessment (HIRA) is a process, established by the Company for defining and describing hazards by characterizing their probability, frequency, and severity and evaluating adverse consequences, including potential losses and injuries. A risk assessment that provides the factual basis for activities is included in the corporate safety strategy to reduce losses from identified hazards at the workplace. While carrying out Hazard Assessment, all the activities including routine and non-routine in each section are selected and a Hazard Assessment is conducted to identify the significant risks. For all the significant risks, control measures are defined to mitigate the risks. For routine activities- the Company has a Safety Audit check sheet having 188 check points and it covers all the processes (main gate, chemical store, maintenance and utility, scrap yard and hazardous waste, hot work area, molding section, surface treatment, assembly, tool room, loading and unloading, store area, office, canteen, top roof, solar system, robotic area, legal & others points. For non-routine activities, the Company has a work permit system like for height work and excavation work etc. and also uses the hazard identification technique.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has processes for workers to report work-related hazards and to remove themselves from such risks.

- d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, the employees/workers of the Company have access to non-occupational medical and healthcare services.





**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		Current financial year	Previous financial year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.15	0
	Workers	0.15	0.45
Total recordable work-related injuries	Employees	1	0
	Workers	1	3
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**


The Company prioritizes the health and safety of its employees and considers them its most valuable asset. 80% of the plants of the Company are certified Occupational Health and Safety Management Systems as per ISO 45001. In addition to the inputs provided under question No. 10 above, some of the mitigation strategies to stop or mitigate adverse effects on occupational health and safety include:

- Daily safety patrolling with the Plant Head, Maintenance Head and Safety Officers to identify unsafe acts and conditions
- Safety audit process by plant safety officers
- Internal Safety Review with all the Safety Committee Members (including all Process in Charges, Workers' Committee Members, Maintenance Head, Safety Officer and Plant Head)
- Corporate Safety Audits are done once every 2 months with specific check sheet that covers all processes
- Safety trainings are in place for covering various areas
- The Medical rooms are equipped with basic emergency care equipment and medicines

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-23 Current financial year			FY 2022-21 Previous financial year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	-	Nil	Nil	-
Health & safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:




**Health & safety practices**

**% of your plants and offices that were assessed (by entity or statutory authorities or third parties)**

---

95% of the plants and offices were assessed internally by the Company.



**Working conditions**

**% of your plants and offices that were assessed (by entity or statutory authorities or third parties)**

---

95% of the plants and offices were assessed internally by the Company.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

At Lumax Industries Limited, safety at the workplace is of prime importance and is of utmost priority for all. The Company has always focused on creating and ensuring a culture of safety, focusing on the Company’s responsibility towards the health and safety of each employee and worker. The Company has set up a unique system w.r.t. safety inspections, operation control, monitoring, audits, assessments and others. As a result of these, gaps are identified, learning needs are established, further improvements are done, and further controls are implemented and tracked for a better compliance framework.

In specific, there were some identified areas where there was some scope for improvement with respect to chemical spillage on floor while arranging the products in racks. To address these issues, following corrective actions were taken:

- Spill kit placed at loading and unloading areas
- Drain flow of spillage is collected in the collecting pit
- All racks are sloped towards the drain
- Anti-slip shoes added to PPE to avoid slip and trip
- All racks are provided with fall prevention



## Leadership Indicators

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, the Company extends life insurance and other compensatory packages in the event of the death of employees and workers.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Through various means the Company ensures that the statutory dues applicable are deducted and deposited by the identified value chain partners. The Company follows the process as outlined in the Company's Supplier Code of Conduct. The Company makes sure that the supply chain partners comply with the same spirit to depict and ensure that as extended business partners they also support the business responsibility principles of the Company and assume equal accountability. The Company further ensures that before paying the contractor, the suppliers have deposited the required statutory dues deducted. The Company also ensures that the suppliers have also filed required regulatory returns on a timely basis. The Company also obtains the relevant underlying documents, which prove as an evidence/which is an evidence in itself.


**3. Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Employees	0	0	0	0
Workers	0	0	0	0

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

Yes, the Company hires retired employees or retains them in case of specific vacancies within the organization. In most cases, an agreement for one year is done with them and it is renewed based on their performance and any further vacancies in the organization.

5. Details on assessment of value chain partners:




**Health & safety practices**

**% of value chain partners\* (by value of business done with such partners) that were assessed**

---

39% of all productive suppliers



**Working conditions**

**% of value chain partners\* (by value of business done with such partners) that were assessed**

---

39% of all productive suppliers

\* This assessment includes only the productive suppliers. Other categories of value chain partners are not included.

**6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

There were some instances of entrapment in moving parts (Molding machine) found with certain value chain partners and their business operations, causing injuries including bruising and fractures to their workers. The following corrective actions were taken or are underway to address these risks/concerns arising from assessments of health and safety practices and working conditions of these value chain partners:

- Dual-channel interlocks are used to stop mold parts from moving while guards are open
- Fixed guards are used to prevent it from reaching the moving parts. Further, guards are interlocked to prevent movement
- Guard interlocks are maintained in a safe operational condition.

PRINCIPLE  
**04**

Businesses should respect the interests of and be responsive to all its stakeholders

 Essential Indicators

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The stakeholder groups of the entity are identified through discussions in Internal Management Meetings, as per the process flow mentioned below:

- Detailed discussion around the same is done with the Company's Legal and Secretarial Department and the management and key stakeholder groups are identified.
- Key stakeholders are identified on the basis of the material influence they have on the Company or on how they are materially influenced by the Company's corporate decisions and the consequences of those decisions.

**2. List stakeholder groups identified as key for our Company and the frequency of engagement with each stakeholder group:**

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/half yearly/quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Emails, meetings and website	Need-based	Product-related, price negotiations, technological advancement etc.
Suppliers	No	Emails, meetings and website	Need-based	Product-related, price negotiations, technological advancement etc.
Employees/workers	No	Emails, meetings and website	Need-based	Company policies, organizational structure, important developments
Partners	No	Emails and meetings	Quarterly and need-based	Business-related dealings, technological advancement, new product-related etc.
Board of Directors	No	Emails and meetings	Quarterly and need-based	Financial results, internal controls, limited review and audit reports etc.
Promoters	No	Emails and meetings	Need-based	Issues requiring decisions, budget, future planning, customer complaints, quality issues, safety-related concerns etc.



Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/half yearly/quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government	No	Emails	Need-based	Compliance and Policy-related matters
Institutions/industry Bodies (Banks/ NBFC/ACMA/SIAM)	No	Emails and meetings	Need-based	Industrial development-related; finance-related
Community/society (CSR/ESG)	No	Emails and meetings	Need-based	Society, health and education-related
Investors	No	Emails and meetings	Quarterly and need-based	Financial and operational performance-related


**Leadership Indicators**

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The appropriate Company's personnel, business leaders, and key process heads conduct stakeholder consultations. Necessary Board Committees, such as the Audit Committee, Nomination and Remuneration Committee, CSR Committee, Risk Management Committee, and Share Transfer/Stakeholders Relationship Committee, are used to elevate comments and problems of Company concerns to the Board of Directors' level. The Company has consistently insisted that regular and proactive contact with its key stakeholders through conference calls helps it more effectively explain its plans and results. The Company is able to further the notion of shared prosperity and progress for both the Company and society at large via ongoing participation.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

The stakeholder consultation was used to support the identification and management of environmental and social topics. The process for the consultation and the Board on economic, environmental and social topics includes:

- A comprehensive listing of all the possible stakeholders and ESG-related matters applicable to the Company and the Automobile Industry is finalized in consultation with the Company's different departments
- The same is then discussed amongst different stakeholders and the Senior Management personnel of the Company and feedback is taken from the said consultations. Further, instances of the said consultation process on these topics are incorporated into the policies and activities of the entity

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

As a part of the Life Skills Project, engagement with the community was initiated to eliminate prevailing social issues like the high dropout ratio of girls and consumption of tobacco by students etc. These issues were also discussed during the awareness sessions with different groups of different ages. Counselling was also provided, as and when required, to the families of the girls highlighting the importance of education and that they should continue to send the kids to school.

To promote education and attract students to enrol in the schools, Lumax Industries Limited strengthened the school's infrastructure by building additional classrooms. The Company also built separate toilets for girls and boys respectively, promoting safe sanitation.



**PRINCIPLE**  
**05**

Businesses should Respect and Promote Human Rights



**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies)\* of the entity, in the following format:

Category	FY 2022-2023 Current financial year			FY 2021-22 Previous financial year		
	Total (A)	No. of employees/ workers covered (B)	%(B/A)	Total (C)	No. of employees/ workers covered (D)	%(D/C)
<b>Employees</b>						
Permanent	1,276	703	55.09%	1,191	797	66.92%
Other than permanent	0	0	0%	0	0	0%
<b>Total employees</b>	<b>1,276</b>	<b>703</b>	<b>55.09%</b>	<b>1,191</b>	<b>797</b>	<b>66.92%</b>
<b>Workers</b>						
Permanent	1,238	752	60.74%	1,090	442	40.55%
Other than permanent	3,208	0	0%	2,669	0	0%
<b>Total workers</b>	<b>4,446</b>	<b>752</b>	<b>16.91%</b>	<b>3,759</b>	<b>442</b>	<b>11.76%</b>

\*These trainings covered only training on POSH as one of the fundamental human rights provided to employees and workers.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current financial year					FY 2021-22 Previous financial year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
 <b>Employees</b>										
<b>Permanent</b>										
Male	1,200	0	0%	1,200	100%	1,117	0	0%	1,117	100%
Female	76	0	0%	76	100%	74	0	0%	74	100%
<b>Other than permanent</b>										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

Category	FY 2022-23 Current financial year					FY 2021-22 Previous financial year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
 <b>Workers</b>										
<b>Permanent</b>										
Male	1,147	0	0%	1147	100%	1001	0	0%	1001	100%
Female	91	0	0%	91	100%	89	0	0%	89	100%
<b>Other than permanent</b>										
Male	2,609	2,609	100%	0	0%	2,294	2,294	100%	0	0%
Female	599	599	100%	0	0%	375	375	100%	0	0%

**3. Details of remuneration/salary/wages, in the following format:**



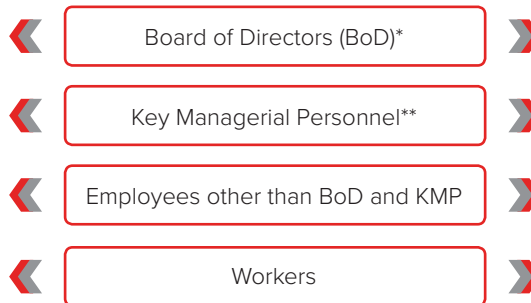
**Male**

Number	Median remuneration/salary/wages of respective category
5	53,66,400
7	53,66,400
1,193	5,56,212
1,147	2,32,488



**Female**

Median remuneration/salary/wages of respective category	Number
0	0
0	0
3,77,496	76
2,10,468	91



\* Directors to whom the remuneration is paid

\*\* Including 5 Directors

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. The Company has a well-defined Human Rights Policy, giving rights to the employees to have their complaints or grievances addressed by the Human Resource department or to the Senior Management. The Corporate HR Head is responsible for addressing human rights impacts or issues caused or contributed to by the employees and workers of the Company. Further, the respective Head of the Departments are responsible for their respective business connections for addressing human rights impacts or issues caused by or contributed to by the business. The Senior Management also gets involved in reviewing the Human Rights Policy at an organizational level.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company aims to defend, protect, and promote human rights in order to ensure fair and ethical business and employment practices. Respect for human rights is one of the Company's fundamental and essential principles.

The Company has various internal mechanisms in place to redress grievances related to human rights issues which include:

- POSH Policy
- Grievance Redressal Policy
- Vigil Mechanism/Whistle Blower Policy
- Employee app to register their grievances

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23 Current financial year			FY 2021-22 Previous financial year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	The enquiry was concluded on the complaint which was received on March 25, 2022. This complaint was disposed off on November 10, 2022.	1	1	The complaint was received on March 25, 2022.
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child labour	Nil	Nil	-	Nil	Nil	-
Forced labour/involuntary labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-



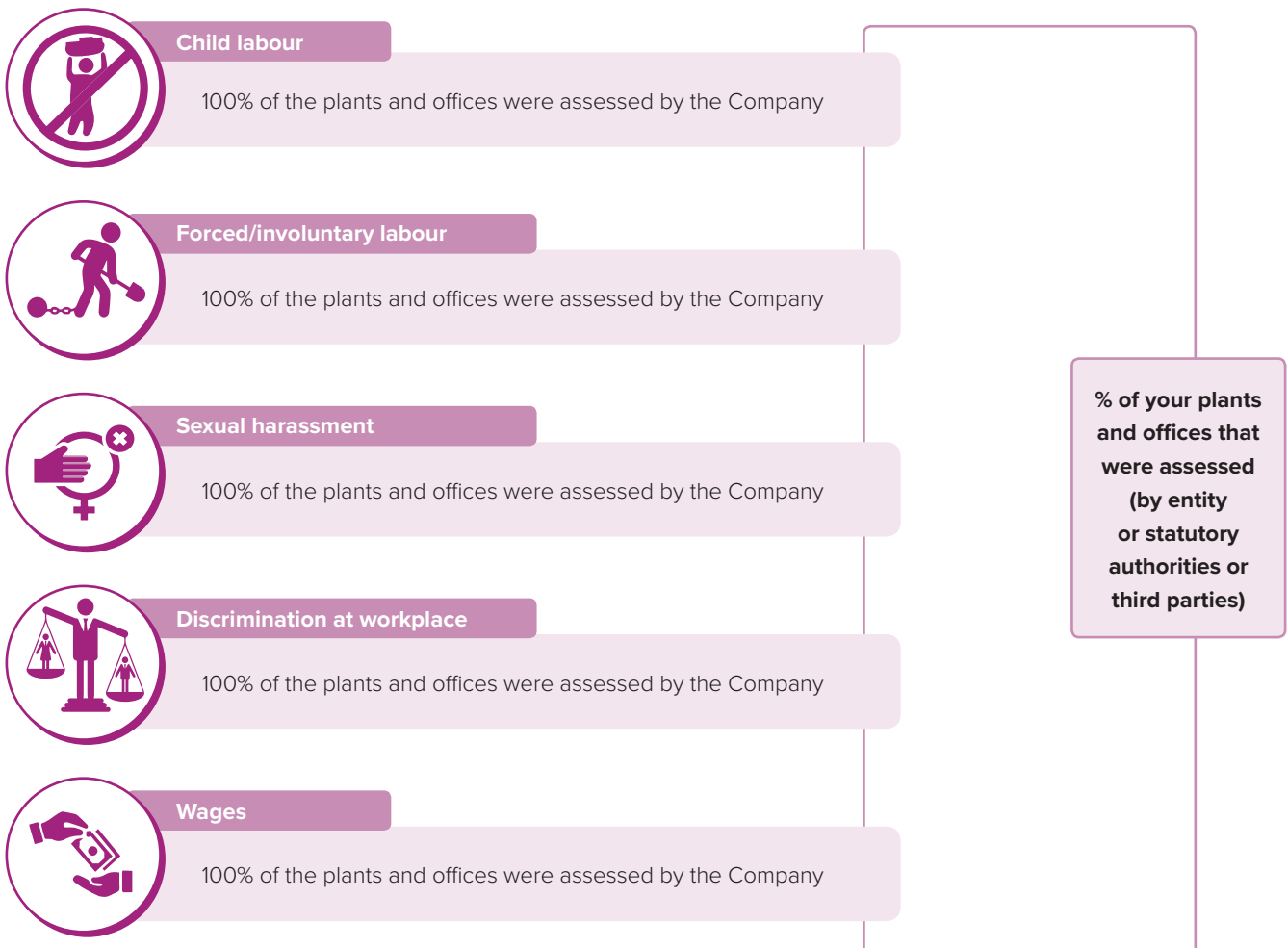
**7. Mechanisms to prevent adverse consequences to the complainant in discrimination harassment cases.**

The Company has policies in place to safeguard complainants from victimization, retaliation, and other unfair employment practices. In cases of discrimination and harassment, the Company guarantees that the complainants are completely protected from harassment, or other forms of action by the wrongdoer. In the Company's Grievance Redressal Policy, Whistle Blower Policy, and Policy on Prevention of Sexual Harassment (POSH), there are specific clauses regarding the confidentiality of the complainant that state that all reports/records associated with complaints, along with the information exchanged during a specific process/investigation, would be considered confidential and access to the same would be restricted to authorized personnel as designated by the management of the Company.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

The Company endeavors to incorporate fundamental human rights in all of its business agreements and contracts in spirit. In most of these agreements/contracts these rights are also embedded formally. The Company is further revisiting and revising these agreements/contracts as a formal mechanism of regular revision and to strengthen this practice further.

**9. Assessments for the year:**



**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

No significant risks/concerns arising from the assessments at Question 9 above were noticed during the year. However, there was one single case on account of POSH complaint. The specific Committee addressed the matter and resolved that satisfactorily. As a matter of the Company's corporate practice, any specific significant risks/concerns that arise from any assessment are duly addressed by the Company's respective Committees, comprising both internal and external stakeholders.


**Leadership Indicators**

**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

No significant grievances were received during the year on account of Human Rights. As a matter of practice, generally, through the Code of Conduct, together with other policies and procedures of the Company, human rights are reiterated across the business processes of the Company. The Company regularly imparts the requisite training sessions to all of its employees and workers and keeps on updating its Code of Conduct and other policies and procedures based on risks/concerns that arise and feedback received during the year.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

As explained in point No. 1 above, the Company keeps taking initiatives to embed human rights in its business culture across all levels throughout the year.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The premises/offices of the Company are also accessible to differently abled visitors, barring a few places/locations/manufacturing facilities due to safety considerations and the specific design and structure of certain places.

**4. Details on assessment of value chain partners\*:**



\* This assessment includes only the productive suppliers. Other categories of value chain partners are not included.

**5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

No significant risks/concerns were identified from assessments of the specified value chain partners in Question 4 above.









**PRINCIPLE**  
**06**

Businesses should respect and make efforts to protect and restore the environment.

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
 Total electricity consumption (A)- (Mega Joules) (Non- renewable sources)	24,02,93,701.81	18,05,02,034.40
 Total fuel consumption (B) - (Mega Joules)	1,05,69,716.00	80,86,093.80
 Energy consumption through other sources (C)- (Mega Joules) (from renewable sources)- Self generated and purchased from third party	6,37,80,750.00	4,85,74,723.36
 Total energy consumption (A+B+C) - (Mega Joules)	31,46,44,167.81	23,71,62,851.56
 Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.0136	0.0135
 Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

**2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable, as the Company does not have any sites/facilities identified as DCs under the PAT Scheme of the Government of India.



**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	27,683	16,911
(ii) Groundwater	85,532	67,363
(iii) Third party water	62,911	19,447
(iv) Seawater/Desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	<b>1,76,126</b>	<b>1,03,721</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>1,76,126</b>	<b>1,03,721</b>
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover)	0.0076	0.0059
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, the Company has installed Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) to treat the waste water at 8 of its plants, wherein the Company reuses the treated water for gardening and other non-potable purposes. In addition to the above, the Company also optimizes its water consumption through rainwater harvesting at the majority of its plant locations.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-please specify			

Currently, the details of these emissions are not available with the Company. However, the Company has initiated the necessary procedures to gather this data in the near future.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable, as no independent assessment/evaluation/assurance has been carried out by an external agency.



**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Currently, the details of GHG emissions (Scope 1 and Scope 2 emissions) are not available with the Company. However, the Company has initiated the necessary procedures to gather this data in the near future.	
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable, as no independent assessment/evaluation/assurance has been carried out by an external agency.

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

As mentioned in Question No. 6 above, while the details of GHG emissions are currently not available with the Company, the Company has taken up various projects to reduce GHG emissions on an overall basis, which include:

- Use of green power generated through the Company's own solar plants and purchased from third-parties, which contributes to 21.76% of the Company's total electricity
- Plantations of trees
- Further, in FY 2023-24, the Company has initiated the strategy for decarbonization and it would start reporting these parameters from next financial year onwards

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste <b>(A)</b>	993.40	838.40
E-waste <b>(B)</b>	40.90	15.90
Bio-medical waste <b>(C)</b>	0.03	0.002
Construction and demolition waste <b>(D)</b>	1.80	4.80
Battery waste <b>(E)</b>	1.40	0.00
Radioactive waste <b>(F)</b>	0.00	0.00
Other Hazardous waste. Please specify, if any. <b>(G)</b> (ETP Sludge, Paint Sludge, Hydraulic Oil, Used Oil, Cotton waste, Scrap Plastic Broken Bins, BMC Scrap Runner, Used DG Set Oil)	313.40	202.10

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if only (Break-up by composition i.e. by materials relevant to the sector) (BMC Scrap, e-waste, wooden scrap, scrap garbage, scrap used corr. Box, Scrap Tin, Iron Scrap, Aluminium Scrap, Foam Cover, Carton Boxes)	701.70	829.30
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>2,052.60</b>	<b>1,890.50</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
<b>Category of waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	31.60	43.00
(iii) Other recovery operations	155.20	129.80
<b>Total</b>	<b>186.80</b>	<b>172.80</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
<b>Category of waste</b>		
(i) Incineration	0.02	0.001
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	1,865.80	1,717.70
<b>Total</b>	<b>1,865.82</b>	<b>1,717.70</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Waste generation being an inevitable part of the manufacturing process, efforts have been made to create value from waste. With the aim of diverting a significant amount of waste from going to landfills, the Company has adopted systems and procedures that help repurpose used material and reintroduce excess material into the production process. The Company follows the '3R' strategy of Reduce, Reuse and Recycle for its waste management. The Company follows legally prescribed procedures and applies environmentally sound disposal techniques for disposing of the hazardous waste, whereas the non-hazardous waste is sold to the authorized recyclers, as identified by the Company. Further, to reduce the wastage of water, the Company has installed ETPs and STPs at 8 of its plants, wherein the Company reuses the treated water for gardening and other non-potable purposes. In addition to the above, the Company also optimizes its water consumption through rainwater harvesting at the majority of its plant locations.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

S.No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any
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Not applicable, since there are no operations of the Company near the above-mentioned areas.

## Statutory Reports

### 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

Name and brief details of project	EIA notification no.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
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No environmental impact assessment of projects was undertaken by the Company during the current financial year. Hence, this requirement is not applicable.

### 12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with all the applicable environmental laws/regulations/guidelines in India.

Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Not applicable, since there is no non-compliance with the applicable environmental laws/regulations/guidelines in India.

## Leadership Indicators

### 1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
From renewable resources		
Total electricity consumption (A) (Mega Joule)- Self Generated and Purchased from third party	6,37,80,750.00	4,85,74,723.36
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C) (Mega Joule)</b>	<b>6,37,80,750.00</b>	<b>4,85,74,723.36</b>
From non-renewable resources		
Total electricity consumption (D)	24,02,93,701.81	18,05,02,034.40
Total fuel consumption (E)	1,05,69,716.00	80,86,093.80
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F) (Mega Joule)</b>	<b>25,08,63,417.81</b>	<b>18,85,88,128.20</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

**2. Provide the following details related to water discharged:**

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	931	980
- No treatment	0	0
- With treatment – Treated through ETPs	931	980
(v) Others - Gardening	55,979	56,449
- No treatment		
- With treatment – Treated through ETPs and STPs	55,979	56,449
<b>Total water discharged (in kilolitres)</b>	<b>56,910</b>	<b>57,429</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

**3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area: Bawal, Dharuhera, Bengaluru
- (ii) Nature of operations: Automotive lighting manufacturer
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	53,267	53,414
(iii) Third party water	14,291.71	3,576.2
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>67,558.71</b>	<b>56,990.2</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>67,558.71</b>	<b>56,990.2</b>

Parameter	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover)	0.0029	0.0033
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others - Gardening	37,726	34,784
- No treatment	-	-
- With treatment – Treated through ETPs and STPs	37,726	34,784
<b>Total water discharged (in kilolitres)</b>	<b>37,726</b>	<b>34,784</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Scope-3 emissions are not considered by the Company presently. The Company in the process of laying down the roadmap in the near future.	
<b>Total Scope 3 emissions per rupee of turnover</b>	Metric tonnes of CO <sub>2</sub> equivalent		
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable, as no independent assessment/evaluation/assurance has been carried out by an external agency.



**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable, as the Company does not operate in ecologically sensitive areas.

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1. Installation of Solar Plants	Energy saving through the installation of solar panels at certain plant locations.	In FY 2021-22 and FY 2022-23, the Company consumed 4,85,74,723.36 Mega Joules and 6,37,80,750.00 Mega Joules of electricity respectively, from solar sources.
2. Installation of ETPs and STPs	ETPs and STPs have been installed to treat waste water.	The treated water is re-used for gardening and other non-potable purposes.
3. Tree plantation	As part of Company employee welfare initiative as well as to reduce the carbon emission	The Company has a formal initiative called "Nanhi Chaan" which celebrates the birth of a girl child among its employees by planting a tree. The Company is also doing tree plantation during the visits of its Customers and on the event of World Environment Day etc. These two initiatives together would help the Company towards moving in the direction of reducing its carbon footprints and would also count as a noble activity towards the environment.

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.**

As part of its business continuity and disaster management plan, the Company has Emergency Response Plan, which captures 8 nos. of emergencies to act as to how to handle the situation in case of any emergency and the same is applicable to all the plants, which is also shared with all the employees through our employees app. These are Emergency response plans and procedures for:

- Fire Emergency
- Earthquake Emergency
- Sewage Outflow Emergency
- Medical Emergency - Death Emergency
- Civil Unrest Emergency
- Food Poisoning Emergency
- Snake Bite Emergency
- Gas Leakage Emergency

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

There is no major environmental impact resulting from the Company's value chain (productive suppliers were assessed for this purpose). Since the Company mindful of the environmental consequences across the value chain, its every supplier is required to sign and abide by the Supplier's Code of Conduct. The Suppliers of the Company are expected to adhere to the compulsory Code of Conduct and further attempt to inculcate the principles of the said Code of Conduct in their supply chains.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

All the Company's productive suppliers were assessed for environmental impacts through a formal evaluation sheet (Supplier Business Capability Evaluation Report) at the time of onboarding and as an annual exercise.

**PRINCIPLE**  
**07**

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

**Essential Indicators**

1. a. **Number of affiliations with trade and industry chambers/associations:**  
The Company is affiliated with 3 trade and industry chambers/associations.
- b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to;**

Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
Automotive Component Manufacturers Association of India, New Delhi	National
Confederation of Indian Industry (CII)	National
Society of Automotive Engineers (SAE)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
<p>Not applicable, as the Company has not received any adverse orders from any regulatory authorities.</p>		

**Leadership Indicators**

1. **Details of public policy positions advocated by the entity;**

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually/half yearly/quarterly/ others – please specify)	Web link, if available
<p>The Company directly or through industry bodies and other associations puts forth a number of suggestions with respect to the industry in general and its activities in particular.</p>				

PRINCIPLE  
**08**

Businesses should promote inclusive growth and equitable development

 Essential Indicators

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
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Not applicable, as there were no projects that required SIA based on applicable laws in the current year.

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
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Not applicable, as there were no projects requiring an R&R.

**3. Describe the mechanisms to receive and redress grievances of the community.**

As a matter of policy, the Company undertakes various CSR activities to address the needs of the community in the vicinity of its plants' premises. There is an Open Door Policy at the Company, wherein the communities can approach plant/location and management of that respective plant. The Company also follows the practice of reaching out to communities, including vulnerable groups and redressing their grievances, wherever needed.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23 Current financial year	FY 2021-22 Previous financial year
Directly sourced from MSMEs/small producers	12%	12%
Sourced directly from within the district and neighbouring districts	62%	66%

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the social impact assessments (Reference: Question 1 of Essential Indicators above):



2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational district	Amount spent (in ₹)
Haryana	Mewat - Nuh	11,19,007
Uttarakhand	Udham Singh Nagar	13,365

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)  
 No, the Company follows a standardized procurement policy across all suppliers and vendors.
- (b) From which marginalized/vulnerable groups do you procure?  
 Not applicable, as mentioned in Question No. 3(a) above.
- (c) What percentage of total procurement (by value) does it constitute?  
 Not applicable, as mentioned in Question No. 3(a) above.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current Financial Year), based on traditional knowledge:

Intellectual property based on traditional knowledge	Owned/acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not applicable, as the Company does not own or acquire any such intellectual properties.			



**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the case	Corrective action taken
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Not applicable, as mentioned in Question No. 4 above.

**6. Details of beneficiaries of CSR projects:**

S. no.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Life Skill for Adolescent Life Skill for Young Students Career Counselling	1,300 students 200 students 1,300 students	100%
2	Eye Screening and Free Cataract Surgeries Juvenile Diabetes Patients Cancer Detection Camps	5 Camps 126 Surgeries 8 patients 259 Screenings	100%
3	Girl Child Education	35 Girl Child	100%
4	Personal Hygiene	963	100%



PRINCIPLE  
**09**

Businesses should engage with and provide value to their consumers in a responsible manner

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company is a Tier-1 B2B Company in the Automotive Sector and manufactures and sells its products majorly to large OEMs. The Company ensures timely delivery to all of its OEM customers as per the time schedule specified by them. In case of any complaints, OEM customers can raise their complaints with the Company through the mechanism laid down in the process flow of the Company for the OEMs (Handling of Customer complaint).

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about our products.**

As a percentage to total turnover

Environmental and social parameters relevant to the product

Safe and responsible usage

Recycling and/or safe disposal

**Not applicable, as the Company is in B2B business, and the products do not reach end customers directly.**

**3. Number of consumer complaints in respect of the following:**

	FY 2022-23 (Current financial year)		Remarks	FY 2021-22 (Previous financial year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive trade practices	Nil	Nil	-	Nil	Nil	-
Unfair trade practices	Nil	Nil	-	Nil	Nil	-
Other (from OEMs)	83	0	-	136	0	-

**4. Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.**

Yes, the Company has a framework/policy on cyber security and risks related to data privacy, which is available on the Company's intranet.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/ services.**

Not applicable, as neither any complaints with respect to advertising, delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls were received during the reporting period nor any penalties were paid or actions were taken by regulatory authorities on account of the safety of products/services.

**Leadership Indicators**

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The channels/platforms where information on products and services of the entity can be accessed include the following website and social media links:

- <https://www.lumaxworld.in/>
- <https://www.youtube.com/c/LumaxWorld>
- <https://www.linkedin.com/company/lumax-world/>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

As discussed above, since the Company supplies the products directly to the OEMs who further assemble and sell the end products to the end-user customers, the Company has limited role in informing and educating the end-user about the safe and responsible usage of its products.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not applicable, as the Company does not provide essential services.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/no/not applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/no)**

Not applicable, as the Company supplies to OEMs and there is no direct visibility for the end-users.

Furthermore, since customer satisfaction is of utmost importance to the Company, it seeks customer satisfaction by various means. Customers' feedback is obtained directly or indirectly to identify any grievances and accordingly, corrective measures are designed and executed. The summary of customer satisfaction patterns is collated, reviewed and monitored by the management of the Company too.

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact**

No instances were identified pertaining to data breach.

**b. Percentage of data breaches involving personally identifiable information of customers.**

No data breaches were identified related to personally identifiable information of customers.



## Independent Auditor's Report

### To the Members of Lumax Industries Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Lumax Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued

by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.



## Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<b>Estimation of accrual of price adjustments related to revenue from sale of goods</b> (as described in Note 53, Note 2(K) & Note 29 of the standalone financial statements)	
<p>Revenue from sale of goods is measured by the Company at the transaction price i.e. amount of consideration received/ receivable in exchange for transferring promised goods or services to the customers. In determining the transaction price for the sale of products, the Company considers the effects of price adjustments to be passed on from the customers on account of variation in material and other costs. These price adjustments are based on agreed terms, negotiations with customers and various commercial considerations, which involves significant judgement and estimates. The accrual of aforesaid price adjustments is disclosed in note 53 to the financial statements. We have considered accrual of price adjustments as a key audit matter as significant judgement involved in such estimation.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the Company accounting policies for revenue recognition including policy for accounting of price adjustments in terms of Ind AS 115.</li> <li>Obtained an understanding of the revenue process and estimation of price adjustments, evaluated the design and implementation of controls relating to accrual of price adjustments and tested the operating effectiveness such controls.</li> <li>Evaluated management's methodology and assumptions used in the estimation of price adjustments as per customer contracts including the relevance and reliability of underlying historical data and developments during the year.</li> <li>Tested completeness and arithmetical accuracy of the data used in the computation of price adjustments.</li> <li>Tested, on a sample basis, debit notes/ credit notes issued and payments made/ received as per customer contracts/ agreed price negotiations.</li> <li>Performed analytical procedures to identify any unusual trends and identify unusual items for further testing.</li> <li>Assessed adequacy of disclosures in the financial statements.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report thereon.

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

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

### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial

performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Independent Auditor's Report (Contd.)

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

The financial statements of the Company for the year ended March 31, 2022, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 24, 2022.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

## Independent Auditor's Report (Contd.)

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- iv.
  - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

## Independent Auditor's Report (Contd.)

- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 20 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 23094421BGYFUL5493

Place of Signature: New Delhi

Date: May 27, 2023

## Annexure '1' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

### Re: Lumax Industries Limited (the Company)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i) (b) All Property, Plant and Equipment were not physically verified by the management in the current year. However, the Company has regular programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (i) (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties and goods in transit. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2023. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification and in respect of such confirmations.
- (ii) (b) As disclosed in note 21 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has provided loans or advances in the nature of loans amounting to ₹ 156.09 Lakhs to its employees, the balance outstanding as at the balance sheet date in respect of these cases is ₹ 112.52 Lakhs. During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms or Limited Liability Partnerships or any other parties.
- (iii) (b) During the year, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- (iii) (c) The Company has granted loans or advances in the nature of loans during the year to its employees where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted loans or advances in the nature of loans to companies, firms and Limited Liability Partnerships during the year.
- (iii) (d) There are no amounts of loans and advances in the nature of loans granted to the employees which are overdue for more than ninety days. The Company has not granted loans or advances in the nature of loans to companies, firms and Limited Liability Partnerships during the year.
- (iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of investments made and loan given by the Company, in our opinion the provisions of sections 186 of the Companies



## Annexure '1' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date (Contd.)

Act, 2013 have been complied with by the Company.

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of automobile components, and are of the opinion that prima facie, the specified accounts and records have been made and maintained.

We have not, however, made a detailed examination of the same.

- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount of Demand* (₹ In Lakhs)	Amount paid under protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Demand on account of classification of certain imported goods	6.51	-	2016-17	Commissioner of Customs(Appeals)
Customs Act, 1962	Demand on account of wrongful avilment of duty drawback	1.16	-	2015-16	Commissioner of Customs(Appeals)
Customs Act, 1962	Demand of Custom duty on Drawing, Design and testing charges	1315.56	500	2016-17 to 2020-21	Assistant Commissioner of Customs
Customs Act, 1962	Demand on account of classification of certain imported goods	45.03	3.40	2017-18	Commissioner of Customs (Appeals)
Central Excise Act, 1956	Demand for short payment of excise duty for non inclusion of designs / drawing provided by customer	26.35	-	2013-14 to 2017-18	Director General of GST Intelligence
Central Excise Act, 1956	Demand for short payment of excise duty for non inclusion of designs / drawing provided by customer	22.42	-	2013-14 to 2017-18	Director General of GST Intelligence
Income Tax Act, 1961	Demand for Disallowance of loyalty incentives and under valuation of Inventory	3083.71	-	AY 2018-19	Income Tax Appellate Tribunal
Central Sales Tax Act, 1956	Demand for wrongful avilment of ITC	90.79	4.86	2016-17	Joint Commissioner of Sales Tax (Appeal)
Central Sales Tax Act, 1956	Demand for wrongful avilment of ITC	31.48	1.67	2017-18	Joint Commissioner of Sales Tax (Appeal)
GST Act, 2017	Demand on account of wrong avilment of ITC	102.64	1.11	2019-20	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Demand against non submission of various form	35.64	1.80	2015-16	Joint Commissioner of Sales Tax (Appeal)

\*Demand excludes interest and penalty if any

Annexure '1' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date (Contd.)

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) Term loans were applied for the purpose for which the loans were obtained.
- (ix) (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, associate.
- (ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary, or associate company. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (xii) (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (xii) (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

Annexure '1' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date (Contd.)

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 51 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37 to the financial statements.

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 37 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 23094421BGYFUL5493

Place of Signature: New Delhi

Date: May 27, 2023

## **Annexure ‘2’ to the independent auditor’s report of even date on the standalone financial statements of Lumax Industries Limited**

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

We have audited the internal financial controls with reference to standalone financial statements of Lumax Industries Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if

such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to these standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements**

A company’s internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Annexure '2' to the independent auditor's report of even date on the standalone financial statements of Lumax Industries Limited (Contd.)

**Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to

standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 23094421BGYFUL5493

Place of Signature: New Delhi

Date: May 27, 2023



## Standalone Balance Sheet as at March 31, 2023

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

	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant and equipment	4(a)	68,585.50	66,472.74
Capital work-in-progress	4(b)	4,298.02	4,783.66
Investment property	7	72.13	72.13
Goodwill	6(c)	977.58	977.58
Right-to-use assets	5	3,938.90	2,842.82
Intangible assets	6(a)	730.34	749.05
Intangible assets under development	6(d)	-	19.80
Investment in subsidiary	8	501.58	-
<b>Financial assets</b>			
- Investments	9	1,066.01	762.74
- Loans	10	53.86	59.77
- Other financial assets	11	735.71	786.50
Income tax assets (net)	15	1,164.30	538.16
Other non-current assets	16	714.31	6,038.61
<b>Total non-current assets (I)</b>		<b>89,238.24</b>	<b>84,103.56</b>
<b>II. Current assets</b>			
Inventories	17	37,793.14	26,434.75
<b>Financial assets</b>			
- Investments	9	25.09	26.14
- Trade receivables	12	30,616.68	23,214.44
- Cash and cash equivalents	13	697.03	1,552.57
- Other bank balances	14	18.32	17.12
- Loans	10	116.07	112.43
- Other financial assets	11	5,768.57	3,467.69
Other current assets	16	8,572.77	6,320.71
<b>Total current assets (II)</b>		<b>83,607.67</b>	<b>61,145.85</b>
<b>Assets held for sale (III)</b>	18	351.81	-
<b>TOTAL ASSETS (I+II+III)</b>		<b>1,73,197.72</b>	<b>1,45,249.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
Equity share capital	19	934.77	934.77
Other equity	20	47,206.01	41,336.03
<b>Total equity (I)</b>		<b>48,140.78</b>	<b>42,270.80</b>
<b>Liabilities</b>			
<b>II. Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	21	6,096.67	5,834.15
- Lease liabilities	5,22	4,454.67	3,542.64
Provisions	23	71.16	53.68
Employee benefit liabilities	27	4,044.39	3,858.62
Deferred tax liabilities (net)	28	3,142.42	1,249.53
<b>Total non-current liabilities (II)</b>		<b>17,809.31</b>	<b>14,538.62</b>
<b>III. Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	21	32,069.50	30,564.91
- Lease liabilities	5,22	431.17	135.80
- Trade payables			
- total outstanding dues of micro and small enterprises	24	2,174.49	1,971.05
- total outstanding dues of creditors other than micro and small enterprises	24	53,872.69	45,435.13
- Other financial liabilities	25	9,937.54	5,677.32
Other current liabilities	26	8,101.10	4,063.76
Employee benefit liabilities	27	661.14	592.02
<b>Total current liabilities (III)</b>		<b>1,07,247.63</b>	<b>88,439.99</b>
<b>TOTAL EQUITY AND LIABILITIES (I+II+III)</b>		<b>1,73,197.72</b>	<b>1,45,249.41</b>

Summary of significant accounting policies

2.2

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of

**Lumax Industries Limited**

**per Vikas Mehra**

Partner

Membership No. 094421

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

**Raajesh Kumar Gupta**

Executive Director & Company Secretary

DIN: 00988790

Membership No. A8709

Place: Gurugram

Date: May 27, 2023

**Vishnu Johri**

Chief Executive Officer

**Ravi Teltia**

Chief Financial Officer

## Standalone Statement of Profit and Loss for the year ended March 31, 2023

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

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
<b>I</b> Revenue from contracts with customers	29	2,31,952.34	1,75,131.10
<b>II</b> Other income	30	1,468.43	1,338.64
<b>III Total Income (I+II)</b>		<b>2,33,420.77</b>	<b>1,76,469.74</b>
<b>Expenses</b>			
Cost of raw material and components consumed	31	1,46,978.57	1,06,288.74
Cost of moulds, tools & dies consumed	32	6,716.44	6,274.41
Purchase of traded goods	31.1	94.94	921.05
(Increase) in inventories of finished goods, work-in-progress and traded goods	33	(2,661.97)	(790.26)
Employee benefits expense	34	27,576.37	24,083.88
Finance costs	35	2,935.25	2,141.49
Depreciation and amortization expense	36	7,987.29	6,366.80
Other expenses	37	32,506.43	24,854.93
<b>IV Total Expenses</b>		<b>2,22,133.32</b>	<b>1,70,141.04</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>11,287.45</b>	<b>6,328.70</b>
<b>VI</b> Exceptional item	38	543.83	1,713.95
<b>VII Profit before tax (V-VI)</b>		<b>10,743.62</b>	<b>4,614.75</b>
<b>Tax Expense:</b>			
Current tax [including tax related to earlier years ₹ (47.69) Lakhs (March 31, 2022 ₹ (14.13) Lakhs)]	28	1,823.84	639.82
Deferred tax	28	1,856.19	431.56
<b>VIII Total Tax expense</b>		<b>3,680.03</b>	<b>1,071.38</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>7,063.59</b>	<b>3,543.37</b>
<b>Other comprehensive income (net of tax)</b>			
<b>Other comprehensive income not to be reclassified to statement of profit or loss in subsequent period</b>			
Re-measurement gain/ (loss) on defined benefit plans	39	105.03	(332.14)
Income tax effect	39	(36.70)	-
<b>X Other comprehensive income for the year (net of tax)</b>		<b>68.33</b>	<b>(332.14)</b>
<b>XI Total comprehensive income for the year (net of tax) (IX+X)</b>		<b>7,131.92</b>	<b>3,211.23</b>
<b>XII Earnings per share (per share of face value ₹ 10 each):</b>			
Basic and diluted (in ₹)	40	75.57	37.91

Summary of significant accounting policies

2.2

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Vikas Mehra**

Partner

Membership No. 094421

For and on behalf of the Board of Directors of

**Lumax Industries Limited**

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

**Raajesh Kumar Gupta**

Executive Director & Company Secretary

DIN: 00988790

Membership No. A8709

Place: Gurugram

Date: May 27, 2023

**Vishnu Johri**

Chief Executive Officer

**Ravi Teltia**

Chief Financial Officer

## Statement of Changes in equity for the year ended March 31, 2023

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

	Equity Share Capital (1)	Reserve and Surplus				Item of OCI Remeasurements of defined benefit plans	Total Reserves and Surplus (2)	Total Equity (1+2)
		Retained Earnings	Capital Reserve	Securities Premium	General Reserve			
<b>As at April 01, 2021</b>	<b>934.77</b>	<b>22,343.36</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	<b>38,779.14</b>	<b>39,713.91</b>
Add: Profit for the year	-	3,543.37	-	-	-	-	3,543.37	3,543.37
Add: Other comprehensive income for the year (net of tax)	-	-	-	-	-	(332.14)	(332.14)	(332.14)
Transferred to retained earnings	-	(332.14)	-	-	-	332.14	-	-
Less: Dividend paid	-	654.34	-	-	-	-	654.34	654.34
<b>As at March 31, 2022</b>	<b>934.77</b>	<b>24,900.25</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	<b>41,336.03</b>	<b>42,270.80</b>
Add: Profit for the year	-	7,063.59	-	-	-	-	7,063.59	7,063.59
Add: Other comprehensive income for the year (net of tax)	-	-	-	-	-	68.33	68.33	68.33
Transferred to retained earnings	-	68.33	-	-	-	(68.33)	-	-
Less: Dividend paid	-	1,261.94	-	-	-	-	1,261.94	1,261.94
<b>As at March 31, 2023</b>	<b>934.77</b>	<b>30,770.23</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	<b>47,206.01</b>	<b>48,140.78</b>

Summary of significant accounting policies (refer note 2.2)

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Vikas Mehra**

Partner

Membership No. 094421

Place: Gurugram

Date: May 27, 2023

For and on behalf of the Board of Directors of

**Lumax Industries Limited**

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

**Vishnu Johri**

Chief Executive Officer

**Raajesh Kumar Gupta**

Executive Director & Company Secretary

DIN: 00988790

Membership No. A8709

**Ravi Teltia**

Chief Financial Officer

## Standalone Statement of Cash flow for the year ended March 31, 2023

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>10,743.62</b>	<b>4,614.75</b>
Non-cash adjustments:		
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortization expense	7,987.29	6,366.80
Outstanding balances written off	2.62	13.15
Provision for doubtful debts	112.22	25.37
Profit on sale of Property, plant and equipment	(117.76)	(26.92)
Change in fair value of investment	(126.12)	(148.04)
Unrealized exchange gain	(185.73)	(34.44)
Liabilities/provisions no longer required, written back	(232.11)	(106.90)
Interest expenses	2,935.25	2,141.49
Rent income	(31.18)	-
Interest income	(8.40)	(23.58)
Dividend income	(10.19)	(17.92)
<b>Operating profit before working capital changes</b>	<b>21,069.51</b>	<b>12,803.76</b>
<b>Movements in working capital :</b>		
Increase in inventories	(11,358.39)	(4,200.53)
Increase in trade receivables	(7,396.42)	(1,609.93)
Increase in financial assets	(2,250.40)	(255.91)
Increase in other assets	(2,286.37)	(2,783.03)
Increase in trade payables	8,940.80	10,105.23
Increase/(Decrease) in other financial liabilities	2,388.42	(2,493.97)
Increase in other liabilities and provisions	4,414.74	266.85
<b>Cash generated from operations</b>	<b>13,521.89</b>	<b>11,832.47</b>
Direct taxes paid	2,450.03	1,033.62
<b>Net cash generated from operating activities (A)</b>	<b>11,071.86</b>	<b>10,798.85</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, plant and equipment (including capital work in progress and capital advances)	(8,879.18)	(12,948.28)
Proceeds from sale of property, plant and equipment	176.25	46.66
Investments in subsidiary	(501.58)	-
Purchase of non current investment	(176.10)	(105.00)
Rent received	31.18	-
Interest received	8.60	25.54
Dividend received	10.19	17.92
(Investment in)/Redemption of bank deposits	(1.44)	14.23
<b>Net cash used in investing activities (B)</b>	<b>(9,332.08)</b>	<b>(12,948.93)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long term borrowings	2,131.00	8,095.48
Repayment of long term borrowings	(1,832.21)	(465.43)
Proceeds from/(repayment) of short term borrowings (net)	1,468.32	(1,327.13)
Payment of principal portion of lease liabilities	(582.65)	(398.52)
Interest paid	(2,517.84)	(1,828.72)
Dividend paid	(1,261.94)	(656.68)
<b>Net cash (used in)/ generated from financing activities (C)</b>	<b>(2,595.32)</b>	<b>3,419.00</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(855.54)</b>	<b>1,268.92</b>

## Standalone Statement of Cash flow for the year ended March 31, 2023 (Contd.)

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash and cash equivalents at the beginning of the year	1,552.57	283.65
<b>Cash and cash equivalents at the end of the year</b>	<b>697.03</b>	<b>1,552.57</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	10.57	14.10
Balances with banks		
On current accounts	686.46	1,538.47
<b>Total cash and cash equivalents</b>	<b>697.03</b>	<b>1,552.57</b>
<b>Non-cash financing and investing activities</b>		
Acquisition of Right-to-use assets	1,438.91	41.47

Summary of significant accounting policies (refer note 2.2)

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of

**Lumax Industries Limited**

**per Vikas Mehra**

Partner

Membership No. 094421

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

**Raajesh Kumar Gupta**

Executive Director & Company Secretary

DIN: 00988790

Membership No. A8709

Place: Gurugram

Date: May 27, 2023

**Vishnu Johri**

Chief Executive Officer

**Ravi Teltia**

Chief Financial Officer



## Notes to the Standalone Financial Statements for the year ended March 31, 2023

### 1. Corporate information

Lumax Industries Limited ("the Company") is a Public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi- 110046.

The Company is principally engaged in the manufacturing of automotive components. Information on other related party relationships of the Company is provided in Note 41.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 27, 2023.

### 2. Significant accounting policies

#### 2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

The financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities which have been measured at fair value or revalued amount (refer accounting policy regarding financial instruments).

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Lakhs (₹ 00,000), except wherever otherwise stated.

#### 2.2 Summary of significant accounting policies

##### A. Investment in subsidiary and associate

The investment in subsidiary are carried at cost as per Ind AS 27. The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus,

the Company controls an investee if and only if it has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect the amount of the returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiary

Investment in associate is recorded at cost

##### B. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

##### Assets

An asset is treated 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
- (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.

##### Liabilities

A liability is current when:

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

All other liabilities are classified as non-current.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

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

### **Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### **C. Foreign currencies**

#### **Functional and presentational currency**

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency.

#### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes

the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

### **D. Property, plant and equipment**

Capital work in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

#### **Depreciation on property, plant and equipment**

Depreciation is calculated on a straight-line basis over the estimated useful lives as estimated by the management which is in line with the Schedule II to the Companies Act, 2013. The Company has used the following useful lives to provide depreciation on its property, plant and equipment which is in line with schedule II:

**Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)**

<b>Assets</b>	<b>Useful Lives estimated by the management (in years)</b>
Factory Building	30
Other Building	60
Office equipments	5
Furniture and fixtures	10
Vehicles	5

The management has estimated, supported by independent assessment by professionals, the useful life of the following class of asset, which are higher/different than that indicated in Schedule II.

<b>Assets</b>	<b>Useful Lives estimated by the management (in years)</b>
Plant and equipment	3-21

The residual value of property, plant and equipment is considered at 2%.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use/ (disposed of).

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

**E. Intangible assets**
**Recognition and measurement**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

**Amortization and useful lives**

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and amortization method of the intangible asset with a useful finite life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized

in the statement of profit and loss unless such expenditure forms part of carrying value of another assets, as follows:

<b>Intangible Assets</b>	<b>Estimated Useful Life (Years)</b>
Computer Software	Over the estimated economic useful lives ranging from 3.5 to 4 years

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gain or loss arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

**F. Investment Property**

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

its cost, including related transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment property are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalized to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying a valuation model as per Ind AS 113 "Fair value measurement".

Investment property is derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of recognition.

Transfer of property from investment property to the property, plant and equipment is made when the property is no longer held for long term rental yields or for capital appreciation or both at carrying amount of the property transferred.

### G. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### H. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value

assets. The Company recognizes lease liabilities to make lease payments and right-to-use assets representing the right to use the underlying assets.

#### i. Right-to-use assets

The Company recognizes right-to-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-to-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-to-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-to-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Leasehold Land: 99 years

Solar Panel: 15 years

Vehicle: 5 years

Building: 10-15 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-to-use assets are also subject to impairment. Refer to the accounting policies section 'Impairment of non-financial assets'.

#### ii. Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables

at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### I. Inventories

Inventories which comprise raw materials, components, work in progress, finished goods, traded goods, moulds and stores and spares are valued at the lower of cost and net realizable value.

The basis of determining costs for various categories of inventories is as follows:

- **Raw materials, components, stores and spares:** Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted moving average basis.
- **Work-in-progress and finished goods:** Cost includes direct material plus appropriate share of labour, manufacturing overheads based on normal operating capacity. Cost is determined on a weighted moving average basis.
- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.
- **Moulds:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Stores and spares which do not meet the definition of Property, plant and equipment are accounted as inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Scraps are valued at net realizable value.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in production of finished goods are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed its net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.



## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### J. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses on non-financial asset, including impairment on inventories, are recognized in the statement of profit and loss.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that

previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

### K. Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

However, Goods and services tax (GST), is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### a) Sale of products including moulds

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

**Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)**

have been dispatched by the Company.

Invoices are generated at that point in time. Invoices are usually payable within 30-120 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 arising from the sale of goods (including moulds) is recognized when the customer obtains control of the promised asset, i.e. either at the delivery or dispatch of goods (based on the agreed terms of sale with the respective customers), which is the point in time when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods.

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

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

**b) Sale of services**

Revenue from sale of services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

**c) Contract balances**
**i) Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

**ii) Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of

time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section financial instruments – initial recognition and measurement.

**iii) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

**d) Interest Income**

For all debt instruments measured at amortized cost or at fair value through other comprehensive income, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected estimated cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss. Interest income is included under the head "other income" in the statement of profit and loss.

Interest income on bank deposits and advances to vendors is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**e) Dividend Income**

Dividend is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

### f) Rental Income

Rental income arising from operating leases are accounted for on a straight-line basis over the lease terms and is included under the head "other income" in the statement of profit & loss.

### L. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### M. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purpose. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- a) The date of the plan amendment or curtailment, and
- b) The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income.

**N. Provisions****General**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**Onerous contracts**

If the Company has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognizes any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

**Warranty provisions**

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type

warranties are recognized when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**O. Taxes****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### **P. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **Q. Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of



## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

### **R. Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

### **S. Dividend**

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

### **T. Assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active program to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortized.

### **U. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and significant liabilities, if any.

At each reporting date, the management analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents, if any.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given

in the relevant notes.

- Quantitative disclosure of fair value measurement hierarchy
- Investment property
- Financial instruments (including those carried at amortized cost).

### V. Financial instruments

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

#### Financial Assets

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL); and
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

### Debt Instruments at amortized cost

A financial assets is measured at the amortized cost if both the following conditions are met

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

### Debt Instruments at fair value through OCI (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value changes recognized in OCI is reclassified from the equity to profit or loss.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized in the statement of profit and loss when the right of payment has been established.

### Equity Instruments at fair value through OCI (FVTOCI)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Financial Liabilities**

#### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, lease liabilities, loans and borrowings etc.

#### ***Subsequent measurement***

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit and loss (FVTPL)
- Financial liabilities at amortized cost

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

#### ***Financial liabilities at Amortized cost***

##### ***Loans and borrowings***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

### **De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### **Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### **W. Impairment of financial assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement

and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortized cost e.g., trade and other receivables, security deposits, loan to employees, etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as an expense in the statement of profit and loss.

### **X. Business Combination and Goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue



## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic

circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognized in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### 3. New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022:

#### (i) Ind AS 103 – Reference to Conceptual Framework

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting

under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

#### (ii) Ind AS 16 – Property, Plant and Equipment: Proceeds before intended use

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

#### (iii) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly

## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

related to contract activities (e.g., depreciation of equipment used to fulfill the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Company as there were no onerous contracts entered during the period.

### (iv) Ind AS 109 – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company’s financial instruments during the period.

### v) Ind AS 41 Agriculture - Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments had no impact on the financial statements of the Company as it did not have assets in scope of Ind AS 41 as at the reporting date.

## 3.1 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 01, 2023.

### (i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company’s financial statements.

### (ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 01, 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

### (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments to Ind AS 12 narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 01, 2023. The Company is currently assessing the impact of the amendments.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

#### 4 Property, plant and equipment and capital work in progress

##### (a) Property, plant and equipment

The details of property, plant and equipment (net):

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Freehold Land	4,069.36	4,069.36
Buildings	10,550.78	10,998.60
Plant and equipments	52,763.08	50,179.41
Furniture and fixtures	659.45	747.96
Office equipments	186.73	237.13
Vehicles	356.10	240.28
<b>Total</b>	<b>68,585.50</b>	<b>66,472.74</b>

##### (b) Capital Work in progress

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Capital Work in progress	4,298.02	4,783.66
<b>Total</b>	<b>4,298.02</b>	<b>4,783.66</b>

##### Note:

The Company has capitalized borrowing cost relating to construction of building and purchasing of plant and machinery amounting to ₹ 38.06 Lakhs (March 31, 2022 ₹ 300.80 Lakhs).

##### Capital work in progress (CWIP) Ageing Schedule

###### As at March 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1 –2 years	2 –3 years	More than 3 years	
Projects in progress	3,231.32	269.29	37.59	759.82	4,298.02
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,231.32</b>	<b>269.29</b>	<b>37.59</b>	<b>759.82</b>	<b>4,298.02</b>
Projects either over run/overdue <sup>#</sup>	3,026.10	-	-	-	3,026.10
Other Project in Progress <sup>##</sup>	1,271.91	-	-	-	1,271.91
<b>Total</b>	<b>4,298.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,298.02</b>

###### As at March 31, 2022

	To be completed in				Total
	Less than 1 year	1 –2 years	2 –3 years	More than 3 years	
Projects in progress	3,379.56	644.28	759.82	-	4,783.66
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,379.56</b>	<b>644.28</b>	<b>759.82</b>	<b>-</b>	<b>4,783.66</b>
Projects either over run/overdue <sup>#</sup>	3,724.20	-	-	-	3,724.20
Other Project in Progress <sup>##</sup>	1,059.46	-	-	-	1,059.46
<b>Total</b>	<b>4,783.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,783.66</b>

<sup>#</sup>For CWIP, whose completion is overdue or has exceeded its cost compared to its original plan.

<sup>##</sup>Other CWIP items whose completion is not due and has not exceeded its cost compared to its original plan.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**4.1 Property, plant & equipment**

	Freehold Land	Buildings	Plant and equipment	Furniture & fixtures	Office equipment	Vehicles	Total
<b>Cost of valuation</b>							
As at April 01, 2021	3,521.49	12,831.55	64,883.05	1,138.10	501.18	1,390.33	84,265.70
Additions	547.87	779.87	12,636.37	101.47	125.11	126.79	14,317.48
Disposals/Adjustment	-	-	(21.98)	(0.08)	(5.56)	(55.35)	(82.97)
<b>As at March 31, 2022</b>	<b>4,069.36</b>	<b>13,611.42</b>	<b>77,497.44</b>	<b>1,239.49</b>	<b>620.73</b>	<b>1,461.77</b>	<b>98,500.21</b>
Additions	-	185.68	9,008.19	231.42	32.63	244.42	9,702.34
Disposals/Adjustment	-	-	(117.81)	(3.68)	(15.32)	(255.13)	(391.94)
Assets held for sale*	-	-	(36.28)	(201.62)	(0.42)	-	(238.32)
<b>As at March 31, 2023</b>	<b>4,069.36</b>	<b>13,797.10</b>	<b>86,351.54</b>	<b>1,265.61</b>	<b>637.62</b>	<b>1,451.06</b>	<b>1,07,572.29</b>
<b>Depreciation</b>							
As at April 01, 2021	-	2,089.47	22,264.40	373.28	305.33	1,115.99	26,148.47
Depreciation charge for the year	-	523.35	5,058.18	118.25	83.58	158.87	5,942.23
Disposals/Adjustment	-	-	(4.55)	-	(5.31)	(53.37)	(63.23)
<b>As at March 31, 2022</b>	<b>-</b>	<b>2,612.82</b>	<b>27,318.03</b>	<b>491.53</b>	<b>383.60</b>	<b>1,221.49</b>	<b>32,027.47</b>
Depreciation charge for the year	-	633.50	6,355.59	123.85	81.91	111.83	7,306.68
Disposals/Adjustment	-	-	(77.82)	(2.69)	(14.58)	(238.36)	(333.45)
Assets held for sale*	-	-	(7.34)	(6.53)	(0.04)	-	(13.91)
<b>As at March 31, 2023</b>	<b>-</b>	<b>3,246.32</b>	<b>33,588.46</b>	<b>606.16</b>	<b>450.89</b>	<b>1,094.96</b>	<b>38,986.79</b>
<b>Net Block:</b>							
<b>As at March 31, 2023</b>	<b>4,069.36</b>	<b>10,550.78</b>	<b>52,763.08</b>	<b>659.45</b>	<b>186.73</b>	<b>356.10</b>	<b>68,585.50</b>
<b>As at March 31, 2022</b>	<b>4,069.36</b>	<b>10,998.60</b>	<b>50,179.41</b>	<b>747.96</b>	<b>237.13</b>	<b>240.28</b>	<b>66,472.74</b>

\*Assets held for sale includes plant and machinery ₹ 28.94 Lakhs, furniture and fixtures ₹ 195.09 Lakhs and ₹ 0.38 Lakhs office equipments at net value (refer note 18).

**Note:**

- Property, plant and equipment representing land and building amounting to ₹ 4,433.18 Lakhs (March 31, 2022: ₹ 4,553.09 Lakhs) have been pledged as security by the Company.
- Title deeds are held in the name of the Company.
- On transition to Ind AS (i.e. April 01, 2016), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.



Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**5 Right of use assets**

i) Set out below are the carrying amounts of right-to-use assets recognized and the movements during the year:

	Land	Building	Solar Power Plant	Vehicle	Total
<b>Cost</b>					
As at April 01, 2021	2,744.88	-	679.21	-	3,424.09
Additions	41.47	-	-	-	41.47
Disposals	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>2,786.35</b>	<b>-</b>	<b>679.21</b>	<b>-</b>	<b>3,465.56</b>
Additions	78.97	546.26	-	813.68	1,438.91
Disposals	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>2,865.32</b>	<b>546.26</b>	<b>679.21</b>	<b>813.68</b>	<b>4,904.47</b>
<b>Amortization</b>					
As at April 01, 2021	287.44	-	62.61	-	350.05
Amortization charge for the year	138.90	-	45.28	-	184.18
Adjustment	88.51	-	-	-	88.51
<b>As at March 31, 2022</b>	<b>514.85</b>	<b>-</b>	<b>107.89</b>	<b>-</b>	<b>622.74</b>
Amortization charge for the year	236.85	24.01	45.28	36.69	342.83
<b>As at March 31, 2023</b>	<b>751.70</b>	<b>24.01</b>	<b>153.17</b>	<b>36.69</b>	<b>965.57</b>
<b>Net Block:</b>					
<b>As at March 31, 2023</b>	<b>2,113.62</b>	<b>522.25</b>	<b>526.04</b>	<b>776.99</b>	<b>3,938.90</b>
<b>As at March 31, 2022</b>	<b>2,271.50</b>	<b>-</b>	<b>571.32</b>	<b>-</b>	<b>2,842.82</b>

ii) The following is the carrying value of lease liability and movement thereof during the year:

	Land	Building	Solar Power Plant	Vehicle	Total
<b>Cost</b>					
As at April 01, 2021	3,052.75	-	663.42	-	3,716.17
Additions	110.33	-	-	-	110.33
Add: Finance cost accrued during the year	189.52	-	60.94	-	250.46
Less: Payment of lease liabilities	305.36	-	93.16	-	398.52
<b>As at March 31, 2022</b>	<b>3,047.24</b>	<b>-</b>	<b>631.20</b>	<b>-</b>	<b>3,678.44</b>
Additions	-	530.99	-	847.15	1,378.14
Add: Finance cost accrued during the year	253.06	21.87	56.59	19.62	351.14
Less: Payment of lease liabilities	353.20	13.47	84.14	71.07	521.88
<b>As at March 31, 2023</b>	<b>2,947.09</b>	<b>539.39</b>	<b>603.65</b>	<b>795.70</b>	<b>4,885.84</b>
<b>Current</b>	<b>132.38</b>	<b>29.49</b>	<b>32.34</b>	<b>236.95</b>	<b>431.17</b>
<b>Non-current</b>	<b>2,814.71</b>	<b>509.90</b>	<b>571.31</b>	<b>558.75</b>	<b>4,454.67</b>
<b>As at March 31, 2022</b>					
<b>Current</b>	<b>97.07</b>	<b>-</b>	<b>38.73</b>	<b>-</b>	<b>135.80</b>
<b>Non-current</b>	<b>2,950.17</b>	<b>-</b>	<b>592.47</b>	<b>-</b>	<b>3,542.64</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

iii) The following are the amounts recognized in Profit or loss

	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-to-use assets	342.83	184.18
Interest expense on lease liabilities	351.14	250.46
Expense relating to low value leases (included in other expenses)	61.48	47.38
Expense relating to short-term leases (included in other expenses)	399.80	311.25
<b>Total amount recognized in profit or loss</b>	<b>1155.25</b>	<b>793.27</b>

- iv) The Company has made payment of lease liability ₹ 521.88 Lakhs for the year ended March 31, 2023 (March 31, 2022 ₹ 398.52 Lakhs).
- v) **Extension and termination options:** Extension and termination options are included in property lease agreements. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. Extension and termination options held are exercisable only by the Company and not by the lessor.
- vi) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**6 Intangible assets**

(a) Details of intangible assets:

	As at March 31, 2023	As at March 31, 2022
Computer software	730.34	749.05
<b>Total</b>	<b>730.34</b>	<b>749.05</b>

(b) Disclosures regarding gross block of intangible assets, accumulated amortization and net block:

	Computer Software	Total
<b>Cost</b>		
<b>As at April 01, 2021</b>	<b>1,347.16</b>	<b>1,347.16</b>
Additions	516.10	516.10
<b>As at March 31, 2022</b>	<b>1,863.26</b>	<b>1,863.26</b>
Additions	446.47	446.47
Assets held for sale*	(160.23)	(160.23)
<b>As at March 31, 2023</b>	<b>2,149.50</b>	<b>2,149.50</b>
<b>Amortization</b>		
<b>As at April 01, 2021</b>	<b>873.82</b>	<b>873.82</b>
Amortization charge for the year	240.39	240.39
<b>As at March 31, 2022</b>	<b>1,114.21</b>	<b>1,114.21</b>
Amortization charge for the year	337.78	337.78
Assets held for sale*	(32.83)	(32.83)
<b>As at March 31, 2023</b>	<b>1,419.16</b>	<b>1,419.16</b>
<b>Net book value:</b>		
<b>As at March 31, 2023</b>	<b>730.34</b>	<b>730.34</b>
<b>As at March 31, 2022</b>	<b>749.05</b>	<b>749.05</b>

\* Assets held for sale includes computer & software ₹ 127.40 Lakhs are at WDV (refer note 18).

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**(c) Details of Goodwill:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Goodwill*	977.58	977.58
<b>Total</b>	<b>977.58</b>	<b>977.58</b>

\* Refer note 50

	<b>Goodwill</b>	<b>Total</b>
<b>Cost</b>		
<b>As at April 01, 2021</b>	<b>977.58</b>	<b>977.58</b>
Additions	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	<b>977.58</b>	<b>977.58</b>
Additions	-	-
Disposals	-	-
<b>As at March 31, 2023</b>	<b>977.58</b>	<b>977.58</b>
<b>Amortization</b>		
<b>As at April 01, 2021</b>	-	-
Amortization charge for the year	-	-
<b>As at March 31, 2022</b>	-	-
Amortization charge for the year	-	-
<b>As at March 31, 2023</b>	-	-
<b>Net book value:</b>		
<b>As at March 31, 2023</b>	<b>977.58</b>	<b>977.58</b>
<b>As at March 31, 2022</b>	<b>977.58</b>	<b>977.58</b>

**(d) Intangible asset under development**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Intangible assets under development	-	19.80
<b>Total</b>	<b>-</b>	<b>19.80</b>

	<b>Intangible assets under development</b>	<b>Total</b>
<b>Cost</b>		
<b>As at April 01, 2021</b>	-	-
Additions	535.90	535.90
Disposals	(516.10)	(516.10)
<b>As at March 31, 2022</b>	<b>19.80</b>	<b>19.80</b>
Additions	-	-
Disposals	(19.80)	(19.80)
<b>As at March 31, 2023</b>	<b>-</b>	<b>-</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

(e) Ageing of Intangible asset under development

**As at March 31, 2023**

	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1 –2 years	2 –3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**As at March 31, 2022**

	Amount in Intangible asset under development for a period of				Total
	Less than 1 year	1 –2 years	2 –3 years	More than 3 years	
Projects in progress	19.80	-	-	-	19.80
Projects temporarily suspended	-	-	-	-	-

**7. Investment property**

	Freehold land	Total
<b>Gross carrying amount</b>		
As at April 01, 2021	72.13	72.13
Additions	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	<b>72.13</b>	<b>72.13</b>
Additions	-	-
Disposals	-	-
<b>As at March 31, 2023</b>	<b>72.13</b>	<b>72.13</b>
<b>Depreciation and Impairments</b>		
As at April 01, 2021	-	-
Depreciation charge for the year	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>
Depreciation charge for the year	-	-
<b>As at March 31, 2023</b>	<b>-</b>	<b>-</b>
<b>Net Block:</b>		
<b>As at March 31, 2023</b>	<b>72.13</b>	<b>72.13</b>
<b>As at March 31, 2022</b>	<b>72.13</b>	<b>72.13</b>

**Fair Value of Investment Property**

<b>As at April 01, 2021</b>	<b>1,484.80</b>
Increase in fair value of investment property	581.80
<b>As at March 31, 2022</b>	<b>2,066.60</b>
Increase in fair value of investment property	51.40
<b>As at March 31, 2023</b>	<b>2,118.00</b>

i) **Contractual obligations**

There are no contractual obligations to purchase, construct or develop investment property.

ii) **Estimation of Fair Value**

Fair value investment property is ascertained on the basis of market rates as determined by the independent registered valuer. Fair value hierarchy disclosures for investment properties have been provided.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**iii) Description of valuation techniques used and key inputs to valuation on investment properties:**

	<b>Valuation Technique</b>
Vacant Land located at Door No D5, "Cmnda Industrial Complex" Maramali Nagar Industrial Estate, Maralmali Nagar Kilakarani, District Chengalpattu Land Area - 92,800 Sq. ft. Land Value - ₹ 2,000 - 2,500 per Sq. ft. Adopted rate - ₹ 2,250 per Sq. ft. Estimated Value of Land - ₹ 2,088 Lakhs Amenities - ₹ 30 Lakhs Approximate Landed Value - ₹ 2,118 Lakhs Valuer Name: K Ramesh (Er, K Ramesh & Associates - Approved Valuer & Chartered Engineer)	Market Rate

iv) Since it is the vacant land, therefore no income and expenditure is recognized in the statement of profit and loss account for the current and previous year.

**8 Investment in subsidiary**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Unquoted valued at cost</b>		
Lumax Industries Czech s.r.o. (wholly owned Subsidiary Company)	501.58	-
<b>Total</b>	<b>501.58</b>	<b>-</b>
<b>Aggregate value of unquoted investments</b>	<b>501.58</b>	<b>-</b>

**9 Investments**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>A. Non-Current investments</b>		
<b>Investments in equity instruments of other entities</b>		
<b>Unquoted equity shares at cost</b>		
<b>SL Lumax Limited (an associate)</b> 32,98,986 (March 31, 2022: 32,98,986) equity shares of ₹ 10 each fully paid up	354.74	354.74
<b>Unquoted equity shares (measured at fair value through profit or loss)</b>		
<b>Caparo Power Limited</b> 6,55,832 (March 31, 2022: 6,55,832) equity shares of ₹ 10 each fully paid up	339.98	221.00
<b>Avaada MHBuldhana Private Limited</b> 10,50,000 (March 31, 2022: 10,50,000) equity shares of ₹ 10 each fully paid up	113.19	105.00
<b>Avaada KNSolar Private Limited</b> 17,50,000 (March 31, 2022: Nil) equity shares of ₹ 10 each fully paid up	176.10	-
<b>Unquoted Preference shares (measured at fair value through profit or loss)</b>		
<b>Caparo Power Limited</b> 9,44,168 (March 31, 2022: 9,44,168) 2% Redeemable Preference shares of ₹ 10 each fully paid up	82.00	82.00
<b>Total</b>	<b>1,066.01</b>	<b>762.74</b>
<b>B. Current investments</b>		
<b>Quoted equity shares (measured at fair value through profit or Loss)</b>		
<b>PNB Gilts Limited</b> 43,866 (March 31, 2022: 43,866) equity shares of ₹ 10 each	25.09	26.14
<b>Total</b>	<b>25.09</b>	<b>26.14</b>
<b>Current</b>	<b>25.09</b>	<b>26.14</b>
<b>Non-current</b>	<b>1,066.01</b>	<b>762.74</b>
<b>Aggregate cost of quoted investments</b>	<b>9.87</b>	<b>9.87</b>
<b>Aggregate market value of quoted investments</b>	<b>25.09</b>	<b>26.14</b>
<b>Aggregate amount of unquoted investments</b>	<b>1,066.01</b>	<b>762.74</b>



Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**10 Loans**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>Non-Current</b>		
Loan to employees	53.86	59.77
<b>Total (A)</b>	<b>53.86</b>	<b>59.77</b>
<b>Current</b>		
Loan to employees	116.07	112.43
<b>Total (B)</b>	<b>116.07</b>	<b>112.43</b>
<b>Total Loans (A+B)</b>	<b>169.93</b>	<b>172.20</b>
<b>Non-current</b>	<b>53.86</b>	<b>59.77</b>
<b>Current</b>	<b>116.07</b>	<b>112.43</b>

The Company has no loans which are either repayable on demand or are without specifying any terms or period of repayment.

**Loans or advances to specified persons**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Loan to employees</b>		
Mr Vineet Sahni-CEO and Senior Executive Director till April 14, 2023 (₹ 150.00 Lakhs taken on October 15, 2019).	45.00	75.00

**11 Other financial assets**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>Non-current</b>		
Deposits with remaining maturity for more than 12 months	5.24	5.00
Unpaid dividend accounts*	129.10	133.92
Security deposits	601.37	647.58
<b>Total (A)</b>	<b>735.71</b>	<b>786.50</b>
<b>Current</b>		
Unbilled revenue (refer note 53)	3,252.28	1,441.75
Interest accrued but not due	0.40	0.60
Export benefits and other incentive receivable <sup>#</sup>	2,463.28	1,818.38
Others	52.61	206.96
<b>Total (B)</b>	<b>5,768.57</b>	<b>3,467.69</b>
<b>Total (A+B)</b>	<b>6,504.28</b>	<b>4,254.19</b>
<b>Non-current</b>	<b>735.71</b>	<b>786.50</b>
<b>Current</b>	<b>5,768.57</b>	<b>3,467.69</b>

\*The Company can utilize the balance only towards settlement of unclaimed dividend.

<sup>#</sup>Includes government grant receivable of ₹ 2,456.39 Lakhs ( March 31, 2022 ₹ 1,801.39 Lakhs) which the Company is confident of getting refund in the next year on the basis of claim filed.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**Break up of financial assets carried at amortized cost:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Trade receivables (refer note 12)	30,616.68	23,214.44
Cash and cash equivalents (refer note 13)	697.03	1,552.57
Other bank balance (refer note 14)	18.32	17.12
Loans (refer note 10)	169.93	172.20
Other financial assets (refer note 11)	6,504.28	4,254.19
<b>Total</b>	<b>38,006.24</b>	<b>29,210.52</b>

**12 Trade receivables**
**a) Details of trade receivables:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Trade receivables	26,575.12	19,088.17
Receivables from related parties (refer note 41)	4,041.56	4,126.27
<b>Total trade receivables</b>	<b>30,616.68</b>	<b>23,214.44</b>

**b) Break-up for security details:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Trade receivables</b>		
Unsecured, considered good	30,616.68	23,214.44
Trade receivable - credit impaired	112.23	122.10
<b>Total</b>	<b>30,728.91</b>	<b>23,336.54</b>
Impairment allowance for trade receivables - credit impaired	(112.23)	(122.10)
<b>Total</b>	<b>30,616.68</b>	<b>23,214.44</b>

c) Trade receivables are non-interest bearing and are generally on terms of not more than 30-120 days.

d) For terms and conditions relating to related party receivables, refer Note 41.

**e) Trade receivables Ageing Schedule**
**As at March 31, 2023**

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	24,948.91	5,158.54	352.91	156.32	-	-	<b>30,616.68</b>
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	53.83	9.87	48.53	-	-	<b>112.23</b>
(iv) Disputed Trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>24,948.91</b>	<b>5,212.37</b>	<b>362.78</b>	<b>204.85</b>	<b>-</b>	<b>-</b>	<b>30,728.91</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**As at March 31, 2022**

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	19,079.69	3,830.91	301.70	2.14	-	-	<b>23,214.44</b>
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	13.68	16.88	21.19	30.28	21.33	18.74	<b>122.10</b>
(iv) Disputed Trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>19,093.37</b>	<b>3,847.79</b>	<b>322.89</b>	<b>32.42</b>	<b>21.33</b>	<b>18.74</b>	<b>23,336.54</b>

**f) Trade receivable includes amount due from private companies having common director and firm in which director is a partner as follows:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Lumax Cornaglia Auto Technologies Private Limited	-	0.04
Lumax Ancillary Limited	119.09	222.71
Bharat Enterprises	45.94	35.45
Lumax Mannoh Allied Technologies Limited	207.13	132.76
Lumax Jopp Allied Technologies Private Limited	1.27	-
Lumax Ituran Telematics Private Limited	108.59	3.16
Finetone Acoustic Private Limited	0.17	-
Mahavir Udyog	0.59	0.24
<b>Total</b>	<b>482.78</b>	<b>394.36</b>

**13 Cash and cash equivalents**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Balances with banks:		
On current accounts	686.46	1,538.47
Cash on hand	10.57	14.10
<b>Total</b>	<b>697.03</b>	<b>1,552.57</b>

**14 Other bank balances**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Other bank balances:		
- Deposits with original maturity of more than 3 months but remaining maturity of less than 12 months	17.54	16.38
- Margin Money with banks* (deposits with original maturity of less than 12 months)	0.78	0.74
<b>Total</b>	<b>18.32</b>	<b>17.12</b>

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

**Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)**

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

**a) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Balances with banks:		
On current accounts	686.46	1,538.47
Cash on hand	10.57	14.10
<b>Total</b>	<b>697.03</b>	<b>1,552.57</b>

**b) Changes in liabilities arising from financing activities:**

	<b>As at April 01, 2022</b>	<b>Cash flows (net)</b>	<b>Other non cash transaction</b>	<b>As at March 31, 2023</b>
Long term borrowings (including current maturities)	7,643.27	298.79	-	7,942.06
Short term borrowings	28,755.79	1,468.32	-	30,224.11
Lease liabilities	3,678.44	(582.65)	1,790.05	4,885.84
Interest	46.53	(2,517.84)	2,584.06	112.75
<b>Total liabilities from financing activities</b>	<b>40,124.03</b>	<b>(1,333.38)</b>	<b>4,374.11</b>	<b>43,164.76</b>

	<b>As at April 01, 2021</b>	<b>Cash flows (net)</b>	<b>Other non cash transaction</b>	<b>As at March 31, 2022</b>
Long term borrowings (including current maturities)	13.22	7630.05	-	7,643.27
Short term borrowings	30,082.92	(1,327.13)	-	28,755.79
Lease liabilities	3,716.17	(398.52)	360.79	3,678.44
Interest	53.17	(1,828.72)	1,822.08	46.53
<b>Total liabilities from financing activities</b>	<b>33,865.48</b>	<b>4,075.68</b>	<b>2,182.87</b>	<b>40,124.03</b>

**15 Income tax assets (net)**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Non Current tax asset	1,164.30	538.16
<b>Total</b>	<b>1,164.30</b>	<b>538.16</b>

**16 Other assets**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>Non-current</b>		
Advances for property, plant and equipment	7,055.98	6,014.59
Prepaid expenses	58.33	24.02
<b>Total (A)</b>	<b>7,114.31</b>	<b>6,038.61</b>
<b>Current</b>		
Advance to suppliers	4,085.04	3,330.79
Advance to employees	9.03	15.66
Export benefits receivable	13.46	56.90
Balance with statutory/government authorities	3,337.93	2,093.05
Prepaid expenses	714.30	525.80
Other advances	413.01	298.51
<b>Total (B)</b>	<b>8,572.77</b>	<b>6,320.71</b>
<b>Total (A+B)</b>	<b>15,687.08</b>	<b>12,359.32</b>
<b>Non-current</b>	<b>7,114.31</b>	<b>6,038.61</b>
<b>Current assets</b>	<b>8,572.77</b>	<b>6,320.71</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**17 Inventories**

(at lower of cost and net realizable value)

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Raw materials</b>	20,874.38	14,931.62
{including stock in transit ₹ 2893.84 Lakhs (March 31, 2022: ₹ 1,783.19 Lakhs)}		
<b>Work-in-progress</b>	4,687.40	3,581.19
<b>Finished goods</b>	4,290.22	2,465.23
(includes sales in transit ₹ 1278.21 Lakhs (March 31, 2022: ₹ 692.93 Lakhs))		
<b>Traded goods</b>	108.39	377.62
<b>Stores and spares</b>	1,250.37	808.64
<b>Moulds, tools and dies in process</b>	6,582.38	4,270.45
{including material in transit: ₹ 243.16 Lakhs (March 31, 2022: ₹ Nil)}		
<b>Total inventories*</b>	<b>37,793.14</b>	<b>26,434.75</b>

\*Due to the fact that certain products were slow moving and were sold below net realizable value, the Company made a provision amounting to ₹ 1,696.48 Lakhs (March 31, 2022: ₹ 293.12 Lakhs) including exceptional loss of ₹ 485.93 Lakhs (March 31, 2022: Nil). The above provision is included in cost of materials consumed, cost of mould, tools and dies, purchase of traded goods or changes in inventories of finished goods, work-in-progress and traded goods.

**18 Assets held for sale**

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

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Asset held for sale*</b>		
Property, plant and equipment	224.41	-
Intangible assets	127.40	-
<b>Total</b>	<b>351.81</b>	<b>-</b>

\* The Company classified certain asset retired from active use and held for sale recognized and measured in accordance with Ind AS 105 "Non Current Asset Held for sale and Discontinued operations" at lower of its carrying amount and fair value less cost to sell. The Company expects to dispose the same by March 2024.

**19 Equity Share Capital**

a) Details of share capital:

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Authorized Share Capital</b>		
1,20,00,000 (As at March 31, 2022: 1,20,00,000) equity shares of ₹ 10 each	1,200.00	1,200.00
	<b>1,200.00</b>	<b>1,200.00</b>
<b>Issued, subscribed and fully paid up capital</b>		
93,47,732 (As at March 31, 2022: 93,47,732) equity shares of ₹ 10 each	934.77	934.77
	<b>934.77</b>	<b>934.77</b>

b) Reconciliation of authorized share capital

	<b>Equity Shares</b>	
	<b>No. of shares</b>	<b>Amount</b>
As at April 01, 2021	1,20,00,000	1,200.00
Increase during the year	-	-
<b>As at March 31, 2022</b>	<b>1,20,00,000</b>	<b>1,200.00</b>
Increase during the year	-	-
<b>As at March 31, 2023</b>	<b>1,20,00,000</b>	<b>1,200.00</b>



Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**c) Reconciliation of issued, subscribed and paid up share capital**

	Equity Shares	
	No. of shares	Amount
<b>Equity shares of ₹ 10 each issued, subscribed and fully paid</b>		
As at April 01, 2021	93,47,732	934.77
Issued during the year	-	-
<b>As at March 31, 2022</b>	<b>93,47,732</b>	<b>934.77</b>
Issued during the year	-	-
<b>As at March 31, 2023</b>	<b>93,47,732</b>	<b>934.77</b>

**d) Terms/ rights attached to equity shares:**

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

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

**e) Details of shareholders holding more than 5% shares in the Company (representing legal and beneficial ownership)**

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of total shares	Number of shares	% of total shares
<b>Equity shares of ₹ 10 each fully paid held by-</b>				
i. Stanley Electric Co. Limited	33,43,381	35.77%	33,43,381	35.77%
ii. Deepak Jain, Chairman & Managing Director	12,43,516	13.30%	12,43,516	13.30%
iii. Anmol Jain, Joint Managing Director	12,43,516	13.30%	12,43,516	13.30%
iv. Lumax Auto Technologies Limited	5,25,000	5.62%	5,25,000	5.62%
v. Lumax Finance Private Limited	4,93,367	5.28%	4,93,367	5.28%
<b>Total</b>	<b>68,48,780</b>	<b>73.27%</b>	<b>68,48,780</b>	<b>73.27%</b>

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

**f) Details of Shareholding of Promoters in the Company (representing legal and beneficial ownership)**

Name of the promoters	No. of shares			% of total shares	% Change during the year
	As at March 31, 2022	Change	As at March 31, 2023		
<b>Equity shares of ₹ 10 (March 31, 2022: ₹ 10) each fully paid</b>					
i. Stanley Electric Co. Limited	33,43,381	-	33,43,381	35.77%	-
ii. Deepak Jain, Chairman & Managing Director	12,43,516	-	12,43,516	13.30%	-
iii. Anmol Jain, Joint Managing Director	12,43,516	-	12,43,516	13.30%	-
iv. Lumax Auto Technologies Limited	5,25,000	-	5,25,000	5.62%	-
v. Lumax Finance Private Limited	4,93,367	-	4,93,367	5.28%	-
vi. Thai Stanley Electric Public Co. Limited	1,62,018	-	1,62,018	1.73%	-

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Name of the promoters	No. of shares			% of total shares	% Change during the year
	As at March 31, 2021	Change	As at March 31, 2022		
<b>Equity shares of ₹ 10 (March 31, 2021: ₹ 10) each fully paid</b>					
i. Stanley Electric Co. Limited	33,43,381	-	33,43,381	35.77%	-
ii. Deepak Jain, Chairman & Managing Director	12,43,516	-	12,43,516	13.30%	-
iii. Anmol Jain, Joint Managing Director	12,43,516	-	12,43,516	13.30%	-
iv. Lumax Auto Technologies Limited	5,25,000	-	5,25,000	5.62%	-
v. Lumax Finance Private Limited	4,93,367	-	4,93,367	5.28%	-
vi. Thai Stanley Electric Public Co. Limited	1,62,018	-	1,62,018	1.73%	-

## 20 Other equity

### Reconciliation of Other Equity

	Reserve and Surplus				Item of OCI	Total
	Retained Earnings	Capital Reserve	Securities Premium	General Reserve	Remeasurements of defined benefit plans	
<b>As at April 01, 2021</b>	<b>22,343.36</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	<b>38,779.14</b>
Profit for the year	3,543.37	-	-	-	-	3,543.37
Other comprehensive Income for the year (net of tax)	-	-	-	-	(332.14)	(332.14)
Transferred to retained earnings	(332.14)	-	-	-	332.14	-
Less: Dividend paid	654.34	-	-	-	-	654.34
<b>As at March 31, 2022</b>	<b>24,900.25</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	<b>41,336.03</b>
Profit for the year	7,063.59	-	-	-	-	7,063.59
Other comprehensive income for the year (net of tax)	-	-	-	-	68.33	68.33
Transferred to retained earnings	68.33	-	-	-	(68.33)	-
Less: Dividend paid	1,261.94	-	-	-	-	1,261.94
<b>As at March 31, 2023</b>	<b>30,770.23</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	<b>47,206.01</b>

### 20.1 Nature and purpose of reserves

#### a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes in accordance with the provisions of the Companies Act, 2013.

#### b) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.

#### c) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

#### d) Capital reserve

The Company had transferred forfeited share application money to Capital reserve in accordance with the provision of the Companies Act, 1956. The reserve will be utilized in accordance with the provisions of the Companies Act, 2013.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**20.2 Distributions made and proposed**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Cash dividend on equity shares declared and paid</b>		
Final cash dividend for the year ended March 31, 2022: ₹ 13.5 per share (March 31, 2021: ₹ 7 per share) on face value of ₹ 10 each	1,261.94	654.34
<b>Proposed dividend on Equity shares *</b>		
Final cash dividend for the year ended March 31, 2023: ₹ 27 per share (March 31, 2022: ₹ 13.5 per share) on face value of ₹ 10 each	2,523.89	1,261.94

\*Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at year end.

**21 Borrowings**
**a) Details of long term borrowings:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Term Loans</b>		
Rupee Term Loan from banks (secured)	7,777.64	7,555.38
Vehicle loan from banks (secured)	164.42	87.89
<b>Less: current maturity disclosed under short term borrowings</b>		
- Rupee term loan	1,777.74	1,777.74
- Vehicle loan	67.65	31.38
<b>Total borrowings</b>	<b>6,096.67</b>	<b>5,834.15</b>
<b>Total current (disclosed other short term borrowings)</b>	<b>1,845.39</b>	<b>1,809.12</b>
<b>Total Non-current</b>	<b>6,096.67</b>	<b>5,834.15</b>
<b>Aggregate secured loans</b>	<b>7,942.06</b>	<b>7,643.27</b>

**Terms and repayment schedule**

	Currency	Financial year of maturity	Nominal interest rate (range)	<b>As at March 31, 2023</b>	Charges
Rupee Term Loan (Non Current)	₹	2026-27	5.75%-9.31%	5,999.90	Secured by way of exclusive charge on Land of Bawal and Plant & machinery financed from proceed of Term Loan.
Current Maturities of rupee Term Loan	₹	2023-24	5.75%-9.31%	1,777.74	Secured by way of exclusive charge on Land of Bawal and Plant & machinery financed from proceed of Term Loan.
				<b>7,777.64</b>	
Vehicle Loan (Non Current)	₹	2026-27	7.9% -8.85%	96.77	Secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of thirty nine months from the date of availment.
Current Maturities of Vehicle Loan	₹	2023-24	7.9% -8.85%	67.65	Secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of thirty nine months from the date of availment.
				<b>164.42</b>	

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Currency	Financial year of maturity	Nominal interest rate (range)	As at March 31, 2022	Charges
Rupee Term Loan (Non Current)	₹	2026-27	5.75%	5,777.64	Secured by way of exclusive charge on Land of Bawal and Plant & machinery financed from proceed of Term Loan.
Current Maturities of rupee Term Loan	₹	2022-23	5.75%	1,777.74	Secured by way of exclusive charge on Land of Bawal and Plant & machinery financed from proceed of Term Loan.
				<b>7,555.38</b>	
Vehicle Loan (Non Current)	₹	2025-26	7.6%-10%	56.51	Secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of thirty nine months from the date of availment.
Current Maturities of Vehicle Loan	₹	2022-23	7.6%-10%	31.38	Secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of thirty nine months from the date of availment.
				<b>87.89</b>	

b) Details of short term borrowings:

	As at March 31, 2023	As at March 31, 2022
<b>Current Maturities of Long term borrowings</b>		
Current maturities of rupee term loan (refer note above)	1,777.74	1,777.74
Current maturities of vehicle loan from banks (refer note above)	67.65	31.38
<b>Loan repayable on demand</b>		
Short term loan from bank	2,000.00	2,000.00
On cash credit accounts from banks (Secured)	1,130.69	268.91
Working Capital facility from banks/financial institution (Secured)	14,350.96	14,693.00
Working capital loan repayable on demand from financial institution (unsecured)	2,000.00	-
Customer finance facility from banks	6,300.73	8,075.91
Vendor finance facility from banks (unsecured)	4,441.73	3,717.97
<b>Total</b>	<b>32,069.50</b>	<b>30,564.91</b>
<b>Aggregate Secured loan</b>	<b>25,627.77</b>	<b>26,846.94</b>
<b>Aggregate Unsecured loan</b>	<b>6,441.73</b>	<b>3,717.97</b>

Terms and repayment schedule

	Currency	Financial year of maturity	Nominal interest rate (range)	As at March 31, 2023	Charges
Short Term Loan	₹	2023-24	4.80% - 8.65%	2,000.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & entire Current Assets of the Company both present and future.
Cash Credit	₹	2023-24	5.92% - 8.35%	1,130.69	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Company.
<b>Working Capital facility from banks/financial institution (Secured)</b>					
Working Capital from Financial Institution	₹	2023-24	4.80% - 8.17%	2,000.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Company.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Currency	Financial year of maturity	Nominal interest rate (range)	As at March 31, 2023	Charges
Working Capital from Bank	₹	2023-24	4.80% - 8.17%	3,500.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & entire Current Assets of the Company both present and future.
Working Capital from Bank	₹	2023-24	4.55% - 7.85%	6,000.00	Secured by way of first Pari-passu charge on stock ,book debt, current assets of the Company along with other lenders & over immovable fixed assets of Gurugram Unit.
Working Capital from Bank	₹	2023-24	5.92% - 8.45%	1,758.69	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Company.
Working Capital from Bank	₹	2023-24	4.60% - 7.95%	1,090.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Company.
Working Capital from Bank	₹	2023-24	-	2.27	
<b>Total Working Capital</b>				<b>14,350.96</b>	
Working Capital (Repayable on Demand) from financial institution	₹	2023-24	5.75% - 8.05%	2,000.00	Unsecured working/cash credit facility.
Customer Finance Facility	₹	2023-24	5.45% - 8.89%	6,300.73	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets of the Company both present and future.
Vendor Finance Facility	₹	2023-24	5.34% - 7.88%	4,441.73	Unsecured

	Currency	Financial year of maturity	Nominal interest rate (range)	As at March 31, 2022	Charges
Short Term Loan	₹	2022-23	5.45% - 8.65%	2,000.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & entire Current Assets of the Company both present and future.
Cash Credit	₹	2022-23	6.35% - 8.35%	268.91	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Company.
<b>Working Capital facility from banks/financial institution (Secured)</b>					
Working Capital from Bank	₹	2022-23	5.25% - 9.10%	2,000.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Company.
Working Capital from Bank	₹	2022-23	4.56% - 6.10%	3,500.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & entire Current Assets of the Company both present and future.
Working Capital from Bank	₹	2022-23	4.55% - 6.70%	6,000.00	Secured by way of first Pari-passu charge on stock ,book debt, current assets of the Company along with other lenders & over immovable fixed assets of Gurugram Unit.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Currency	Financial year of maturity	Nominal interest rate (range)	As at March 31, 2022	Charges
Working Capital from Bank	₹	2022-23	4.40% - 4.60%	2,300.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Company.
Working Capital from Bank	₹	2022-23	5.00% - 7.90%	893.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Company.
				<b>14,693.00</b>	
Customer Finance Facility	₹	2022-23	4.80% - 7.10%	8,075.91	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets of the Company both present and future.
Vendor Finance Facility	₹	2022-23	5.24% - 7.10%	3,717.97	Unsecured

**c) Undrawn committed borrowing facility**

The Company has availed fund based and non fund based limits amounting to ₹ 49,350.00 Lakhs (March 31, 2022: ₹ 49,350.00 Lakhs) from banks and financial institutions. An amount of ₹ 13,813.00 Lakhs remain undrawn as at March 31, 2023 (March 31, 2022: ₹ 17,190.00 Lakhs)

**d) Loan covenants**

The Company has satisfied all debt covenants prescribed in the terms of bank loans. The other loans do not carry any debt covenant. The Company has not defaulted on any loans payable and term loans were applied for the purpose for which the loans were obtained.

**e) Wilful defaulter**

The Company have not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

**22 Lease liability**

	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Lease Liability	4,454.67	3,542.64
<b>Total (A)</b>	<b>4,454.67</b>	<b>3,542.64</b>
<b>Current</b>		
Lease Liability	431.17	135.80
<b>Total (B)</b>	<b>431.17</b>	<b>135.80</b>
<b>Total (A+B)*</b>	<b>4,885.84</b>	<b>3,678.44</b>
<b>Non-current</b>	<b>4,454.67</b>	<b>3,542.64</b>
<b>Current</b>	<b>431.17</b>	<b>135.80</b>

\*Refer note no 5

**23 Provisions**

	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Provision for warranties*	71.16	53.68
<b>Total</b>	<b>71.16</b>	<b>53.68</b>



**Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)**

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

**\*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.

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
At the beginning of the year	53.68	76.73
Arising during the year (net of reversals)	106.53	39.80
Utilized during the year	(89.05)	(62.85)
<b>At the end of the year</b>	<b>71.16</b>	<b>53.68</b>

**24 Trade payables**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (refer note below for details of due to micro and small enterprises)	2,174.49	1,971.05
- Total outstanding dues of creditors other than micro enterprises and small enterprises	53,872.69	45,435.13
	<b>56,047.18</b>	<b>47,406.18</b>
- Trade payables	36,634.00	29,994.85
- Trade payables to related parties (refer note 41)	19,413.18	17,411.33
<b>Total</b>	<b>56,047.18</b>	<b>47,406.18</b>

**Terms and conditions of the above financial liabilities:**

-Trade payables are non-interest bearing and are normally settled on 30 to 120 day terms.

For explanations on the Company's credit risk management processes, refer note 52.

For terms and conditions with related parties, refer to Note 41

- a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
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	2,070.45	1,890.03
Interest due on above	0.23	0.27
	<b>2,070.68</b>	<b>1,890.30</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	2.45
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	22.79	4.78
The amount of interest accrued and remaining unpaid at the end of each accounting year.	104.04	81.02
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

b) Trade Payable Ageing Schedule

As at March 31, 2023	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2,029.79	144.70	-	-	-	2,174.49
(ii) Others	3,129.44	38,130.56	12,266.77	286.47	17.12	42.33	53,872.69
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>3,129.44</b>	<b>40,160.35</b>	<b>12,411.47</b>	<b>286.47</b>	<b>17.12</b>	<b>42.33</b>	<b>56,047.18</b>

As at March 31, 2022	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,944.63	26.42	-	-	-	1,971.05
(ii) Others	2,757.44	29,032.66	13,570.95	26.32	16.37	31.39	45,435.13
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>2,757.44</b>	<b>30,977.29</b>	<b>13,597.37</b>	<b>26.32</b>	<b>16.37</b>	<b>31.39</b>	<b>47,406.18</b>

25 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
<b>Other financial liabilities at amortized cost</b>		
<b>Current</b>		
Amount payable for property, plant and equipment for other than micro enterprises and small enterprises	3,987.36	2,181.78
Interest accrued on borrowings/cash credit	112.75	46.53
Employee related payable*	2,742.75	1,926.82
Unpaid dividend **	129.10	133.92
Unsecured deposits from customers	0.75	5.75
Other liabilities***	2,964.83	1,382.52
<b>Total</b>	<b>9,937.54</b>	<b>5,677.32</b>
<b>Current</b>	<b>9,937.54</b>	<b>5,677.32</b>
<b>Non-current</b>	-	-

\*Includes payable to directors of ₹ 987.47 Lakhs (March 31, 2022: ₹ 489.05 Lakhs) (Also refer note 41).

\*\*Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. Accordingly, the Company has transferred ₹ 8.69 Lakhs during the current year (March 31, 2022: ₹ 5.05 Lakhs) to the Investor Education and Protection Fund.

\*\*\*Other liabilities represent rate difference for price decrease not yet paid to the customers (Also refer note 53).

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**Breakup of financial liabilities at amortized cost:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Borrowings non-current (refer note 21)	6,096.67	5,834.15
Borrowings current (refer note 21)	32,069.50	30,564.91
Non-current lease liabilities (refer note 22)	4,454.67	3,542.64
Current lease liabilities (refer note 22)	431.17	135.80
Trade payables (refer note 24)	56,047.18	47,406.18
Other financial liabilities (refer note 25)	9,937.54	5,677.32
<b>Total financial liabilities carried at amortized cost</b>	<b>1,09,036.73</b>	<b>93,161.00</b>

**26 Other liabilities**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Current</b>		
Advances from customers (contract liabilities)	7,044.88	2,772.28
Statutory dues	1,056.22	1,291.48
<b>Total</b>	<b>8,101.10</b>	<b>4,063.76</b>
<b>Current</b>	<b>8,101.10</b>	<b>4,063.76</b>
<b>Non-current</b>	-	-

**27 Employee benefit Liabilities**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Non-Current</b>		
Provision for leave encashment	2,337.94	2,305.67
Provision for gratuity (refer note 42)	1,706.45	1,552.95
<b>Total (A)</b>	<b>4,044.39</b>	<b>3,858.62</b>
<b>Current</b>		
Provision for leave encashment	277.75	212.38
Provision for gratuity (refer note 42)	383.39	379.64
<b>Total (B)</b>	<b>661.14</b>	<b>592.02</b>
<b>Total (A+B)</b>	<b>4,705.53</b>	<b>4,450.64</b>
<b>Current</b>	<b>661.14</b>	<b>592.02</b>
<b>Non-current</b>	<b>4,044.39</b>	<b>3,858.62</b>

**28 Income tax**

(a) The major components of income tax expense for the years ended are:

**Statement of profit and loss:**

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Current income tax:</b>		
Current tax (including tax related to earlier years ₹ (47.69) Lakhs (March 31, 2022 ₹ (14.13) Lakhs))	1,823.84	639.82
<b>Deferred tax:</b>		
Deferred tax	1,856.19	431.56
<b>Income tax expense reported in the statement of profit or loss</b>	<b>3,680.03</b>	<b>1,071.38</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

(b) OCI section

Deferred tax related to items recognized in Other Comprehensive Income during the year:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Tax effect on gain on remeasurements of defined benefit plans	(36.70)	-
<b>Income tax charged to Other Comprehensive Income</b>	<b>(36.70)</b>	<b>-</b>

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Accounting profit before income tax</b>	<b>10,743.62</b>	<b>4,614.75</b>
Tax at the Indian Tax Rate of 34.944% (March 31, 2022: 34.944%)	3,754.25	1,612.58
<b>Non-deductible expenses for tax purposes:</b>		
Tax related to prior periods	(59.66)	(16.01)
Dividend deduction u/s 80M	(3.56)	(6.26)
Tax rate change impact*	(156.25)	(423.58)
Others	145.25	(95.35)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>3,680.03</b>	<b>1,071.38</b>

\* The Company has Tax rate change impact of ₹ 156.26 Lakhs (March 31, 2022 ₹ 423.58 Lakhs) which is calculated on the basis of difference between old tax regime i.e. 34.944% and lower tax rate i.e. 25.168% (which has been measured only for calculating the deferred tax on the basis of management best estimate of falling in lower tax in future years).

(d) Deferred tax:

	Balance sheet		Statement of profit and loss and OCI	
	As at March 31, 2023	As at March 31, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Deferred tax assets relates to the following:</b>				
Impact of expenditures charged to statement of profit and loss but allowed for tax purposes on payment basis	1,370.17	1,257.74	112.43	161.51
Impact of impairment allowance for doubtful debts	48.01	146.81	(98.80)	104.22
Deferred tax on Right-to-use asset (net)	201.33	209.55	(8.22)	66.48
Carry forward MAT credits	1,806.95	3,064.47	(1,257.52)	(1,118.25)
Voluntary separation scheme Expenses	305.12	445.63	(140.51)	445.63
Others	1.08	0.92	0.16	(4.63)
<b>Total (A)</b>	<b>3,732.66</b>	<b>5,125.12</b>	<b>(1,392.46)</b>	<b>(345.04)</b>
<b>Deferred tax liability relates to the following:</b>				
Accelerated depreciation for tax purposes	6,619.62	6,288.66	330.96	(83.65)
Fair value gain on investments	100.11	55.66	44.45	51.73
Unrealized gain on investment Property	155.35	30.33	125.02	2.38
<b>Total (B)</b>	<b>6,875.08</b>	<b>6,374.65</b>	<b>500.43</b>	<b>(29.54)</b>
<b>Deferred tax (expense) charged to statement of profit and loss</b>	<b>-</b>	<b>-</b>	<b>(1,856.19)</b>	<b>(431.56)</b>
Re-measurement gain on defined benefit plans (OCI)	-	-	(36.70)	-
<b>Deferred tax (expense) charged to OCI and Profit and loss</b>	<b>-</b>	<b>-</b>	<b>(1,892.89)</b>	<b>(431.56)</b>
<b>Total deferred tax liability (Net)</b>	<b>3,142.42</b>	<b>1,249.53</b>		

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**29 Revenue from contracts with customers**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of products</b>		
Finished goods	2,21,303.20	1,64,192.17
Traded goods	956.55	1,129.59
Moulds, tools and dies	9,128.21	8,210.81
<b>Total Sale of products (A)</b>	<b>2,31,387.96</b>	<b>1,73,532.57</b>
<b>Sale of services (B)</b>	<b>214.21</b>	<b>1,130.77</b>
<b>Other operating revenue</b>		
Scrap Sale	320.53	278.53
Others	29.64	189.23
<b>Total other operating revenue (C)</b>	<b>350.17</b>	<b>467.76</b>
<b>Revenue from contracts with customers (A+B+C)</b>	<b>2,31,952.34</b>	<b>1,75,131.10</b>

**29.1 Contract Balances**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade Receivables (refer note 12)	30,616.68	23,214.44
Unbilled Revenue (refer note 11)	3,252.28	1,441.75
Advance from Customer (Contract liabilities (refer note 26))	7,044.88	2,772.28

**29.2 Timing of revenue recognition**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Goods transferred at a point in time	2,31,738.13	1,74,000.33
Services transferred over time	214.21	1,130.77
<b>Total</b>	<b>2,31,952.34</b>	<b>1,75,131.10</b>

**29.3 Performance obligation**

The performance obligation is satisfied upon delivery of the goods to the customer and payment is generally due within 30 to 120 days from delivery.

**29.4 Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue as per contracted price</b>	<b>2,32,913.72</b>	<b>1,75,930.47</b>
<b>Adjustments</b>		
Discounts	961.38	799.37
	<b>2,31,952.34</b>	<b>1,75,131.10</b>
India	2,28,413.11	1,71,362.18
Outside India	3,539.23	3,768.92
<b>Total Revenue from Contracts with Customers</b>	<b>2,31,952.34</b>	<b>1,75,131.10</b>

**29.5 Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price**

The aggregate amount of transaction price allocated to the unsatisfied performance obligations as at March 31, 2023 amounts to ₹ 529.05 Lakhs - (March 31, 2022: ₹ Nil). This will be recognized as revenue when the moulds will be sold to the customer, which is expected to occur post March 31, 2024\*.

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

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**30 Other Income**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
- On fixed deposits	8.40	23.58
- Others	18.14	30.33
Dividend Income	10.19	17.92
Gain on sale of property, plant and equipment (net)	117.76	26.92
Rental Income	31.18	26.84
Liabilities/provisions no longer required written back	232.11	106.90
Gain on foreign currency fluctuations (net)	-	144.46
Net change in fair value of investment held at FVTPL	126.12	148.04
Government Grant (including export incentives)	770.95	746.90
Miscellaneous income	153.58	66.75
<b>Total</b>	<b>1,468.43</b>	<b>1,338.64</b>

**31 Cost of raw material and components consumed**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	14,931.62	12,022.98
Add: Purchases	1,52,921.33	1,09,197.38
Less: Inventory at the end of the year	(20,874.38)	(14,931.62)
<b>Cost of raw material and components consumed</b>	<b>1,46,978.57</b>	<b>1,06,288.74</b>

**31.1 Purchase of Traded Goods**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Automotive lamps/components	94.94	921.05
<b>Purchase of Traded Goods</b>	<b>94.94</b>	<b>921.05</b>

**32 Cost of moulds, tools & dies consumed**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	4,270.45	3,625.38
Add: Purchases	9,028.37	6,919.48
Less: Inventory at the end of the year	(6,582.38)	(4,270.45)
<b>Cost of moulds, tools &amp; dies consumed</b>	<b>6,716.44</b>	<b>6,274.41</b>

**33 Increase in inventories of finished goods, work-in-progress and traded goods**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening Stock</b>		
- Finished goods	2,465.23	2,626.87
- Work-in progress	3,581.19	2,893.63
- Traded Goods	377.62	113.28
<b>Total (A)</b>	<b>6,424.04</b>	<b>5,633.78</b>
<b>Closing stock</b>		
- Finished goods	4,290.22	2,465.23
- Work-in progress	4,687.40	3,581.19
- Traded Goods	108.39	377.62
<b>Total (B)</b>	<b>9,086.01</b>	<b>6,424.04</b>
<b>Changes in inventories</b>		
- Finished goods	(1,824.99)	161.64



Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
- Work-in progress	(1,106.21)	(687.56)
- Traded Goods	269.23	(264.34)
<b>Increase in inventories of finished goods, work-in-progress and traded goods (A-B)</b>	<b>(2,661.97)</b>	<b>(790.26)</b>

### 34 Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	24,436.59	21,366.51
Contribution to provident and other funds	1,181.35	1,099.23
Gratuity expense (refer note 42)	362.78	316.33
Staff welfare expense	1,595.65	1,301.81
<b>Total</b>	<b>27,576.37</b>	<b>24,083.88</b>

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### 35 Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expenses on financial liabilities (net of Capitalized ₹ 38.06 Lakhs (March 31, 2022: ₹ 300.80 Lakhs))	2,535.04	1,865.75
Interest on lease liabilities	351.14	250.46
Interest paid to others	49.07	25.28
<b>Total</b>	<b>2,935.25</b>	<b>2,141.49</b>

### 36 Depreciation and amortization expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of tangible assets (refer note 4)	7,306.68	5,942.23
Amortization of right-to-use assets (refer note 5)	342.83	184.18
Amortization of intangible assets (refer note 6)	337.78	240.39
<b>Total</b>	<b>7,987.29</b>	<b>6,366.80</b>

### 37 Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Stores and spares consumed	1,531.17	790.82
Packing material consumed	6,189.50	4,717.23
Power and fuel	6,688.35	5,159.07
Rent	461.28	358.64
Rates and taxes	121.09	76.98
Insurance	509.98	357.43
Repairs and maintenance		
- Plant and machinery	1,748.81	1,498.73
- Building	76.56	73.93
- Others	1,214.52	1,086.47
Freight and forwarding charges	4,276.30	3,073.71
Bank charges	50.15	32.42
Travelling and conveyance	1,293.99	774.97

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Legal and professional fees	480.35	456.23
Management fees	2,745.63	2,294.82
Design, support and testing charges	165.62	330.49
Directors' sitting fees	37.20	38.20
Payment to auditors (refer details below)*	50.39	57.26
Royalty	2,965.65	2,453.43
Warranty	106.53	39.80
Loss on foreign currency fluctuations (net)	219.39	-
Outstanding balances written off	2.62	13.15
Provision for doubtful debts and advances	112.22	25.37
Advertisement and sales promotion	141.16	113.45
Communication Cost	125.74	129.37
Printing & stationery	97.99	108.06
CSR expenditure (refer details below)**	123.70	134.45
Donations	5.00	4.55
Miscellaneous expenses	965.54	655.90
<b>Total</b>	<b>32,506.43</b>	<b>24,854.93</b>

Above expenses include research and development expenses (refer note 44).

**\*Payment to Auditors (excluding applicable taxes)**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>As auditor:</b>		
Audit fee	27.50	23.25
Tax audit fee	2.50	3.00
Limited Review	15.00	23.25
<b>In other capacity:</b>		
Certification fees	1.50	4.50
Reimbursement of expenses	3.89	3.26
<b>Total</b>	<b>50.39</b>	<b>57.26</b>

**\*\*Details of CSR expenditure:**

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Gross amount required to be spent by the Company during the year	112.60	128.87
(b) Amount approved by the Board to be spent during the year	112.60	130.00

	In Cash	Yet to be paid in Cash	Total
(c) Amount spent during the year ending on March 31, 2023:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above in cash	123.70	-	123.70
(d) Amount spent during the year ending on March 31, 2022:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above in cash	134.45	-	134.45

**Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)**

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

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
(e) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	-	21.00
ii) Contribution to Charitable Trust	123.70	113.45
iii) Unspent amount in relation to:		
Ongoing project	-	-
Other than ongoing project	-	-

<b>In case of Section 135(5) Excess amount spent (other than ongoing project)</b>			
<b>Opening Balance</b>	<b>Amount required to be spent during the year</b>	<b>Amount spent during the year</b>	<b>Closing Balance excess</b>
5.58	(112.60)	123.70	16.68

<b>In case of Section 135(6) ongoing project</b>			
<b>Opening Balance</b>	<b>Amount required to be spent during the year</b>	<b>Amount spent during the year</b>	<b>Closing Balance excess</b>
-	-	-	-

**38 Exceptional Items**

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Scrap of inventory*	485.93	-
Voluntary separation schemes (VSS)**	57.90	1,713.95
<b>Total</b>	<b>543.83</b>	<b>1,713.95</b>

\*Loss of ₹ 485.93 Lakhs on account of scrapping of inventory of electronics components due to significant design changes at the customer end.

\*\*Pursuant to the VSS scheme introduced by the Company in previous year, the Company has disbursed the amount of ₹ 57.90 Lakhs (March 31, 2022: ₹ 1,713.95 Lakhs) on account of Voluntary Separation Scheme (VSS) to the workers of Gurugram plant.

**39 Components of Other Comprehensive Income (OCI)**
**The disaggregation of changes to OCI by each type of reserve in equity:**

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Re-measurement gains/ (losses) on defined benefit plans	105.03	(332.14)
Deferred tax thereon	(36.70)	-
	<b>68.33</b>	<b>(332.14)</b>

**40 Earnings per share (EPS)**

a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Basic and diluted EPS are same as there are no convertible financial instruments outstanding as on March 31, 2023.

b) The following reflects the income and share data used in the basic and diluted EPS computations:

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Profit attributable to the equity holders of the Company	7,063.59	3,543.37
Weighted average number of equity shares for basic and diluted EPS	93,47,732	93,47,732
Basic and diluted earnings per share (face value ₹ 10 per share, March 31, 2022: ₹ 10 per share (₹))	75.57	37.91

c) There has not been any transactions involving equity shares or potential equity shares between the reporting date and the date of authorization of these Standalone financial statements.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**41 Related Party Disclosure**

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

S. No.	Particulars	Name of Related parties
1	Subsidiary	Lumax Industries Czech s.r.o.
2	Entity/Person having significant influence	Stanley Electric Co. Limited, Japan
3	Key Management Personnel	Mr Deepak Jain (Chairman & Managing Director)
		Mr Anmol Jain (Joint Managing Director)
		Mr Vineet Sahni (CEO & Senior Executive Director till April 14, 2023)
		Mr Tadayoshi Aoki (Senior Executive Director)
		Mr Kenjiro Nakazono (Executive Director till April 07, 2023)
		Mr Vishnu Johri (Chief Executive Officer w.e.f. April 15, 2023)
		Mr Shrutikant Rustagi (Chief Financial Officer till March 31, 2023)
		Mr Ravi Teltia (Chief Financial Officer w.e.f. April 01, 2023)
		Mr Pankaj Mahendru (Company Secretary till May 26, 2023)
		Mr Raajesh Gupta (Executive Director & Company Secretary w.e.f. May 27, 2023)
4	Relatives of Key Management Personnel	Mr D.K. Jain (Chairman Emeritus)
		Mr Vyom Sahni (son of Mr Vineet Sahni) till April 01, 2023
5	Non Executive Director	Mr Toru Tanabe
		Mr Avinash Parkash Gandhi (Independent Director)
		Mr Rajeev Kapoor (Independent Director)
		Mr Rattan Kapur (Independent Director)
		Ms Ritika Modi (Independent Director)
		Mr Dhiraj Dhar Gupta (Independent Director)
		Mr Vikrampati Singhania (Independent Director)

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Particulars	Name of Related parties
6	Entity Controlled / significantly influenced by Key Management Personnel and/or their Relatives	Lumax Auto Technologies Limited
		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
		Lumax FAE Technologies Private Limited
		Lumax Ituran Telematics Private Limited
		Lumax Metallics Private Limited (The erstwhile 100% Subsidiary Company of Lumax Auto Technologies Limited (LATL) has been merged with LATL)
		Lumax Integrated Ventures Private Limited
		Sipal Engineering Private Limited
		Backcountry Estates Private Limited
		Velomax Mobility Private Limited
		Finetone Acoustic Private Limited
		Lumax Alps Alpine India Private Limited
D.K. Jain Family Trust		
Lumax Charitable Foundation		
7	Entity controlled by Entity having significant influence	Thai Stanley Electric Public Co. Limited
		Asian Stanley International Co. Limited
		PT Indonesia Stanley Electric
		Stanley Electric (Asia Pacific) Limited
		Tianjin Stanley Electric Co. Limited
		Tianjin Stanley Electric Technology Co. Limited
		Vietnam Stanley Electric Co. Limited
		Shenzhen Stanley Electric Co. Limited
		Guangzhou Stanley Electric Co. Limited
		Sirivit-Stanley Co. Limited
		Stanley Iwaki Works Limited
		Stanley Electric Do Brasil Limited
8	Associate	SL Lumax Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
i)	<b>Sale of Raw Materials and Components (grouped in Consumption)</b>													
	Lumax Auto Technologies Limited	-	-	-	-	-	-	399.91	246.49	-	-	-	-	399.91
	Lumax Ancillary Limited	-	-	-	-	-	-	376.68	225.21	-	-	-	-	376.68
	Bharat Enterprises	-	-	-	-	-	-	422.25	262.45	-	-	-	-	422.25
	Lumax Ituran Telematics Private Limited	-	-	-	-	-	-	1.02	-	-	-	-	-	1.02
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	16.02	0.51	-	-	-	-	16.02
	<b>Total</b>	-	-	-	-	-	-	<b>1,215.88</b>	<b>734.66</b>	-	-	-	-	<b>1,215.88</b>
ii)	<b>Sale of Finished Goods (including Semi-finished Goods) and moulds</b>													
	Lumax Auto Technologies Limited	-	-	-	-	-	-	13,575.14	10,665.71	-	-	-	-	13,575.14
	Lumax Ancillary Limited	-	-	-	-	-	-	140.42	160.77	-	-	-	-	140.42
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	623.02	281.44	-	-	-	-	623.02
	Lumax Ituran Telematics Private Limited	-	-	-	-	-	-	61.94	3.16	-	-	-	-	61.94
	Lumax Jopp Allied Technologies Ltd.	-	-	-	-	-	-	1.27	-	-	-	-	-	1.27
	Stanley Electric Do Brasil Limited	-	-	-	-	-	-	-	-	0.59	3.74	-	-	0.59
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	-	0.37	-	-	0.37
	Asian Stanley International Co. Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	-	11.54	10.13	-	-	11.54
	Thai Stanley Electric Public Co. Ltd.	-	-	-	-	-	-	-	-	9.19	-	-	-	9.19
	Stanley Electric Co. Limited	-	-	26.69	61.05	-	-	-	-	-	-	-	-	26.69
	<b>Total</b>	-	-	<b>26.69</b>	<b>61.05</b>	-	-	<b>14,401.79</b>	<b>11,111.08</b>	<b>21.32</b>	<b>14.24</b>	-	-	<b>14,449.80</b>
														<b>61.05</b>
														<b>11,186.37</b>



Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22		
iii)	<b>Sale of Fixed Assets</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	1.92	-	-	-	-	-	-	1.92	
	Lumax Ancillary Limited	-	-	-	-	-	1.88	0.99	-	-	-	-	-	1.88	
	Lumax FAE Technologies Private Limited	-	-	-	-	-	0.03	-	-	-	-	-	-	0.03	
	Mahavir Udyog	-	-	-	-	-	0.12	-	-	-	-	-	-	0.12	
	Lumax Management Services Private Limited	-	-	-	-	-	3.53	-	-	-	-	-	-	3.53	
	<b>Total</b>						<b>7.48</b>	<b>0.99</b>						<b>7.48</b>	<b>0.99</b>
iv)	<b>Sale of Services</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	0.17	184.01	-	-	-	-	-	0.17	
	Lumax Ancillary Limited	-	-	-	-	-	0.54	-	-	-	-	-	-	0.54	
	Lumax Ituran Telematics Private Limited	-	-	-	-	-	47.20	-	-	-	-	-	-	47.20	
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	23.20	-	-	-	23.20	
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	-	-	11.47	11.96	-	-	11.47	
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	-	14.32	-	-	14.32	
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	-	12.31	-	-	12.31	
	Stanley Electric Co. Limited	-	-	-	-	75.92	-	-	-	-	-	-	-	75.92	
	<b>Total</b>						<b>47.91</b>	<b>184.01</b>		<b>11.47</b>	<b>61.79</b>			<b>59.38</b>	<b>321.72</b>
	v)	<b>Purchase of Raw Materials, Components and Moulds</b>													
		Lumax Auto Technologies Limited	-	-	-	-	-	15,158.76	14,204.77	-	-	-	-	-	15,158.76
Lumax Ancillary Limited		-	-	-	-	-	12,712.05	8,209.09	-	-	-	-	-	12,712.05	
Lumax Tours & Travels Limited		-	-	-	-	-	-	10.71	-	-	-	-	-	10.71	
Bharat Enterprises		-	-	-	-	-	4,120.86	3,344.93	-	-	-	-	-	4,120.86	
Mahavir Udyog		-	-	-	-	-	290.72	157.31	-	-	-	-	-	290.72	
Lumax Mannoh Allied Technologies Limited		-	-	-	-	-	17.34	49.88	-	-	-	-	-	17.34	
Thai Stanley Electric Public Co. Limited		-	-	-	-	-	-	-	-	44.53	215.31	-	-	44.53	
Asian Stanley International Co. Limited		-	-	-	-	-	-	-	-	3,452.52	1,532.79	-	-	3,452.52	
<b>Total</b>										<b>11.47</b>	<b>61.79</b>			<b>59.38</b>	<b>321.72</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22		
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	-	6,999.08	4,053.65	-	-	6,999.08	4,053.65
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	1.88	443.02	-	-	1.88	443.02
	Tianjin Stanley Electric Technology Co. Limited	-	-	-	-	-	-	-	-	1,377.24	172.04	-	-	1,377.24	172.04
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	86.11	46.16	-	-	86.11	46.16
	Sirvit-Stanley Co. Limited	-	-	-	-	-	-	-	-	859.47	603.01	-	-	859.47	603.01
	Shenzhen Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	30.95	129.10	-	-	30.95	129.10
	Stanley Iwaki Works Ltd	-	-	-	-	-	-	-	-	-	3.41	-	-	-	3.41
	Stanley Electric Co. Limited	-	-	7,019.59	4,996.72	-	-	-	-	-	-	-	-	7,019.59	4,996.72
	<b>Total</b>	-	-	<b>7,019.59</b>	<b>4,996.72</b>	-	-	<b>32,299.73</b>	<b>25,976.69</b>	<b>12,851.78</b>	<b>7,198.49</b>	-	-	<b>52,171.10</b>	<b>38,171.90</b>
vi)	<b>Purchase of Packing Material</b>														
	Mahavir Udyog	-	-	-	-	-	-	3,810.89	3,029.81	-	-	-	-	3,810.89	3,029.81
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	0.21	-	-	-	-	-	0.21
	<b>Total</b>	-	-	-	-	-	-	<b>3,810.89</b>	<b>3,030.02</b>	-	-	-	-	<b>3,810.89</b>	<b>3,030.02</b>
vii)	<b>Purchase of Stores &amp; Spares</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.21	0.34	-	-	-	-	0.21	0.34
	Lumax Ancillary Limited	-	-	-	-	-	-	0.06	0.47	-	-	-	-	0.06	0.47
	Bharat Enterprises	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	-	1.70	-	-	-	1.70
	Stanley Electric Co. Limited	-	-	11.55	-	-	-	-	-	-	-	-	-	11.55	-
	<b>Total</b>	-	-	<b>11.55</b>	-	-	-	<b>0.27</b>	<b>0.82</b>	-	<b>1.70</b>	-	-	<b>11.82</b>	<b>2.52</b>
viii)	<b>Purchase of Fixed Assets</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	38.04	-	-	-	-	-	38.04	-
	Lumax Ancillary Limited	-	-	-	-	-	-	-	7.66	-	-	-	-	-	7.66
	Tianjin Stanley Electric Technology Co. Ltd	-	-	-	-	-	-	-	-	49.50	-	-	-	49.50	-
	Stanley Iwaki Works Ltd	-	-	-	-	-	-	-	-	11.28	4.12	-	-	11.28	4.12
	Asian Stanley International Co Ltd	-	-	-	-	-	-	-	-	107.03	-	-	-	107.03	-

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Stanley Electric Co. Limited	-	-	921.13	571.36	-	-	-	-	-	-	-	-	921.13	571.36
	<b>Total</b>	-	-	<b>921.13</b>	<b>571.36</b>	-	-	<b>38.04</b>	<b>7.66</b>	<b>167.81</b>	<b>4.12</b>	-	-	<b>1,126.98</b>	<b>583.14</b>
ix)	<b>Purchase of Traded Goods</b>														
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	68.02	628.81	-	-	68.02	628.81
	<b>Total</b>	-	-	-	-	-	-	-	-	<b>68.02</b>	<b>628.81</b>	-	-	<b>68.02</b>	<b>628.81</b>
x)	<b>Technical Charges</b>														
	<b>Design &amp; Drawing Charges</b>														
	Stanley Electric Co. Limited	-	-	216.07	180.22	-	-	-	-	-	-	-	-	216.07	180.22
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	6.99	11.09	-	-	6.99	11.09
	Tianjin Stanley Electric Technology Co. Ltd	-	-	-	-	-	-	-	-	570.13	88.37	-	-	570.13	88.37
	Lumax Auto Technologies Limited	-	-	-	-	-	-	-	40.10	-	-	-	-	-	40.10
	<b>Testing Charges</b>														
	Stanley Electric Co. Limited	-	-	17.67	46.56	-	-	-	-	-	-	-	-	17.67	46.56
	Asian Stanley International Co Ltd	-	-	-	-	-	-	-	-	1.36	-	-	-	1.36	-
	Lumax Auto Technologies Limited	-	-	-	-	-	-	8.32	6.46	-	-	-	-	8.32	6.46
	Lumax Ancillary Limited	-	-	-	-	-	-	-	0.16	-	-	-	-	-	0.16
	<b>Management Support Fee</b>														
	Stanley Electric Co. Limited	-	-	838.62	949.88	-	-	-	-	-	-	-	-	838.62	949.88
	Lumax Management Services Private Limited	-	-	-	-	-	-	2,100.03	1,584.92	-	-	-	-	2,100.03	1,584.92
	<b>Total</b>	-	-	<b>1,072.36</b>	<b>1,176.66</b>	-	-	<b>2,108.35</b>	<b>1,631.64</b>	<b>578.48</b>	<b>99.46</b>	-	-	<b>3,759.19</b>	<b>2,907.76</b>
xi)	<b>Rent Income</b>														
	Lumax Management Services Private Limited	-	-	-	-	-	-	5.10	5.10	-	-	-	-	5.10	5.10
	Sipal Engineering Private Limited	-	-	-	-	-	-	-	0.04	-	-	-	-	-	0.04
	Lumax Finance Private Limited	-	-	-	-	-	-	0.17	0.17	-	-	-	-	0.17	0.17
	Lumax Mettalics Private Limited	-	-	-	-	-	-	0.17	0.17	-	-	-	-	0.17	0.17
	Lumax Integrated Ventures Private Limited	-	-	-	-	-	-	0.17	0.17	-	-	-	-	0.17	0.17
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.09	0.06	-	-	-	-	0.09	0.06

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Lumax Ancillary Limited	-	-	-	-	-	-	29.48	24.60	-	-	-	-	29.48	24.60
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.17	0.17	-	-	-	-	0.17	0.17
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.17	0.17	-	-	-	-	0.17	0.17
	Lumax FAE Technologies Private Limited	-	-	-	-	-	-	0.17	0.08	-	-	-	-	0.17	0.08
	Lumax Ituran Telematics Private Limited	-	-	-	-	-	-	0.17	0.08	-	-	-	-	0.17	0.08
	Lumax Jopp Allied Technologies Limited	-	-	-	-	-	-	0.08	0.06	-	-	-	-	0.08	0.06
	Lumax Alps Alpine India Private Limited	-	-	-	-	-	-	0.17	0.08	-	-	-	-	0.17	0.08
	Lumax Yokowo Technologies Private Limited	-	-	-	-	-	-	0.17	0.18	-	-	-	-	0.17	0.18
	Backcountry Estates Private Limited	-	-	-	-	-	-	0.17	0.17	-	-	-	-	0.17	0.17
	Velomax Mobility Private Limited	-	-	-	-	-	-	-	0.03	-	-	-	-	-	0.03
	Finetone Acoustic Private Limited	-	-	-	-	-	-	0.17	0.19	-	-	-	-	0.17	0.19
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	-	0.17	0.17	-	-	-	-	0.17	0.17
	<b>Total</b>	-	-	-	-	-	-	<b>36.79</b>	<b>31.69</b>	-	-	-	-	<b>36.79</b>	<b>31.69</b>
xii)	<b>Rent Expense</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	301.49	296.99	-	-	-	-	301.49	296.99
	<b>Total</b>	-	-	-	-	-	-	<b>301.49</b>	<b>296.99</b>	-	-	-	-	<b>301.49</b>	<b>296.99</b>
xiii)	<b>Payment to Chairman Emeritus</b>														
	Mr D.K. Jain	-	-	-	-	30.00	30.00	-	-	-	-	-	-	30.00	30.00
	<b>Total</b>	-	-	-	-	<b>30.00</b>	<b>30.00</b>	-	-	-	-	-	-	<b>30.00</b>	<b>30.00</b>
xiv)	<b>Managerial Remuneration (short term employee benefits)*</b>														
	Mr Deepak Jain <sup>#</sup>	-	-	-	-	135.84	135.84	-	-	-	-	-	-	135.84	135.84
	Mr Anmol Jain <sup>#</sup>	-	-	-	-	53.66	53.66	-	-	-	-	-	-	53.66	53.66
	Mr Tadayoshi Aoki	-	-	-	-	18.08	1775	-	-	-	-	-	-	18.08	1775
	Mr Kenjiro Nakazono	-	-	-	-	19.01	19.11	-	-	-	-	-	-	19.01	19.11
	Mr Vineet Sahni <sup>#</sup>	-	-	-	-	364.01	337.51	-	-	-	-	-	-	364.01	337.51

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
 (All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel	Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate	Total	Total
		2022-23	2021-22	2022-23	2021-22		2022-23	2021-22	2022-23	2021-22			
		*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.											
	<b>Total</b>	-	-	-	-	<b>590.60</b>	<b>563.87</b>	-	-	-	-	<b>590.60</b>	<b>563.87</b>
xv)	<b>Commission to Director*</b>												
	Mr Deepak Jain	-	-	-	-	609.21	341.36	-	-	-	-	609.21	341.36
	Mr Anmol Jain	-	-	-	-	243.69	75.67	-	-	-	-	243.69	75.67
	Mr Vineet Sahni	-	-	-	-	121.84	70.97	-	-	-	-	121.84	70.97
		# The managerial remuneration paid/payable has exceeded the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013. The Company has obtained necessary approvals as required under the relevant provisions of the Companies Act, 2013.											
	<b>Total</b>	-	-	-	-	<b>974.74</b>	<b>488.00</b>	-	-	-	-	<b>974.74</b>	<b>488.00</b>
xvi)	<b>Royalty (gross)</b>												
	Stanley Electric Co. Limited	-	-	2,959.95	2,253.43	-	-	-	-	-	-	2,959.95	2,253.43
	<b>Total</b>	-	-	<b>2,959.95</b>	<b>2,253.43</b>	-	-	-	-	-	-	<b>2,959.95</b>	<b>2,253.43</b>
xvii)	<b>Dividend Paid</b>												
	Mr Deepak Jain	-	-	-	-	167.87	87.05	-	-	-	-	167.87	87.05
	Mr Anmol Jain	-	-	-	-	167.87	87.05	-	-	-	-	167.87	87.05
	Lumax Auto Technologies Limited	-	-	-	-	-	-	70.88	36.75	-	-	70.88	36.75
	Lumax Finance Private Limited	-	-	-	-	-	-	66.60	34.54	-	-	66.60	34.54
	Stanley Electric Co. Limited	-	-	451.36	234.04	-	-	-	-	-	-	451.36	234.04
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	21.87	11.34	-	21.87	11.34
	<b>Total</b>	-	-	<b>451.36</b>	<b>234.04</b>	<b>335.74</b>	<b>174.10</b>	<b>137.48</b>	<b>71.29</b>	<b>21.87</b>	<b>11.34</b>	<b>946.45</b>	<b>490.77</b>
xviii)	<b>Travelling &amp; Conveyance</b>												
	Lumax Tours & Travels Limited	-	-	-	-	-	-	654.48	245.55	-	-	654.48	245.55
	Stanley Electric Co. Limited	-	-	2.33	-	-	-	-	-	-	-	2.33	-
	<b>Total</b>	-	-	<b>2.33</b>	-	-	-	<b>654.48</b>	<b>245.55</b>	-	-	<b>656.81</b>	<b>245.55</b>
xix)	<b>Freight Inward</b>												
	Lumax Ancillary Limited	-	-	-	-	-	0.09	-	-	-	-	0.09	-
	Lumax Auto Technologies Limited	-	-	-	-	-	1.86	1.18	-	-	-	1.86	1.18
	<b>Total</b>	-	-	-	-	-	<b>1.95</b>	<b>1.18</b>	-	-	-	<b>1.95</b>	<b>1.18</b>
xx)	<b>Legal &amp; Professional Charges</b>												
	Lumax Auto Technologies Limited	-	-	-	-	-	3.45	-	-	-	-	3.45	-
	Lumax Ancillary Limited	-	-	-	-	-	-	1.38	-	-	-	-	1.38

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Lumax Management Services Private Limited	-	-	-	-	-	-	6.96	10.56	-	-	-	-	6.96	10.56
	<b>Total</b>	-	-	-	-	-	-	<b>10.41</b>	<b>11.94</b>	-	-	-	-	<b>10.41</b>	<b>11.94</b>
xxi)	<b>Miscellaneous Expenses</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	106.33	3.03	-	-	-	-	106.33	3.03
	Lumax Ancillary Limited	-	-	-	-	-	-	2.00	0.40	-	-	-	-	2.00	0.40
	Lumax Tours & Travels Limited	-	-	-	-	-	-	-	0.05	-	-	-	-	-	0.05
	Stanley Electric Co. Limited	-	-	2.06	-	-	-	-	-	-	-	-	-	2.06	-
	<b>Total</b>	-	-	<b>2.06</b>	-	-	-	<b>108.33</b>	<b>3.48</b>	-	-	-	-	<b>110.39</b>	<b>3.48</b>
xxii)	<b>Packing &amp; Forwarding</b>														
	Lumax Ancillary Limited	-	-	-	-	-	-	-	1.24	-	-	-	-	-	1.24
	Lumax Auto Technologies Limited	-	-	-	-	-	-	4.42	0.02	-	-	-	-	4.42	0.02
	<b>Total</b>	-	-	-	-	-	-	<b>4.42</b>	<b>1.26</b>	-	-	-	-	<b>4.42</b>	<b>1.26</b>
xxiii)	<b>Salaries, wages and bonus</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	24.83	18.79	-	-	-	-	24.83	18.79
	Stanley Electric Co. Limited	-	-	15.54	18.80	-	-	-	-	-	-	-	-	15.54	18.80
	Mr. Vyom Sahni	-	-	-	-	13.05	11.70	-	-	-	-	-	-	13.05	11.70
	<b>Total</b>	-	-	<b>15.54</b>	<b>18.80</b>	<b>13.05</b>	<b>11.70</b>	<b>24.83</b>	<b>18.79</b>	-	-	-	-	<b>53.42</b>	<b>49.29</b>
xxiv)	<b>Reimbursement Received</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	(335.75)	(410.29)	-	-	-	-	(335.75)	(410.29)
	Lumax Management Services Private Limited	-	-	-	-	-	-	(2.64)	(7.47)	-	-	-	-	(2.64)	(7.47)
	Lumax Ancillary Limited	-	-	-	-	-	-	(27.46)	(11.59)	-	-	-	-	(27.46)	(11.59)
	Bharat Enterprises	-	-	-	-	-	-	(16.81)	(13.76)	-	-	-	-	(16.81)	(13.76)
	Mahavir Udyog	-	-	-	-	-	-	(1.36)	(1.37)	-	-	-	-	(1.36)	(1.37)
	Stanley Electric Co. Limited	-	-	(193.38)	(222.32)	-	-	-	-	-	-	-	-	(193.38)	(222.32)
	<b>Total</b>	-	-	<b>(193.38)</b>	<b>(222.32)</b>	-	-	<b>(384.02)</b>	<b>(444.48)</b>	-	-	-	-	<b>(577.40)</b>	<b>(666.80)</b>
xxv)	<b>Investment in subsidiary</b>														
	Lumax Industries Czech s.r.o.	-	-	-	-	-	-	-	-	-	-	-	-	501.58	-
	<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>501.58</b>	<b>-</b>



Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
 (All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total		
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
xxvi)	<b>Repair to Plant &amp; Machinery</b>															
	Lumax Ancillary Limited	-	-	-	-	-	-	2.45	0.93	-	-	-	-	2.45	0.93	
	Lumax Auto Technologies Limited	-	-	-	-	-	-	15.60	-	-	-	-	-	15.60	-	
	Bharat Enterprises	-	-	-	-	-	-	1.63	0.61	-	-	-	-	1.63	0.61	
	<b>Total</b>	-	-	-	-	-	-	<b>19.68</b>	<b>1.54</b>	-	-	-	-	<b>19.68</b>	<b>1.54</b>	
xxvii)	<b>Repairs &amp; Maintenance- Others</b>															
	Lumax Management Services Private Limited	-	-	-	-	-	-	134.36	116.80	-	-	-	-	134.36	116.80	
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.48	-	-	-	-	-	0.48	-	
	Stanley Electric Co. Limited	-	-	11.54	12.18	-	-	-	-	-	-	-	-	11.54	12.18	
	<b>Total</b>	-	-	<b>11.54</b>	<b>12.18</b>	-	-	<b>134.84</b>	<b>116.80</b>	-	-	-	-	<b>146.38</b>	<b>128.98</b>	
xxviii)	<b>Repairs &amp; Maintenance- Building</b>															
	Lumax Ancillary Limited	-	-	-	-	-	-	4.46	-	-	-	-	-	4.46	-	
	<b>Total</b>	-	-	-	-	-	-	<b>4.46</b>	-	-	-	-	-	<b>4.46</b>	-	
	xxix)	<b>Sales promotion</b>														
		Lumax Tours & Travels Limited	-	-	-	-	-	-	-	6.65	-	-	-	-	-	6.65
Lumax Management Services Private Limited		-	-	-	-	-	-	12.31	9.63	-	-	-	-	12.31	9.63	
<b>Total</b>		-	-	-	-	-	-	<b>12.31</b>	<b>16.28</b>	-	-	-	-	<b>12.31</b>	<b>16.28</b>	
xxx)		<b>Welfare (Staff And Labour)</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	-	0.45	-	-	-	-	-	0.45	-	
	Lumax Management Services Private Limited	-	-	-	-	-	-	26.46	5.72	-	-	-	-	26.46	5.72	
	<b>Total</b>	-	-	-	-	-	-	<b>26.91</b>	<b>5.72</b>	-	-	-	-	<b>26.91</b>	<b>5.72</b>	
	xxxi)	<b>Liabilities no longer required written back</b>														
PT Indonesia Stanley Electric		-	-	-	-	-	-	-	-	7.01	-	-	-	-	7.01	
<b>Total</b>		-	-	-	-	-	-	-	-	<b>7.01</b>	-	-	-	<b>7.01</b>		
xxxii)		<b>Job Work Charges</b>														
		Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	0.14	-	-	-	-	-	0.14	-
	Lumax Ancillary Limited	-	-	-	-	-	-	0.07	2.31	-	-	-	-	0.07	2.31	
	<b>Total</b>	-	-	-	-	-	-	<b>0.21</b>	<b>2.31</b>	-	-	-	-	<b>0.21</b>	<b>2.31</b>	

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total		
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
xxxiii)	<b>Power &amp; Fuel Expenses</b>															
	Lumax Ancillary Limited	-	-	-	-	-	-	3.46	3.46	-	-	-	-	-	-	3.46
	<b>Total</b>	-	-	-	-	-	-	<b>3.46</b>	<b>3.46</b>	-	-	-	-	-	-	<b>3.46</b>
xxxiv)	<b>Donations</b>															
	Lumax Charitable Foundation	-	-	-	-	-	-	2.60	4.55	-	-	-	-	-	-	2.60
	<b>Total</b>	-	-	-	-	-	-	<b>2.60</b>	<b>4.55</b>	-	-	-	-	-	-	<b>4.55</b>
xxxv)	<b>Corporate Social Responsibility Contribution (CSR)</b>															
	Lumax Charitable Foundation	-	-	-	-	-	-	123.70	113.45	-	-	-	-	-	-	123.70
	<b>Total</b>	-	-	-	-	-	-	<b>123.70</b>	<b>113.45</b>	-	-	-	-	-	-	<b>123.70</b>
xxxvi)	<b>Sitting Fees</b>															
	Mr Avinash Parkash Gandhi	-	-	-	-	-	-	9.40	8.20	-	-	-	-	-	-	9.40
	Mr Rajeve Kapoor	-	-	-	-	-	-	6.40	5.60	-	-	-	-	-	-	6.40
Mr Rattan Kapur	-	-	-	-	-	-	6.80	7.40	-	-	-	-	-	-	6.80	
Ms Ritika Modi	-	-	-	-	-	-	1.60	4.40	-	-	-	-	-	-	1.60	
Mr Vikrampati Singhania	-	-	-	-	-	-	5.20	4.40	-	-	-	-	-	-	5.20	
Mr Dhiraj Dhar Gupta	-	-	-	-	-	-	7.80	8.20	-	-	-	-	-	-	7.80	
<b>Total</b>		-	-	-	-	-	<b>37.20</b>	<b>38.20</b>	-	-	-	-	-	-	<b>37.20</b>	

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
 (All amounts are presented in ₹ Lakhs, unless otherwise stated)

C. Details of Closing Balances of Related Parties (Balances at the year end)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022		As at March 31, 2023
i)	<b>Trade Receivables</b>														
	Lumax Auto Technologies Limited	-	-	-	-	3,523.16	3,672.78	-	-	-	-	-	-	3,523.16	3,672.78
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	0.04	-	-	-	-	-	-	-	0.04
	Lumax Ancillary Limited	-	-	-	-	119.09	222.71	-	-	-	-	-	-	119.09	222.71
	Bharat Enterprises	-	-	-	-	45.94	35.45	-	-	-	-	-	-	45.94	35.45
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	207.13	132.76	-	-	-	-	-	-	207.13	132.76
	Lumax Jopp Allied Technologies Private Limited	-	-	-	-	1.27	-	-	-	-	-	-	-	1.27	-
	Lumax Ituran Telematics Private Limited	-	-	-	-	108.59	3.16	-	-	-	-	-	-	108.59	3.16
	Finetone Acoustic Private Limited	-	-	-	-	0.17	-	-	-	-	-	-	-	0.17	-
	Mahavir Udyog Stanley Electric Co. Limited	-	-	13.96	34.17	-	0.59	0.24	-	-	-	-	-	13.96	34.17
Stanley Electric Do Brasil Limited	-	-	-	-	-	-	-	-	0.59	-	-	-	-	0.59	
Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	-	5.21	10.33	-	-	5.21	10.33	
Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	15.86	14.63	-	-	15.86	14.63	
<b>Total</b>				<b>13.96</b>	<b>34.17</b>	<b>4,005.94</b>	<b>4,067.14</b>	<b>21.66</b>	<b>24.96</b>	<b>4,041.56</b>	<b>4,126.27</b>				
ii)	<b>Advance received from Customers</b>														
	Lumax Auto Technologies Limited	-	-	-	-	-	11.18	-	-	-	-	-	-	-	11.18
	Stanley Electric Co. Limited	-	-	-	1.99	-	-	-	-	-	-	-	-	-	1.99
<b>Total</b>							<b>11.18</b>							<b>13.17</b>	
iii)	<b>Other Recoverable</b>														
	Lumax Auto Technologies Limited	-	-	-	-	400.00	300.00	-	-	-	-	-	-	400.00	300.00
	<b>Total</b>					<b>400.00</b>	<b>300.00</b>							<b>400.00</b>	<b>300.00</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total		
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022			
iv)	<b>Trade Payables</b>															
	Lumax Auto Technologies Limited	-	-	-	-	-	-	7,097.47	7,216.58	-	-	-	-	7,097.47	7,216.58	
	Lumax Tours & Travels Limited	-	-	-	-	-	-	10.77	30.50	-	-	-	-	10.77	30.50	
	Lumax Ancillary Limited	-	-	-	-	-	-	2,946.83	2,591.61	-	-	-	-	2,946.83	2,591.61	
	Bharat Enterprises	-	-	-	-	-	-	363.35	363.09	-	-	-	-	363.35	363.09	
	Mahavir Ldyog	-	-	-	-	-	-	952.43	882.78	-	-	-	-	952.43	882.78	
	Lumax Management Services Private Limited	-	-	-	-	-	-	963.04	508.65	-	-	-	-	963.04	508.65	
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	-	-	22.04	-	-	-	-	-	-	22.04
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	-	-	0.99	21.28	-	-	0.99	21.28
	Asian Stanley International Co. Limited	-	-	-	-	-	-	-	-	-	1,146.59	973.02	-	-	1,146.59	973.02
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	-	-	217.06	-	-	-	217.06
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	-	-	2,592.16	1,140.84	-	-	2,592.16	1,140.84
	Sirvit-Stanley Co. Limited	-	-	-	-	-	-	-	-	-	96.04	172.41	-	-	96.04	172.41
	Shenzhen Stanley Electric Co. Limited.	-	-	-	-	-	-	-	-	-	3.31	68.29	-	-	3.31	68.29
Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	-	1.88	-	-	-	1.88	-	
Tianjin Stanley Electric Technology Co. Limited	-	-	-	-	-	-	-	-	-	138.48	204.93	-	-	138.48	204.93	
Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	-	12.94	13.26	-	-	12.94	13.26	
Stanley Electric Co. Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	3,086.90	2,984.99	
<b>Total</b>								<b>12,333.89</b>	<b>11,615.25</b>	<b>3,992.39</b>	<b>2,811.09</b>			<b>19,413.18</b>	<b>17,411.33</b>	
v)	<b>Capital Advance</b>															
	Lumax Ancillary Limited	-	-	-	-	-	-	5,282.48	5,276.23	-	-	-	-	5,282.48	5,276.23	
	<b>Total</b>							<b>5,282.48</b>	<b>5,276.23</b>					<b>5,282.48</b>	<b>5,276.23</b>	

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Subsidiary		Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Associate		Total
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
vi)	<b>Advance paid to Vendors</b>													
	Lumax Tours & Travels Limited	-	-	-	-	-	-	0.82	-	-	-	-	-	0.82
	Lumax Ancillary Limited	-	-	-	-	-	-	15.77	-	-	-	-	-	15.77
	<b>Total</b>	-	-	-	-	-	-	<b>15.77</b>	<b>0.82</b>	-	-	-	-	<b>0.82</b>
vii)	<b>Recoverable from Vendors</b>													
	Lumax Tours & Travels Limited	-	-	-	-	-	-	-	6.07	-	-	-	-	6.07
	Bharat Enterprises	-	-	-	-	-	-	0.32	2.74	-	-	-	-	2.74
	<b>Total</b>	-	-	-	-	-	-	<b>0.32</b>	<b>8.81</b>	-	-	-	-	<b>8.81</b>
viii)	<b>Security Deposit for Rent</b>													
	Mr D. K. Jain	-	-	-	-	3.45	3.45	-	-	-	-	-	-	3.45
	<b>Total</b>	-	-	-	-	<b>3.45</b>	<b>3.45</b>	-	-	-	-	-	-	<b>3.45</b>
ix)	<b>Loan to Employee</b>													
	Mr Vineet Sahni	-	-	-	-	-	-	-	-	-	-	-	-	-
	Repayment of Loan Closing Balance	-	-	-	-	(30.00)	(30.00)	-	-	-	-	-	-	(30.00)
	<b>Investment</b>													
x)	SL Lumax Limited	-	-	-	-	-	-	-	-	-	-	-	-	354.74
	Lumax Industries Czech s.r.o.	501.58	-	-	-	-	-	-	-	-	-	-	-	501.58
	<b>Total</b>	<b>501.58</b>	-	-	-	-	-	-	-	-	-	-	-	<b>856.32</b>
xi)	<b>Other Financial Liabilities</b>													
	Mr Deepak Jain	-	-	-	-	609.21	341.36	-	-	-	-	-	-	609.21
	Mr Anmol Jain	-	-	-	-	243.69	75.67	-	-	-	-	-	-	243.69
	Mr Vineet Sahni	-	-	-	-	129.26	70.97	-	-	-	-	-	-	129.26
	Mr Rattan Kapur	-	-	-	-	0.18	-	-	-	-	-	-	-	0.18
	Mr Rajeev Kapoor	-	-	-	-	1.44	-	-	-	-	-	-	-	1.44
	Mr Avinash Parkash Gandhi	-	-	-	-	1.62	-	-	-	-	-	-	-	1.62
	Mr Dhirej Dhar Gupta	-	-	-	-	1.62	0.36	-	-	-	-	-	-	1.62
	Mr Vikrampati Singhania	-	-	-	-	1.08	-	-	-	-	-	-	-	1.08
	Mr D. K. Jain	-	-	-	-	0.45	0.69	-	-	-	-	-	-	0.45
	<b>Total</b>	-	-	-	-	<b>988.55</b>	<b>489.05</b>	-	-	-	-	-	-	<b>988.55</b>

Note:

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

Above amount is inclusive of GST wherever applicable.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**42 Gratuity and other post-employment benefit plans**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with an insurance company in the form of qualifying insurance policy.

**A) Defined contribution plans**

During the year, the Company has recognized the following amounts in the statement of profit and loss :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to provident and other funds	1,181.35	1,099.23

**B) Defined Benefit plans**

a) The following table summarise the components of net benefit expense recognized in the Statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

	For the year ended March 31, 2023	For the year ended March 31, 2022
	Gratuity	Gratuity
<b>Cost for the year included under employee benefit</b>		
Current service cost	226.50	227.28
Interest cost	136.28	89.05
<b>Net benefit expense</b>	<b>362.78</b>	<b>316.33</b>

b) Amounts recognized in statement of other comprehensive income (OCI)

	For the year ended March 31, 2023	For the year ended March 31, 2022
	Gratuity	Gratuity
<b>Opening amount recognized in OCI outside statement of profit and loss</b>	-	-
Remeasurement for the year - Obligation (Gain) / Loss	(106.49)	369.92
Remeasurement for the year - Plan Assets Loss / (Gain)	1.46	(37.78)
<b>Total remeasurement (Credit) / Cost for the year recognized in OCI</b>	<b>(105.03)</b>	<b>332.14</b>
<b>Closing amount recognized in OCI outside statement of profit and loss</b>	<b>(105.03)</b>	<b>332.14</b>

c) Mortality table

	For the year ended March 31, 2023	For the year ended March 31, 2022
	Gratuity	Gratuity
<b>Economic assumptions</b>		
1 Discount rate	7.37%	7.24%
2 Rate of increase in compensation levels - for the first two years	7.00%	7.00%
- Thereafter	7.00%	7.00%
3 Rate of return on plan assets	7.24%	6.76%
<b>Demographic assumptions</b>		
1 Expected average remaining working lives of employees (years)	20.39	20.41
2 Retirement Age (years)	58	58
3 Mortality Rate	Indian Assured Lives Mortality (2012-14) ultimate	
<b>Withdrawal Rate</b>		
1 upto 30 years	10.00%	9.00%
2 Ages from 31-40 years	10.00%	9.00%
3 Ages from 41-50 years	10.00%	9.00%
4 Above 50 years	10.00%	9.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**d) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for defined benefit obligation and plan assets**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Benefit obligation as at the beginning of the year	2,757.48	3,389.30
Current service cost	226.50	227.28
Interest cost	188.12	181.44
Benefit paid	(318.14)	(1,410.46)
Actuarial (gain)/loss	(106.49)	369.92
<b>Gross Liability</b>	<b>2,747.47</b>	<b>2,757.48</b>

**e) Table showing changes in the fair value of plan assets:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Opening fair value of plan assets	824.89	2,038.86
Expected return on plan assets	51.84	92.39
Contribution made during the year	100.50	66.34
Benefits paid	(318.14)	(1,410.48)
Mortality charges	-	-
Actuarial (loss)/gain on plan assets	(1.46)	37.78
<b>Closing fair Value of Plan asset</b>	<b>657.63</b>	<b>824.89</b>

**f) Benefit (asset) / liability:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Present value of Defined Benefit Obligation ("DBO")	2,747.47	2,757.48
Fair value of plan assets	657.63	824.89
<b>Net liability</b>	<b>2,089.84</b>	<b>1,932.59</b>

**g) Major category of plan assets (as % of total plan assets)**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Investment with the insurer	96.59%	97.47%

**h) A quantitative sensitivity analysis for significant assumption is as shown below:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
	<b>Gratuity</b>	<b>Gratuity</b>
<b>A. Discount rate</b>		
Effect on DBO due to 1% increase in Discount Rate	2,602.78	2,604.94
Effect on DBO due to 1% decrease in Discount Rate	2,907.88	2,927.43
<b>B. Salary escalation rate</b>		
Effect on DBO due to 1% increase in Salary Escalation Rate	2,899.53	2,919.32
Effect on DBO due to 1% decrease in Salary Escalation Rate	2,607.00	2,608.47
<b>C. Withdrawal rate</b>		
Effect on DBO due to 1% increase in Withdrawal rate	2,749.88	2,760.40
Effect on DBO due to 1% decrease in Withdrawal rate	2,744.74	2,755.63

**i) The expected benefit payments in future years is as follows:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
March 31, 2023	-	379.64
March 31, 2024 (Previous Year: April 01, 2023 to March 31, 2027)	397.08	1,240.63
March 31, 2025	351.91	-
March 31, 2026	312.96	-
March 31, 2027	336.84	-
March 31, 2028 (Previous Year: April 01, 2027 to March 31, 2032)	280.62	1,224.36
April 01, 2028 to March 31, 2033 (Previous Year: April 01, 2032 onwards)	1,274.80	1,760.63

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**43 Commitments and Contingencies**

**a) Capital and other commitments**

**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

Capital commitments are ₹ 7,694.71 Lakhs (As at March 31, 2022 ₹ 1,669.40 Lakhs), net of advances.

**b) Contingent Liabilities**

		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Claims against the Company not acknowledged as debts</b>			
<b>Custom Duty</b>			
i)	During the earlier year, the Company had received demand cum show cause notice from the indirect tax department alleged that Company had incorrectly classified of certain imported goods. The Company has submitted reply to the Show Cause Notice and the matter is pending for adjudication. The Company is of the view that the final outcome of the case would be in the favor of the Company and hence, no provision has been made in the books of accounts.	6.51	6.51
ii)	During the earlier year, the Company had received demand cum show cause notice from the indirect tax department alleged that Company has availed duty drawback and not submitted the proof of realization of export within time. The matter was adjudicated and an Appeal was filed against the said Adjudication Order. The matter was remanded back for re-adjudication vide Order in Appeal No. MUM-CUSTOM/ AXP-APP-30 Dated 23.04.2018. The Company is of the view that the final outcome of the case would be in the favor of the Company and hence, no provision has been made in the books of accounts.	1.16	1.16
iii)	During the earlier year, the Company had received Show Cause-Cum-Demand Notice based on the allegation of non-realization of export proceeds. The Company had already submitted the reply along with TR-6 challan. Therefore, the case is closed now.	-	0.20
iv)	The Department had issued the notices alleged that the Company has not included the cost of drawing, design and testing charges paid to M/S. Stanley Electric Co. Limited for the value of moulds/ tools/dies imported by it and has therefore not paid customs duty on the value of such design, drawings and testing charges and demanded ₹ 500 Lakhs which was duly deposited under protest by the Company February 01, 2021. The matter is presently pending for adjudication as no personal hearing is held so far. The Company is of the view that the final outcome of the case would be in the favor of the Company and hence, no provision has been made in the books of accounts.	1,315.56	1,132.26
v)	A Show Cause Notice was issued based on the allegation that the Company has wrongly classified the imported goods. The matter was confirmed and an appeal was filed on June 24, 2022. The Company is of the view that the final outcome of the case would be in the favor of the Company and hence, no provision has been made in the books of accounts.	45.03	45.03

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
vi)	During the earlier year, the Company had received demand cum show cause notice from the indirect tax department alleged that the Company has wrongfully obtained the duty drawback and said case has been closed now.	-	2.00
vii)	Demand was raised by the department for Excise Duty on Drawing & Design / specification provided by MSIL on free of cost and amortization cost thereon. The matter was adjudicated and demand was partially dropped by the Adjudicating Authority. Appeal filed before CESTAT for the demand confirmed by the Adjudicating Authority. The Company is of the view that the final outcome of the case would be in the favor of the Company and hence, no provision has been made in the books of accounts.	48.77	1,237.80
		<b>1,417.03</b>	<b>2,424.96</b>
	<b>Good and Services Tax (GST)/ Central Sales Tax (CST)</b>		
viii)	During the current year, The Company has received demand from the department alleged that excess Input Tax Credit (ITC) has been claimed. The Company is of the view that the final outcome of the case would be in the favor of the Company and hence, no provision has been made in the books of accounts.	102.64	-
ix)	During the earlier year, the Company had received demand cum show cause notice from the indirect tax department for non submission of C form. The matter was adjudicated and an Appeal was filed against the said Adjudication Order. The Company is of the view that the final outcome of the case would be in the favor of the Company and hence, no provision has been made in the books of accounts.	35.64	35.64
x)	During the earlier year, the Company had received demand cum show cause notice from the indirect tax department for non submission of C form. The matter was adjudicated and an Appeal was filed against the said Adjudication Order. The said case has been closed now.	-	20.23
xi)	During the earlier year, the Company had received demand cum show cause notice from the indirect tax department alleged that the Company has wrongfully obtained the ITC. The matter was adjudicated and an Appeal was filed against the said Adjudication Order. The Company is of the view that the final outcome of the case would be in the favor of the Company and hence, no provision has been made in the books of accounts.	90.79	90.79
xii)	During the earlier year, the Company had received demand cum show cause notice from the indirect tax department alleged that the Company has wrongfully obtained the ITC. The matter was adjudicated and an Appeal was filed against the said Adjudication Order. The Company is of the view that the final outcome of the case would be in the favor of the Company and hence, no provision has been made in the books of accounts.	31.48	31.48
		<b>260.55</b>	<b>178.14</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
xiii)	<b>Outstanding Export Obligations</b> Outstanding export obligations for ₹ 6,776.62 Lakhs (March 31, 2022 ₹ 5,589.49 Lakhs), which is six times of the duty saved 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 custom duty, interest if any has not been considered.	1,129.44	931.58
	<b>Income Tax</b>		
xiv)	In respect of A.Y. 2018-19, the Assessing officer had made addition of ₹ 3,991.85 Lakhs vide assessment order u/s 143(3) dated December 30, 2019 on account of search and seizure operation and raised the demand amounting to ₹ 2,572.15 Lakhs including interest u/s 234 A/B/C. Against the addition made by Assessing officer, the Company had preferred an appeal on January 18, 2020 with Commissioner of Income Tax (Appeals), CIT(A). Demand was corrected by AO to zero u/s 154 vide order dated August 6, 2020. During the F.Y 2020-21, the Company had received a favourable order in this regard from CIT(A) and Appeal effect order dated October 27, 2020 was passed by AO. However, against the said order of CIT(A), the department has filed an appeal on November 10, 2020 with the Income Tax Appellate Tribunal (ITAT). Based on the opinion of the advocate, the Company is of the view that the final outcome of the case would be in the favour of the Company and hence, no provision has been made in the books of accounts.	3,083.71	3,083.71
	<b>Other cases</b>		
xv)	During the earlier year, the vendor has filed a frivolous counter claim suit against the Company for restraining the DG set installed by him. The Company is of the view that the final outcome of the case would be in the favour of the Company and hence, no provision has been made in the books of accounts.	300.00	300.00
xvi)	During the earlier year, The Company had received a notice from Charodi Gram panchayat towards payment of property tax amounting to ₹ 250.00 Lakhs from the period from 2010-11 to 2019-20 in respect to the factory situated at Sanand, Ahmedabad in response to which Hon'ble High Court has directed the Company dated September 22, 2022 to submit a supporting documents to village gram panchayat for reassessment of case.	250.00	250.00

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

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**44 Details of Research and development expenses are as follows:**

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

**Capital expenditure**

	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Capital expenditure	98.92	70.68

**Revenue expenditure**

	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Salaries, wages and bonus	1,605.70	1,656.12
Contribution to provident fund	85.20	80.42
Contribution to other funds	11.80	11.54
Staff welfare	41.39	56.89
Gratuity	43.60	60.58
Insurance	6.18	6.80
Repair & maintenance	179.50	231.04
Travelling & conveyance	241.12	169.28
Legal & professional expenses	109.68	10.86
Research & development	3.38	17.21
Power & fuel	18.98	26.15
Miscellaneous	65.52	68.64
Design, support & testing charges	0.21	4.01
Consumables	0.12	0.09
Depreciation	113.44	120.29
Finance cost	7.08	1.52
<b>Total</b>	<b>2,532.90</b>	<b>2,521.44</b>

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

**Capital expenditure**

	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Capital expenditure	282.72	140.34

**Revenue expenditure**

	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Salaries, wages and bonus	1,520.53	1,222.84
Contribution to provident fund	74.40	57.18
Contribution to other funds	5.91	13.35
Staff welfare	61.54	53.50
Gratuity	48.40	45.45
Insurance	6.46	3.67
Repair & maintenance	225.88	183.33
Travelling & conveyance	134.78	91.65
Legal & professional expenses	12.17	139.82
Power & fuel	47.60	47.30
Miscellaneous	76.59	60.75
Design, support & testing charges	23.12	10.04
Consumables	59.81	0.49

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation	170.09	131.24
Finance cost	4.17	0.29
<b>Total</b>	<b>2,471.45</b>	<b>2,060.90</b>

**45 Event after the reporting date**

The Board of Directors of the Company has proposed dividend @ 270% i.e. ₹ 27 per equity share of face value of ₹ 10 each (March 31, 2022 @ 135% i.e. ₹ 13.5 per equity share of face value of ₹ 10 each) which is subject to shareholder's approval in forthcoming annual general meeting.

**46 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**(i) Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

**a) Operating lease commitments – Company as lessor**

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an valuation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**b) Assessment of lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

**c) Revenue from contracts with customers**

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of products include a right of price revision on account of change of commodity prices/ purchase price that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

**(ii) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**a) Property, plant and equipment**

The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by the management. The Company believes that the derived useful life best represents the period over which the Company expects to use these assets.



**Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)**

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

**b) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the longterm nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

**c) Gratuity benefit**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 42.

**d) Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**e) Impairment of financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**f) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are also relevant to other intangibles. During the year the Company has done the impairment assessment of non-financial assets and have concluded that there is no impairment in value of non-financial assets as appearing in the financial statements.

**g) Lease incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore its Incremental Borrowing Rate (IBR) to measure lease liability. The IBR is the rate of interest that the Company would have to pay to borrow over similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the Right-to-use assets in as similar economic environments. The IBR therefore effects what the Company "would have to pay" which requires estimates when no observable rates are available or when they need to be adjusted to reflect the term and conditions of the lease. The Company estimates the IBR using observable inputs such as market interest rates when available.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

#### 47 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

	As at March 31, 2023	As at March 31, 2022
Total Borrowings including current maturities of long term borrowing and lease liabilities	43,052.01	40,077.50
Less: cash and cash equivalents	(697.03)	(1,552.57)
<b>Net debts</b>	<b>42,354.98</b>	<b>38,524.93</b>
<b>Capital components</b>		
Equity Share capital	934.77	934.77
Other equity	47,206.01	41,336.03
<b>Total equity</b>	<b>48,140.78</b>	<b>42,270.80</b>
<b>Capital and net debt</b>	<b>90,495.76</b>	<b>80,795.73</b>
<b>Gearing ratio (%)</b>	<b>46.80%</b>	<b>47.68%</b>

#### 48 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

##### a) Fair value of financial assets:

	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial assets measured at Cost</b>				
Investments in unquoted equity instruments of other entities	354.74	354.74	354.74	354.74
<b>Financial assets measured at fair value</b>				
Investments in unquoted equity instruments of other entities (valued at fair value through Profit and loss)	629.27	326.00	629.27	326.00
Investments in unquoted preference shares (valued at fair value through Profit and loss)	82.00	82.00	82.00	82.00
Investments in quoted equity shares of other entities (valued at fair value through Profit & loss)	25.09	26.14	25.09	26.14
<b>Total</b>	<b>1,091.10</b>	<b>788.88</b>	<b>1,091.10</b>	<b>788.88</b>
<b>Financial Instruments where carrying amounts that are reasonable approximations of fair values:</b>				
Trade receivables	30,616.68	23,214.44	30,616.68	23,214.44
Cash and cash equivalents	697.03	1,552.57	697.03	1,552.57
Other Bank balances	18.32	17.12	18.32	17.12
Loans	169.93	172.20	169.93	172.20
Other financial assets	6,504.28	4,254.19	6,504.28	4,254.19
<b>Total</b>	<b>38,006.24</b>	<b>29,210.52</b>	<b>38,006.24</b>	<b>29,210.52</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**b) Fair value of financial liabilities:**

	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial liabilities measured at amortized cost</b>				
Borrowings non-current	6,096.67	5,834.15	6,096.67	5,834.15
Borrowings current	32,069.50	30,564.91	32,069.50	30,564.91
Non-current lease liabilities	4,454.67	3,542.64	4,454.67	3,542.64
Trade payables	56,047.18	47,406.18	56,047.18	47,406.18
Other financial liabilities	9,937.54	5,677.32	9,937.54	5,677.32
Current lease liabilities	431.17	135.80	431.17	135.80
<b>Total</b>	<b>1,09,036.73</b>	<b>93,161.00</b>	<b>1,09,036.73</b>	<b>93,161.00</b>

**Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**49 Fair value hierarchy**

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**(a) Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2023:**

	Total (Carrying value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value</b>				
<b>Quoted equity shares</b>				
Short term Investments in equity instruments of other entities (at fair value through Profit & loss "FVTPL")	25.09	25.09	-	-
<b>Unquoted equity shares</b>				
Long term Investments in equity instruments of other entities (at fair value through Profit and loss "FVTPL")	629.27	-	-	629.27
Long term Investments in equity instruments of other entities (at cost)	354.74	-	-	354.74
<b>Unquoted preference shares</b>				
Long term Investments in preference shares (at fair value through Profit and loss "FVTPL")	82.00	-	-	82.00

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Total (Carrying value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Others</b>				
Trade receivables	30,616.68	-	-	30,616.68
Cash and cash equivalents	697.03	-	-	697.03
Other Bank balances	18.32	-	-	18.32
Loans	169.93	-	-	169.93
Other financial assets	6,504.28	-	-	6,504.28
<b>Total</b>	<b>39,097.34</b>	<b>25.09</b>	-	<b>39,072.25</b>

(b) Quantitative disclosures of fair value measurement hierarchy for liabilities as at March 31, 2023:

	Total (Carrying value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Liabilities measured at amortized cost</b>				
Borrowings non-current	6,096.67	-	-	6,096.67
Borrowings current	32,069.50	-	-	32,069.50
Non-current lease liabilities	4,454.67	-	-	4,454.67
Trade payables	56,047.18	-	-	56,047.18
Other financial liabilities	9,937.54	-	-	9,937.54
Current lease liabilities	431.17	-	-	431.17
<b>Total</b>	<b>1,09,036.73</b>	-	-	<b>1,09,036.73</b>

(c) Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2022:

	Total (Carrying value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value</b>				
<b>Quoted equity shares</b>				
Short term Investments in equity instruments of other entities (at fair value through Profit & loss "FVTPL")	26.14	26.14	-	-
<b>Unquoted equity shares</b>				
Long term Investments in equity instruments of other entities (at fair value through Profit and loss "FVTPL")	326.00	-	-	326.00
Long term Investments in equity instruments of other entities (at cost)	354.74	-	-	354.74
<b>Other Investment</b>				
Unquoted short term investments (at fair value through Profit & loss "FVTPL")	82.00	-	-	82.00
<b>Others</b>				
Trade receivables	23,214.44	-	-	23,214.44
Cash and cash equivalents	1,552.57	-	-	1,552.57
Other bank balance	17.12	-	-	17.12
Loans	172.20	-	-	172.20
Other financial assets	4,254.19	-	-	4,254.19
<b>Total</b>	<b>29,999.40</b>	<b>26.14</b>	-	<b>29,973.26</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**(d) Quantitative disclosures of fair value measurement hierarchy for liabilities as at March 31, 2022:**

	<b>Total (Carrying value)</b>	<b>Quoted prices in active markets (Level 1)</b>	<b>Significant observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
<b>Liabilities measured at amortized cost</b>				
Borrowings non-current	5,834.15	-	-	5,834.15
Borrowings current	30,564.91	-	-	30,564.91
Non-current lease liabilities	3,542.64	-	-	3,542.64
Trade payables	47,406.18	-	-	47,406.18
Other financial liabilities	5,677.32	-	-	5,677.32
Current lease liabilities	135.80	-	-	135.80
<b>Total</b>	<b>93,161.00</b>	<b>-</b>	<b>-</b>	<b>93,161.00</b>

50 On April 01, 2019, the Company purchased certain assets from Lumax Auto Technologies Limited at a consideration of ₹ 2,245.41 Lakhs, pursuant to which, the Company has setup in-house Electronic facility at Manesar on April 01, 2019 for designing and manufacturing of Electronics Printed Circuit Boards Assembly ('PCB'). The said acquisition was primarily done to optimize cost by indigenization of Printed Circuit Board ('PCB'). The above mentioned purchase of assets has been accounted as Business Combination in accordance with Ind AS 103.

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

For the purpose of impairment testing, Goodwill is allocated to the Company as a whole since the performance of the Company is monitored at that level for internal management purposes. The recoverable amount of the CGU was based on its value in use and was determined by discounting the future cash flows to be generated from the continuing use of the CGU. These calculations use cash flow projections over a period of five years, based on next year financial budgets estimated by management, with extrapolation for the remaining period, and an average of the range of assumptions as mentioned below.

The key assumptions used in the estimation of value in use were as follows:

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Terminal value growth rate	3%	3%
EBITDA growth rate	15.00%-17.00%	8.5%-10.5%
Discount rate	17.00%	17.00%

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate and EBITDA margins were determined based on management's estimate. Budgeted EBITDA margin was based on expectations of future outcomes taking into account past experience. The estimation of value in use reflects numerous assumptions that are subject to various risks and uncertainties, including key assumptions regarding expected growth rates and operating margin, expected length and the shape and timing of the subsequent recovery, as well as other key assumptions with respect to matters outside of the Company's control. It requires significant judgments and estimates, and actual results could be materially different than the judgments and estimates used to estimate value in use.

The Company has used the discount rate, which is based on the Weighted Average Cost of Capital (WACC) of comparable market participant, adjusted for specific risks. These estimates are likely to differ from future actual results of operations and cash flows. Based on the above, no impairment was identified as at March 31, 2023 and March 31, 2022 as the recoverable value of the CGU exceeded the carrying value. No reasonably possible change in any of the above key assumptions would cause the carrying amount of these CGU to exceed their recoverable amount.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**51 Ratio analysis and its elements.**

	As at/for the year ended March 31, 2023	As at/for the year ended March 31, 2022	YoY Movement	Reasons for changes in ratio by more than 25% as compared to preceding year
<b>(a) Current Ratio</b>	<b>0.78</b>	<b>0.69</b>	13%	
Current Assets	83,607.67	61,145.85		
Current Liabilities	1,07,247.63	88,439.99		
<b>(b) Debt Equity Ratio</b>	<b>0.89</b>	<b>0.95</b>	(6%)	
Total Debt + Lease Liabilities	43,052.01	40,077.50		
Equity	48,140.78	42,270.80		
<b>(c) Debt Service Coverage Ratio</b>	<b>3.54</b>	<b>2.93</b>	21%	
Profit after tax + Finance cost + Depreciation-Non operating income+Non operating expenses	17,439.25	11,773.88		
Debt payment+ Interest payment + Lease payment	4,932.70	4,019.80		
<b>(d) Return on Equity Ratio</b>	<b>0.16</b>	<b>0.09</b>	81%	change on account of increase in sales and profit in current year
Profit after tax	7,063.59	3,543.37		
Average Shareholder's Equity	45,205.79	40,992.36		
<b>(e) Inventory turnover ratio</b>	<b>4.95</b>	<b>4.86</b>	2%	
Cost of goods sold	1,58,848.65	1,18,201.99		
Average Inventory	32,113.95	24,334.49		
<b>(f) Trade Receivables turnover ratio</b>	<b>8.62</b>	<b>7.81</b>	10%	
Revenue from contracts with customers	2,31,952.34	1,75,131.10		
Average Trade Receivables	26,915.56	22,422.89		
<b>(g) Trade payables turnover ratio</b>	<b>3.29</b>	<b>2.89</b>	14%	
Purchase	1,70,207.04	1,22,402.52		
Average Trade payables	51,726.68	42,424.97		
<b>(h) Net capital turnover ratio</b>	<b>(9.81)</b>	<b>(6.42)</b>	53%	change on account of increase in sales and profit in current year
Revenue from contracts with customers	2,31,952.34	1,75,131.10		
Working Capital	(23,639.96)	(27,294.14)		
<b>(i) Net profit ratio</b>	<b>0.03</b>	<b>0.02</b>	51%	change on account of increase in sales and profit in current year
Profit after tax	7,063.59	3,543.37		
Revenue from contracts with customers	2,31,952.34	1,75,131.10		
<b>(j) Return on Capital employed ratio</b>	<b>0.15</b>	<b>0.08</b>	79%	change on account of increase in sales and profit in current year
Profit before tax + Finance cost	13,678.87	6,756.24		
Capital employed (Tangible Net worth + Total Debt (including lease liabilities) + Deferred tax liability	92,627.29	81,851.40		
<b>(k) Return on investment ratio</b>	<b>0.13</b>	<b>0.22</b>	(40%)	change on account of new investment and lower gains
Gain recognized in statement of profit and loss	126.12	148.04		
Investment (average)	939.99	662.36		



## Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)

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

### 52 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables, borrowings, security deposits and payables for property, plant and equipment. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash, fixed deposits and security deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by Finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The Finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

#### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instrument effected by market risk include loans and borrowings, deposits, FVTOCI instrument.

The sensitivity analyzes in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022 including the effect of hedge accounting.

##### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest bearing financial liabilities includes borrowings with fixed interest rates.

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

##### ii) Foreign currency risk

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

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

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The functional currency for the Company is ₹.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

As at March 31, 2023	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognized financial assets / (liabilities)	
					Foreign currency	₹
EUR	0.04	-	0.29	3.64	3.97	354.93
GBP	-	-	0.00	6.00	6.00	610.11
JPY	-	-	(1,282.61)	-	(1,282.61)	(790.09)
USD	0.00	-	(112.82)	5.67	(107.15)	(8,804.93)
TWD	0.61	-	-	-	0.61	1.64
CHF	-	-	(0.03)	-	(0.03)	(3.01)
CZK	39.28	-	-	-	39.28	149.13

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, TWD: New Taiwan dollar, CZK: Czech Koruna, CHF: Swiss franc

As at March 31, 2022	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognized financial assets / (liabilities)	
					Foreign currency	₹
EUR	0.27	-	-	3.79	4.06	342.15
GBP	-	-	-	6.02	6.02	598.45
JPY	-	-	(389.00)	-	(389.00)	(241.77)
USD	0.00	-	(103.18)	6.52	(96.66)	(7,325.54)
TWD	0.80	-	-	-	0.80	2.11
CZK	23.66	-	(10.27)	-	13.39	46.07

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, TWD: New Taiwan dollar, CZK: Czech Koruna, CHF: Swiss franc

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	(88.05)	88.05	(73.26)	73.26
JPY (1% movement)	(7.90)	7.90	(2.42)	2.42
EUR (1% movement)	3.55	(3.55)	3.42	(3.42)
GBP (1% movement)	6.10	(6.10)	5.98	(5.98)
Other currencies	1.48	(1.48)	0.48	(0.48)

**Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)**

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

**iii) Equity Price Risk**

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 25.09 Lakhs. A decrease of 10% on the NSE market index could have an impact of approximately ₹ 2.51 Lakhs on the profit or loss. An increase of 10% in the value of the listed securities would also impact profit or loss.

**B. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**Trade receivables**

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets (trade receivable). The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Further, the Company's customer base majorly includes Original Equipment Manufacturers (OEMs), Large Corporates and Tier-1 vendors of OEMs. Based on the past trend of recoverability of outstanding trade receivables, the Company has not incurred material losses on account of bad debts. Hence, no adjustment has been made on account of Expected Credit Loss (ECL).

**C. Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimized cost.

**The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:**

<b>As at March 31, 2023</b>	<b>On Demand</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings	30,224.11	1,845.39	6,096.67	-	<b>38,166.17</b>
Trade and other payables	-	56,047.18	-	-	<b>56,047.18</b>
Other financial liabilities	-	9,937.54	-	-	<b>9,937.54</b>
<b>Total</b>	<b>30,224.11</b>	<b>67,830.11</b>	<b>6,096.67</b>	-	<b>1,04,150.89</b>
<b>As at March 31, 2022</b>	<b>On Demand</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings	28,755.79	1,809.12	5,834.15	-	<b>36,399.06</b>
Trade and other payables	-	47,406.18	-	-	<b>47,406.18</b>
Other financial liabilities	-	5,677.32	-	-	<b>5,677.32</b>
<b>Total</b>	<b>28,755.79</b>	<b>54,892.62</b>	<b>5,834.15</b>	-	<b>89,482.56</b>

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**53** Revenue from contracts with customers is measured by the Company at the transaction price i.e. amount of consideration received/ receivable in exchange of transferring goods or services to the customers. In determining the transaction price for the sale of goods, the Company considers the effect of price adjustments, to be passed on/ received from the customers, based on various cost parameters like raw material and other costs. The total estimated other liabilities and unbilled revenue outstanding/ receivables as at March 31, 2023 is ₹ 2,964.83 Lakhs (March 31, 2022: ₹ 1,382.52 Lakhs), ₹ 3,252.28 Lakhs (March 31, 2022: ₹ 1,471.75 Lakhs) respectively, which management believes is sufficient to discharge liabilities/accrue income.

**54 Other Statutory Information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have transactions with struck off companies.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**55** The Company's business activity falls within a single business segment i.e. manufacturing and trading of Automotive Components and therefore, segment reporting in terms of Ind AS 108 on Segmental Reporting is not applicable.

**56** With respect to agreement entered by the Company for purchase of land for the Printed Circuit Board (PCB) with Lumax Ancillary Limited (LAL), LAL has applied for obtaining approval of Haryana State Industrial & Infrastructure Development Corporation (HSIIDC) for implementation of the project of PCB in the name of the Company. The approval from the HSIIDC is pending at this stage. Further, based on independent opinion from consultants, the Company is confident that such approval shall be granted. Further, the Company has been indemnified by LAL in case approval is not obtained. In view of this, no provision is considered in these financials statements.

Notes to the Standalone Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**57** Previous year financials have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP. Further, figures for the corresponding previous year have been regrouped/ reclassified, wherever considered necessary including requirements of the amended Schedule III to the Companies Act 2013, to make them comparable with current year classification.

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Vikas Mehra**

Partner

Membership No.094421

Place: Gurugram

Date: May 27, 2023

For and on behalf of the Board of Directors of

**Lumax Industries Limited**

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

**Vishnu Johri**

Chief Executive Officer

**Rajesh Kumar Gupta**

Executive Director & Company Secretary

DIN: 00988790

Membership No. A8709

**Ravi Teltia**

Chief Financial Officer

# Independent Auditor's Report

## To the Members of Lumax Industries Limited Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Lumax Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statment of Changes in Equity 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 reports of other auditor on separate financial statement and on the other financial information of the subsidiary and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described

in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associate, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



## Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<b>(a) Estimation of accrual of price adjustments related to revenue from sale of goods (as described in Note 52, Note 2(k) and Note 28 of the consolidated financial statements)</b>	
<p>Revenue from sale of goods is measured by the Group at the transaction price i.e. amount of consideration received/ receivable in exchange for transferring promised goods to the customers. In determining the transaction price for the sale of products, the Group considers the effects of price adjustments to be passed on from the customers on account of variation in material and other costs. These price adjustments are based on agreed terms, negotiations with customers and various commercial considerations, which involves significant judgement and estimates. The accrual of aforesaid price adjustments is disclosed in note 52 to the consolidated financial statements.</p> <p>We have considered accrual of price adjustments as a key audit matter as significant judgement involved in such estimation.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Group accounting policies for revenue recognition including policy for accounting of price adjustments in terms of Ind AS 115.</li> <li>• Obtained an understanding of the revenue process and estimation of price adjustments, evaluated the design and implementation of controls relating to accrual of price adjustments and tested the operating effectiveness such controls.</li> <li>• Evaluated management's methodology and assumptions used in the estimation of price adjustments as per customer contracts including the relevance and reliability of underlying historical data and developments during the year.</li> <li>• Tested completeness and arithmetical accuracy of the data used in the computation of price adjustments.</li> <li>• Tested, on a sample basis, debit notes/ credit notes issued and payments made/ received as per customer contracts/ agreed price negotiations.</li> <li>• Performed analytical procedures to identify any unusual trends and identify unusual items for further testing.</li> <li>• Assessed adequacy of disclosures in the financial statements.</li> </ul>

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's 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 such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act

that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Independent Auditor's Report (Contd.)

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

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and associate.

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditor 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

## Independent Auditor's Report (Contd.)

statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

- (a) The consolidated financial statements of the Company for the year ended March 31, 2022, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 24, 2022.
- (b) We did not audit the financial statements and other financial information, in respect of one subsidiary and one associate. The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary, whose financial statements and other financial information reflect total assets of ₹ 613.36 Lakhs as at March 31, 2023, and total revenues of ₹ Nil Lakhs and net cash inflows of ₹ 20.55 Lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.
- (c) The consolidated financial statements also include the Group's share of net profit of ₹ 4,170.54 Lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one associate whose financial statements, other financial information have been audited by other auditor and whose report have been furnished to us by the Management. Our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on the report(s) of such auditor.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraphs 3(xxii) of the Order.
2. 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 and the other financial information of , associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

## Independent Auditor's Report (Contd.)

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor who is appointed under Section 139 of the Act, of its associate company, none of the directors of the Holding company and its associate, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
- (g) In our opinion and based on the consideration of reports of other statutory auditor of the, associate, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary, associate, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate in its consolidated financial statements – Refer Note 43 to the consolidated financial statements;
  - ii. The Group, its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, associate, incorporated in India during the year ended March 31, 2023.
- iv. a) The respective managements of the Holding Company and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such associate respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary, associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such, associate respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary, associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary, associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

## Independent Auditor's Report (Contd.)

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The final dividend paid by the Holding Company, during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 19 to the consolidated financial statements, the respective Board of Directors of the Holding Company, have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in

accordance with section 123 of the Act to the extent it applies to declaration of dividend.

No dividend has been declared or paid during the year by the associate company, incorporated in India.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 01, 2023 for the Holding Company, associate company incorporated in India, hence reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 23094421BGYFUM8556

Place of Signature: New Delhi

Date: May 27, 2023

## **Annexure ‘1’ referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory requirements” of our report of even date**

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**  
Partner  
Membership Number: 094421  
UDIN: 23094421BGYFUM8556

Place of Signature: New Delhi  
Date: May 27, 2023

## **Annexure ‘2’ to the independent auditor’s report of even date on the consolidated financial statements of Lumax Industries Limited**

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

In conjunction with our audit of the consolidated Ind AS financial statements of Lumax Industries Limited (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of (the Holding Company, subsidiary together referred to as “the Group”) and associate as of March 31, 2023.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of directors of the Companies included in the Group and its associate which are

companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the group and its associate policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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



## Annexure '2' to the independent auditor's report of even date on the consolidated financial statements of Lumax Industries Limited (Contd.)

We believe that the audit evidence we have obtained and audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter 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 these Consolidated Financial Statements

A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company 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 control 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.

### Opinion

In our opinion, the group and its associate, which are Company's incorporated in India, have maintained, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to one associate which is company incorporated in India, is based on the corresponding report of the auditor of associate incorporated in India. Further in case of subsidiary incorporated outside India, report on the adequacy and the operating effectiveness of the internal financial controls over financial reporting is not applicable and accordingly the possible effect of the same on our reporting has not been considered

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 23094421BGYFUM8556

Place of Signature: New Delhi

Date: May 27, 2023

## Consolidated Balance Sheet as at March 31, 2023

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

	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant and equipment	4(a)	69,033.06	66,472.74
Capital work-in-progress	4(b)	4,298.02	4,783.66
Investment property	7	72.13	72.13
Goodwill	6(c)	977.58	977.58
Right-to-use assets	5	3,938.90	2,842.82
Intangible assets	6(a)	857.74	749.05
Intangible assets under development	6(d)	-	19.80
Investment in associate	9	13,953.57	9,746.11
<b>Financial assets</b>			
- Investments	8	711.27	408.00
- Loans	10	53.86	59.77
- Other financial assets	11	735.71	786.50
Income tax assets (net)	15	1,164.30	538.16
Other non-current assets	16	7,114.31	6,038.61
<b>Total non-current assets (I)</b>		<b>1,02,910.45</b>	<b>93,494.93</b>
<b>II. Current assets</b>			
Inventories	17	37,793.14	26,434.75
<b>Financial assets</b>			
- Investments	8	25.09	26.14
- Trade receivables	12	30,616.68	23,214.44
- Cash and cash equivalents	13	717.58	1,552.57
- Other bank balances	14	18.32	17.12
- Loans	10	116.07	112.43
- Other financial assets	11	5,768.57	3,467.69
Other current assets	16	8,600.79	6,320.71
<b>Total current assets (II)</b>		<b>83,656.24</b>	<b>61,145.85</b>
<b>TOTAL ASSETS (I+II)</b>		<b>1,86,566.69</b>	<b>1,54,640.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
Equity share capital	18	934.77	934.77
Other equity	19	57,423.16	48,239.63
<b>Total equity (I)</b>		<b>58,357.93</b>	<b>49,174.40</b>
<b>Liabilities</b>			
<b>II. Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	20	6,096.67	5,834.15
- Lease liabilities	5,21	4,454.67	3,542.64
Provisions	22	71.16	53.68
Employee benefit liabilities	26	4,044.39	3,858.62
Deferred tax liabilities (net)	27	6,565.59	3,737.30
<b>Total non-current liabilities (II)</b>		<b>21,232.48</b>	<b>17,026.39</b>
<b>III. Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	20	32,069.50	30,564.91
- Lease liabilities	5,21	431.17	135.80
- Trade payables			
- Total outstanding dues of micro and small enterprises	23	2,174.49	1,971.05
- Total outstanding dues of creditors other than micro and small enterprises	23	53,578.82	45,435.13
- Other financial liabilities	24	9,959.55	5,677.32
Other current liabilities	25	8,101.61	4,063.76
Employee benefit liabilities	26	661.14	592.02
<b>Total current liabilities (III)</b>		<b>1,06,976.28</b>	<b>88,439.99</b>
<b>TOTAL EQUITY AND LIABILITIES (I+II+III)</b>		<b>1,86,566.69</b>	<b>1,54,640.78</b>

Summary of significant accounting policies

2.3

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of

**Lumax Industries Limited**

**per Vikas Mehra**

Partner

Membership No. 094421

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

**Raajesh Kumar Gupta**

Executive Director & Company Secretary

DIN: 00988790

Membership No. A8709

Place: Gurugram

Date: May 27, 2023

**Vishnu Johri**

Chief Executive Officer

**Ravi Teltia**

Chief Financial Officer

## Consolidated Statement of Profit and Loss for the year ended March 31, 2023

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

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
<b>I</b> Revenue from contracts with customers	28	2,31,952.34	1,75,131.10
<b>II</b> Other income	29	1,468.43	1,338.64
<b>III Total Income (I+II)</b>		<b>2,33,420.77</b>	<b>1,76,469.74</b>
<b>Expenses</b>			
Cost of raw material and components consumed	30	1,46,978.57	1,06,288.74
Cost of moulds, tools & dies consumed	31	6,716.44	6,274.41
Purchase of traded goods	30.1	94.94	921.05
(Increase) in inventories of finished goods, work-in-progress and traded goods	32	(2,661.97)	(790.26)
Employee benefits expense	33	27,584.54	24,083.88
Finance costs	34	2,935.25	2,141.49
Depreciation and amortization expense	35	7,991.52	6,366.80
Other expenses	36	32,494.04	24,854.93
<b>IV Total Expenses</b>		<b>2,22,133.33</b>	<b>1,70,141.04</b>
<b>V Profit before share of associate, exceptional items and tax (III-IV)</b>		<b>11,287.44</b>	<b>6,328.70</b>
VI Share of profit of associate		4,170.54	667.18
<b>VII Profit before exceptional items and tax (V+VI)</b>		<b>15,457.98</b>	<b>6,995.88</b>
VIII Exceptional item	37	543.83	1,713.95
<b>IX Profit before tax (VII-VIII)</b>		<b>14,914.15</b>	<b>5,281.93</b>
<b>Tax Expenses</b>			
Current tax {including tax related to earlier years ₹ (47.69) Lakhs (March 31, 2022 ₹ (14.13) Lakhs)}	27	1,823.84	639.82
Deferred tax	27	2,782.29	569.64
<b>X Total Tax expense</b>		<b>4,606.13</b>	<b>1,209.46</b>
<b>XI Profit for the year (XI-X)</b>		<b>10,308.02</b>	<b>4,072.47</b>
<b>Other comprehensive income (net of tax)</b>			
<b>Other comprehensive income not to be reclassified to statement of profit or loss in subsequent period</b>			
Re-measurement gain/ (loss) on defined benefit plans	38	105.03	(287.02)
Share of other comprehensive income of an associate		36.92	-
Income tax effect	38	(45.99)	-
Exchange differences on translating the financial statements of a foreign operation	19	41.49	-
<b>XII Other comprehensive income for the year (net of tax)</b>		<b>137.45</b>	<b>(287.02)</b>
<b>XIII Total comprehensive income for the year (net of tax) (XI+XII)</b>		<b>10,445.47</b>	<b>3,785.45</b>
<b>XIV Earnings per share (per share of face value ₹ 10 each):</b>			
Basic and diluted (in ₹)	39	110.27	43.57

Summary of significant accounting policies

2.3

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of

**Lumax Industries Limited**

**per Vikas Mehra**

Partner

Membership No. 094421

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

**Raajesh Kumar Gupta**

Executive Director & Company Secretary

DIN: 00988790

Membership No. A8709

Place: Gurugram

Date: May 27, 2023

**Vishnu Johri**

Chief Executive Officer

**Ravi Teltia**

Chief Financial Officer

## Statement of Changes in equity for the year ended March 31, 2023

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

	Equity Share Capital (1)	Reserve and Surplus				Item of OCI		Total Reserves and Surplus (2)	Total Equity (1+2)
		Retained Earnings	Capital Reserve	Securities Premium	General Reserve	Remeasurements of defined benefit plans	Exchange differences on translating the financials statements of foreign operations		
<b>As at April 01, 2021</b>	<b>934.77</b>	<b>28,672.74</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	-	<b>45,108.52</b>	<b>46,043.29</b>
Add: Profit for the year	-	4,072.47	-	-	-	-	-	4,072.47	4,072.47
Add: Other comprehensive income for the year (net of tax)	-	-	-	-	-	(287.02)	-	(287.02)	(287.02)
Transferred to retained earnings	-	(287.02)	-	-	-	287.02	-	-	-
Less: Dividend paid	-	654.34	-	-	-	-	-	654.34	654.34
<b>As at March 31, 2022</b>	<b>934.77</b>	<b>31,803.85</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	-	<b>48,239.63</b>	<b>49,174.40</b>
Add: Profit for the year	-	10,308.02	-	-	-	-	-	10,308.02	10,308.02
Add: Other comprehensive income for the year (net of tax)	-	-	-	-	-	95.96	41.49	137.45	137.45
Transferred to retained earnings	-	95.96	-	-	-	(95.96)	-	-	-
Less: Dividend paid	-	1,261.94	-	-	-	-	-	1,261.94	1,261.94
<b>As at March 31, 2023</b>	<b>934.77</b>	<b>40,945.89</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	<b>41.49</b>	<b>57,423.16</b>	<b>58,357.93</b>

Summary of significant accounting policies (refer note 2.3)

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Vikas Mehra**

Partner

Membership No. 094421

Place: Gurugram

Date: May 27, 2023

For and on behalf of the Board of Directors of

**Lumax Industries Limited**

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

**Vishnu Johri**

Chief Executive Officer

**Raajesh Kumar Gupta**

Executive Director & Company Secretary

DIN: 00988790

Membership No. A8709

**Ravi Teltia**

Chief Financial Officer

## Consolidated Statement of Cash flow for the year ended March 31, 2023

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>14,914.15</b>	<b>5,281.93</b>
Non-cash adjustments:		
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Share in profits of associate	(4,170.54)	(667.18)
Depreciation and amortization expense	7,991.52	6,366.80
Outstanding balances written off	2.62	13.15
Provision for doubtful debts	112.22	25.37
Profit on sale of Property, plant and equipment	(117.76)	(26.92)
Change in fair value of investment	(126.12)	(148.04)
Unrealized exchange gain	(185.73)	(34.44)
Liabilities/provisions no longer required, written back	(232.11)	(106.90)
Interest expenses	2,935.25	2,141.49
Rent Income	(31.18)	-
Interest income	(8.40)	(23.58)
Dividend income	(10.19)	(17.92)
<b>Operating profit before working capital changes</b>	<b>21,073.73</b>	<b>12,803.76</b>
<b>Movements in working capital :</b>		
Increase in inventories	(11,358.39)	(4,200.53)
Increase in trade receivables	(7,396.42)	(1,609.93)
Increase in financial assets	(2,250.40)	(255.91)
Increase in other assets	(2,302.32)	(2,783.03)
Increase in trade payables	8,645.86	10,105.23
Increase/(Decrease) in other financial liabilities	2,390.07	(2,493.97)
Increase in other liabilities and provisions	4,415.24	266.85
<b>Cash generated from operations</b>	<b>13,217.37</b>	<b>11,832.47</b>
Direct taxes paid	2,450.03	1,033.62
<b>Net cash generated from operating activities (A)</b>	<b>10,767.34</b>	<b>10,798.85</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, plant and equipment (including capital work in progress and capital advances)	(9,056.61)	(12,948.28)
Proceeds from sale of property, plant and equipment	176.25	46.66
Purchase of non current investment	(176.10)	(105.00)
Rent received	31.18	-
Interest received	8.60	25.54
Dividend received	10.19	17.92
(Investment in)/ Redemption of bank deposits	(1.44)	14.23
<b>Net cash used in investing activities (B)</b>	<b>(9,007.93)</b>	<b>(12,948.93)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long term borrowings	2,131.00	8,095.48
Repayment of long term borrowings	(1,832.21)	(465.43)
Proceeds from/(repayment) of short term borrowings (net)	1,468.32	(1,327.13)
Payment of principal portion of lease liabilities	(582.65)	(398.52)
Interest paid	(2,517.84)	(1,828.72)
Dividend paid	(1,261.94)	(656.68)
<b>Net cash (used in)/ generated from financing activities (C)</b>	<b>(2,595.32)</b>	<b>3,419.00</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(835.91)</b>	<b>1,268.92</b>
Cash and cash equivalents at the beginning of the year	1,552.57	283.65
Net foreign exchange difference	0.92	
<b>Cash and cash equivalents at the end of the year</b>	<b>717.58</b>	<b>1,552.57</b>

Consolidated Statement of Cash Flow for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Components of cash and cash equivalents</b>		
Cash on hand	10.57	14.10
Balances with banks		
On current accounts	707.01	1,538.47
<b>Total cash and cash equivalents</b>	<b>717.58</b>	<b>1,552.57</b>
<b>Non-cash financing and investing activities</b>		
Acquisition of Right-to-use assets	1,438.91	41.47

Summary of significant accounting policies (refer note 2.3)

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Vikas Mehra**

Partner

Membership No. 094421

Place: Gurugram

Date: May 27, 2023

For and on behalf of the Board of Directors of

**Lumax Industries Limited**

**Deepak Jain**

Chairman & Managing Director

DIN: 00004972

**Vishnu Johri**

Chief Executive Officer

**Raajesh Kumar Gupta**

Executive Director & Company Secretary

DIN: 00988790

Membership No. A8709

**Ravi Teltia**

Chief Financial Officer



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

### 1. Corporate information

The Consolidated financial statements comprise financial statements of Lumax Industries Limited (the Holding Company), its subsidiary (collectively, the Group) and associate for the year ended March 31, 2023. The Holding Group is a Public Group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Group is located 2nd Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi- 110046.

The Group is principally engaged in the manufacturing of automotive components. Information on the Group's structure is provided in Note 42.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 27, 2023.

### 2. Significant accounting policies

This note provided a list of the significant accounting policies adopted in the preparation of these Indian Accounting standard (Ind AS ) financial statements.

These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

#### 2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

The consolidated financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities which have been measured at fair value or revalued amount (refer accounting policy regarding financial instruments).

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Lakhs (₹ 00,000), except wherever otherwise stated.

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiary and associate as at March 31, 2023. Control is achieved when the Group is exposed, or has rights,

to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual arrangements;
- (c) The Group's voting rights and potential voting rights; and
- (d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on March 31, 2023.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 2.3 Summary of significant accounting policies

#### A. Investment in subsidiary and associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate.

Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The investment in subsidiary are carried at cost as per Ind AS 27. The Group regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if and only if it has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect the amount of the returns.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiary.

#### B. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

##### Assets

An asset is treated 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
- (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.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### Liabilities

A liability is current when:

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

All other liabilities are classified as non-current.

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

### Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## C. Foreign currencies

### Functional and presentational currency

The Group's financial statements are presented in Indian Rupees (₹) which is also the Group's functional currency.

### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value

gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit and loss.

## D. Property, plant and equipment

Capital work in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

### **Depreciation on property, plant and equipment**

Depreciation is calculated on a straight-line basis over the estimated useful lives as estimated by the management which is in line with the Schedule II to the Companies Act, 2013. The Group has used the following useful lives to provide depreciation on its property, plant and equipment which is in line with schedule II:

<b>Assets</b>	<b>Useful Lives estimated by the management (in years)</b>
Factory Building	30
Other Building	60
Office equipments	5
Furniture and fixtures	10
Vehicles	5

The management has estimated, supported by independent assessment by professionals, the useful life of the following class of asset, which are higher/different than that indicated in Schedule II.

<b>Assets</b>	<b>Useful Lives estimated by the management (in years)</b>
Plant and equipment	3-21

The residual value of property, plant and equipment is considered at 2%.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use/ (disposed of).

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate. In particular, the Group considers the impact of health, safety and environment legislation in its assessment of expected useful lives and estimated residual values.

### **E. Intangible assets**

#### **Recognition and measurement**

Intangible assets acquired separately are measured on initial recognition at cost. Following

initial recognition, intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

#### **Amortization and useful lives**

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and amortization method of the intangible asset with a useful finite life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another assets, as follows:

<b>Intangible Assets</b>	<b>Estimated Useful Life (Years)</b>
Computer Software	Over the estimated economic useful lives ranging from 3.5 to 4 years

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gain or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

### F. Investment Property

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment property are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalized to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying a valuation model as per Ind AS 113 "Fair value measurement".

Investment property is derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of recognition.

Transfer of property from investment property to the property, plant and equipment is made when the property is no longer held for long term rental

yields or for capital appreciation or both at carrying amount of the property transferred.

### G. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### H. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-to-use assets representing the right to use the underlying assets.

#### i. Right-to-use assets

The Group recognizes right-to-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-to-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-to-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-to-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Leasehold Land: 99 years

Solar Panel: 15 years

Vehicle: 5 years

Building: 10-15 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-to-use assets are also subject to impairment. Refer to the accounting policies section 'Impairment of non-financial assets'.

### ii. Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### I. Inventories

Inventories which comprise raw materials, components, work in progress, finished goods, traded goods, moulds and stores and spares are valued at the lower of cost and net realizable value.

The basis of determining costs for various categories of inventories is as follows:

- **Raw materials, components, stores and spares:** Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted moving average basis.
- **Work-in-progress and finished goods:** Cost includes direct material plus appropriate share of labour, manufacturing overheads based on normal operating capacity. Cost is determined on a weighted moving average basis.



**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)**

- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.
- **Moulds:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Stores and spares which do not meet the definition of Property, plant and equipment are accounted as inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Scraps are valued at net realizable value.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in production of finished goods are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed its net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

**J. Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be

identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses on non-financial asset, including impairment on inventories, are recognized in the statement of profit and loss.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Group assesses where climate risks could have a significant impact, such as the introduction

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

### **K. Revenue from contracts with customers**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

However, Goods and services tax (GST), is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### **a) Sale of products including moulds**

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 Group.

Invoices are generated at that point in time. Invoices are usually payable within 30-120 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 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 Group estimates the value of discount by applying the 'Most likely

amount' method and past experience of the Group.

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.

#### **b) Sale of services**

Revenue from sale of services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

#### **c) Contract balances**

##### **i) Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

##### **ii) Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section financial instruments – initial recognition and measurement.

##### **iii) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

#### **d) Interest Income**

For all debt instruments measured at amortized cost or at fair value through other

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)**

comprehensive income, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected estimated cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss. Interest income is included under the head "other income" in the statement of profit and loss.

Interest income on bank deposits and advances to vendors is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**e) Dividend Income**

Dividend is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

**f) Rental Income**

Rental income arising from operating leases are accounted for on a straight-line basis over the lease terms and is included under the head "other income" in the statement of profit & loss.

**L. Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption

of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**M. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

term employee benefit for measurement purpose. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- a) The date of the plan amendment or curtailment; and
- b) The date that the Group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income.

### N. Provisions

#### General

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks

specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

#### Warranty provisions

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognized when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

### O. Taxes

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of

the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

### P. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### Q. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

### R. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

### S. Dividend

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

### T. Assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortized.

### U. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents, if any.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosure of fair value measurement hierarchy
- Investment property
- Financial instruments (including those carried at amortized cost).

## V. Financial instruments

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

### Financial Assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL); and
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

### Debt instrument at amortized cost

A financial assets is measured at the amortized cost if both the following conditions are met

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely

payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

### Debt instrument at fair value through OCI (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value changes recognized in OCI is reclassified from the equity to profit or loss.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized in the statement of profit and loss when the right of payment has been established.

### Equity instrument at fair value through OCI (FVTOCI)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that

reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### **Financial Liabilities**

#### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities, loans and borrowings etc.

#### ***Subsequent measurement***

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit and loss (FVTPL).
- Financial liabilities at amortized cost.

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

### **Financial liabilities at Amortized cost**

#### ***Loans and borrowings***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

#### **De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

#### **Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### **Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group senior management determines change in the business

model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### **W. Impairment of financial assets**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortized cost e.g., trade and other receivables, security deposits, loan to employees, etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as an expense in the statement of profit and loss.

### **X. Business Combination and Goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition

## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognized in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### 3. New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022:

#### (i) Ind AS 103 – Reference to Conceptual Framework

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

These amendments had no impact on the financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

#### (ii) Ind AS 16 – Property, Plant and Equipment: Proceeds before intended use

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. These amendments had no impact on the financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

#### (iii) Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)

avoid because it has the contract) exceed the economic benefits expected to be received under it. The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Group as there were no onerous contracts entered during the period.

### **(iv) Ind AS 109 – Fees in the ‘10 per cent’ test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

### **v) Ind AS 41 Agriculture – Taxation in fair value measurements**

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments had no impact on the financial statements of the Group as it did not have assets in scope of Ind AS 41 as at the reporting date.

### **3.1 Standards notified but not yet effective**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 01, 2023.

#### **(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates and

changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

#### **(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after April 01, 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

#### **(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments to Ind AS 12 narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after April 01, 2023. The Group is currently assessing the impact of the amendments.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**4 Property, plant and equipment and capital work in progress**

**(a) Property, plant and equipment**

The details of property, plant and equipment (net):

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Freehold Land	4,069.36	4,069.36
Buildings	10,550.78	10,998.60
Plant and equipment	53,004.41	50,179.41
Furniture and fixtures	854.55	747.96
Office equipments	197.87	237.13
Vehicles	356.10	240.28
<b>Total</b>	<b>69,033.07</b>	<b>66,472.74</b>

**(b) Capital Work in progress**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Capital Work in progress	4,298.02	4,783.66
<b>Total</b>	<b>4,298.02</b>	<b>4,783.66</b>

**Note:**

The Holding Company has capitalized borrowing cost relating to construction of building and purchasing of plant and machinery amounting to ₹ 38.06 Lakhs (March 31, 2022 ₹ 300.80 Lakhs).

**Capital work in progress (CWIP) Ageing Schedule**

**As at March 31, 2023**

	<b>Amount in CWIP for a period of</b>				
	<b>Less than 1 year</b>	<b>1 –2 years</b>	<b>2 –3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Projects in progress	3,231.32	269.29	37.59	759.82	4,298.02
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,231.32</b>	<b>269.29</b>	<b>37.59</b>	<b>759.82</b>	<b>4,298.02</b>
Projects either over run/overdue <sup>#</sup>	3,026.10	-	-	-	3026.10
Other Project in Progress <sup>##</sup>	1,271.91	-	-	-	1271.91
<b>Total</b>	<b>4,298.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,298.02</b>

**As at March 31, 2022**

	<b>To be completed in</b>				
	<b>Less than 1 year</b>	<b>1 –2 years</b>	<b>2 –3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Projects in progress	3,379.56	644.28	759.82	-	4,783.66
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,379.56</b>	<b>644.28</b>	<b>759.82</b>	<b>-</b>	<b>4,783.66</b>
Projects either over run/overdue <sup>#</sup>	3,724.20	-	-	-	3724.20
Other Project in Progress <sup>##</sup>	1,059.46	-	-	-	1059.46
<b>Total</b>	<b>4,783.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,783.66</b>

<sup>#</sup>For CWIP, whose completion is overdue or has exceeded its cost compared to its original plan.

<sup>##</sup>Other CWIP items whose completion is not due and has not exceeded its cost compared to its original plan.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**4.1 Property, plant & equipment**

	Freehold Land	Buildings	Plant and equipment	Furniture & fixtures	Office equipment	Vehicles	Total
<b>Cost of valuation</b>							
As at April 01, 2021	3,521.49	12,831.55	64,883.05	1,138.10	501.18	1,390.33	84,265.70
Additions	547.87	779.87	12,636.37	101.47	125.11	126.79	14,317.48
Disposals/Adjustment	-	-	(21.98)	(0.08)	(5.56)	(55.35)	(82.97)
<b>As at March 31, 2022</b>	<b>4,069.36</b>	<b>13,611.42</b>	<b>77,497.44</b>	<b>1,239.49</b>	<b>620.73</b>	<b>1,461.77</b>	<b>98,500.21</b>
Additions	-	185.68	9,224.35	231.42	43.86	244.42	9,929.73
Disposals/Adjustment	-	-	(117.81)	(3.68)	(15.32)	(255.13)	(391.94)
<b>As at March 31, 2023</b>	<b>4,069.36</b>	<b>13,797.10</b>	<b>86,603.98</b>	<b>1,467.23</b>	<b>649.27</b>	<b>1,451.06</b>	<b>1,08,038.00</b>
<b>Depreciation</b>							
As at April 01, 2021	-	2,089.47	22,264.40	373.28	305.33	1,115.99	26,148.47
Depreciation charge for the year	-	523.35	5,058.18	118.25	83.58	158.87	5,942.23
Disposals/Adjustment	-	-	(4.55)	-	(5.31)	(53.37)	(63.23)
<b>As at March 31, 2022</b>	<b>-</b>	<b>2,612.82</b>	<b>27,318.03</b>	<b>491.53</b>	<b>383.60</b>	<b>1,221.49</b>	<b>32,027.47</b>
Depreciation charge for the year	-	633.50	6,359.36	123.84	82.38	111.83	7,310.91
Disposals/Adjustment	-	-	(77.82)	(2.69)	(14.58)	(238.35)	(333.44)
<b>As at March 31, 2023</b>	<b>-</b>	<b>3,246.32</b>	<b>33,599.57</b>	<b>612.68</b>	<b>451.40</b>	<b>1094.97</b>	<b>39,004.94</b>
<b>Net Block:</b>							
<b>As at March 31, 2023</b>	<b>4,069.36</b>	<b>10,550.78</b>	<b>53,004.41</b>	<b>854.55</b>	<b>197.87</b>	<b>356.09</b>	<b>69,033.06</b>
<b>As at March 31, 2022</b>	<b>4,069.36</b>	<b>10,998.60</b>	<b>50,179.41</b>	<b>747.96</b>	<b>237.13</b>	<b>240.28</b>	<b>66,472.74</b>

**Note:**

- Property, plant and equipment representing land and building amounting to ₹ 4,433.18 Lakhs (March 31, 2022: ₹ 4,553.09 Lakhs) have been pledged as security by the Holding Company.
- Title deeds are held in the name of the Group.
- On transition to Ind AS (i.e. April 01, 2016), the Holding Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**5 Right of use assets**

i) Set out below are the carrying amounts of right-to-use assets recognized and the movements during the year:

	Land	Building	Solar Power Plant	Vehicle	Total
<b>Cost</b>					
As at April 01, 2021	2,744.88	-	679.21	-	3,424.09
Additions	41.47	-	-	-	41.47
Disposals	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>2,786.35</b>	<b>-</b>	<b>679.21</b>	<b>-</b>	<b>3,465.56</b>
Additions	78.97	546.26	-	813.68	1,438.91
Disposals	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>2,865.33</b>	<b>546.26</b>	<b>679.21</b>	<b>813.68</b>	<b>4,904.47</b>
<b>Amortization</b>					
As at April 01, 2021	287.44	-	62.61	-	350.05
Amortization for the year	138.90	-	45.28	-	184.18
Adjustment	88.51	-	-	-	88.51
<b>As at March 31, 2022</b>	<b>514.85</b>	<b>-</b>	<b>107.89</b>	<b>-</b>	<b>622.74</b>
Amortization for the year	236.85	24.01	45.28	36.69	342.83
<b>As at March 31, 2023</b>	<b>751.70</b>	<b>24.01</b>	<b>153.17</b>	<b>36.69</b>	<b>965.57</b>
<b>Net Block:</b>					
<b>As at March 31, 2023</b>	<b>2,113.62</b>	<b>522.25</b>	<b>526.04</b>	<b>776.99</b>	<b>3,938.90</b>
<b>As at March 31, 2022</b>	<b>2,271.50</b>	<b>-</b>	<b>571.32</b>	<b>-</b>	<b>2,842.82</b>

ii) The following is the carrying value of lease liability and movement thereof during the year:

	Land	Building	Solar Power Plant	Vehicle	Total
<b>Cost</b>					
As at April 01, 2021	3,052.75	-	663.42	-	3,716.17
Additions	110.32	-	-	-	110.32
Add: Finance cost accrued during the year	189.52	-	60.94	-	250.46
Less: Payment of lease liabilities	305.35	-	93.16	-	398.51
<b>As at March 31, 2022</b>	<b>3,047.24</b>	<b>-</b>	<b>631.20</b>	<b>-</b>	<b>3,678.44</b>
Additions	-	530.99	-	847.15	1,378.14
Add: Finance cost accrued during the year	253.06	21.87	56.59	19.62	351.14
Less: Payment of lease liabilities	353.20	13.47	84.14	71.07	521.88
<b>As at March 31, 2023</b>	<b>2,947.09</b>	<b>539.39</b>	<b>603.65</b>	<b>795.70</b>	<b>4,885.84</b>
<b>Current</b>	<b>132.38</b>	<b>29.49</b>	<b>32.34</b>	<b>236.95</b>	<b>431.17</b>
<b>Non-current</b>	<b>2,814.71</b>	<b>509.90</b>	<b>571.31</b>	<b>558.75</b>	<b>4,454.67</b>
<b>As at March 31, 2022</b>					
<b>Current</b>	<b>97.07</b>	<b>-</b>	<b>38.73</b>	<b>-</b>	<b>135.80</b>
<b>Non-current</b>	<b>2,950.17</b>	<b>-</b>	<b>592.47</b>	<b>-</b>	<b>3,542.64</b>

iii) The following are the amounts recognized in Profit or loss

	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-to-use assets	342.83	184.18
Interest expense on lease liabilities	351.14	250.46
Expense relating to low value leases (included in other expenses)	61.48	47.38
Expense relating to short-term leases (included in other expenses)	399.80	311.25
<b>Total amount recognized in profit or loss</b>	<b>1155.26</b>	<b>793.28</b>

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)**

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

- iv) The Holding Company has made payment of lease liabilities ₹ 521.88 Lakhs for the year ended March 31, 2023 (March 31, 2022 ₹ 398.52 Lakhs).
- v) **Extension and termination options:** Extension and termination options are included in property lease agreements. These are used to maximize operational flexibility in terms of managing the assets used in the Holding Company's operations. Extension and termination options held are exercisable only by the Holding Company and not by the lessor.
- vi) The Holding Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**6 Intangible assets**
**(a) Details of intangible assets:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Computer software	857.74	749.05
<b>Total</b>	<b>857.74</b>	<b>749.05</b>

**(b) Disclosures regarding gross block of intangible assets, accumulated amortization and net block:**

	<b>Computer Software</b>	<b>Total</b>
<b>Cost</b>		
<b>As at April 01, 2021</b>	<b>1,347.16</b>	<b>1,347.16</b>
Additions	516.10	516.10
<b>As at March 31, 2022</b>	<b>1,863.26</b>	<b>1,863.26</b>
Additions	446.47	446.47
<b>As at March 31, 2023</b>	<b>2,309.73</b>	<b>2,309.73</b>
<b>Amortization</b>		
<b>As at April 01, 2021</b>	<b>873.82</b>	<b>873.82</b>
Amortization charge for the year	240.39	240.39
<b>As at March 31, 2022</b>	<b>1,114.21</b>	<b>1,114.21</b>
Amortization charge for the year	337.79	337.79
<b>As at March 31, 2023</b>	<b>1,452.00</b>	<b>1,452.00</b>
<b>Net Block:</b>		
<b>As at March 31, 2023</b>	<b>857.74</b>	<b>857.74</b>
<b>As at March 31, 2022</b>	<b>749.05</b>	<b>749.05</b>

**(c) Details of Goodwill:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Goodwill*	977.58	977.58
<b>Total</b>	<b>977.58</b>	<b>977.58</b>

\* Refer note 50

	<b>Goodwill</b>	<b>Total</b>
<b>Cost</b>		
<b>As at April 01, 2021</b>	<b>977.58</b>	<b>977.58</b>
Additions	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	<b>977.58</b>	<b>977.58</b>
Additions	-	-
Disposals	-	-
<b>As at March 31, 2023</b>	<b>977.58</b>	<b>977.58</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Goodwill	Total
<b>Amortization</b>		
<b>As at April 01, 2021</b>	-	-
Amortization charge for the year	-	-
<b>As at March 31, 2022</b>	-	-
Amortization charge for the year	-	-
<b>As at March 31, 2023</b>	-	-
<b>Net book value:</b>		
<b>As at March 31, 2023</b>	<b>977.58</b>	<b>977.58</b>
<b>As at March 31, 2022</b>	<b>977.58</b>	<b>977.58</b>

(d) Intangible asset under development

	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	-	19.80
<b>Total</b>	<b>-</b>	<b>19.80</b>

	Intangible assets under development	Total
<b>Cost</b>		
<b>As at April 01, 2021</b>	-	-
Additions	535.90	535.90
Disposals	(516.10)	(516.10)
<b>As at March 31, 2022</b>	<b>19.80</b>	<b>19.80</b>
Additions	-	-
Disposals	(19.80)	(19.80)
<b>As at March 31, 2023</b>	<b>-</b>	<b>-</b>

(e) Ageing of Intangible asset under development

**As at March 31, 2023**

	Amount in Intangible asset under development for a period of				
	Less than 1 year	1 –2 years	2 –3 years	More than 3 year	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

**As at March 31, 2022**

	Amount in Intangible asset under development for a period of				
	Less than 1 year	1 –2 years	2 –3 years	More than 3 year	Total
Projects in progress	19.80	-	-	-	19.80
Projects temporarily suspended	-	-	-	-	-



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**7 Investment property**

	Freehold land	Total
<b>Gross carrying amount</b>		
As at April 01, 2021	72.13	72.13
Additions	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	<b>72.13</b>	<b>72.13</b>
Additions	-	-
Disposals	-	-
<b>As at March 31, 2023</b>	<b>72.13</b>	<b>72.13</b>
<b>Depreciation and Impairments</b>		
As at April 01, 2021	-	-
Depreciation charge for the year	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>
Depreciation charge for the year	-	-
<b>As at March 31, 2023</b>	<b>-</b>	<b>-</b>
<b>Net Block:</b>		
<b>As at March 31, 2023</b>	<b>72.13</b>	<b>72.13</b>
<b>As at March 31, 2022</b>	<b>72.13</b>	<b>72.13</b>

**Fair Value of Investment Property**

<b>As at April 01, 2021</b>	<b>1,484.80</b>
Increase in fair value of investment property	581.80
<b>As at March 31, 2022</b>	<b>2,066.60</b>
Increase in fair value of investment property	51.40
<b>As at March 31, 2023</b>	<b>2,118.00</b>

**i) Contractual obligations**

There are no contractual obligations to purchase, construct or develop investment property.

**ii) Estimation of Fair Value**

Fair value investment property is ascertained on the basis of market rates as determined by the independent registered valuer. Fair value hierarchy disclosures for investment properties have been provided.

**iii) Description of valuation techniques used and key inputs to valuation on investment properties:**

	Valuation Technique
Vacant Land located at Door No D5, "Cmnda Industrial Complex" Maramali Nagar Industrial Estate, Maralmali Nagar Kilakarani, District Chengalpattu Land Area - 92,800 Sq. ft. Land Value - ₹ 2,000 - 2,500 per Sq. ft. Adopted rate - ₹ 2,250 per Sq. ft. Estimated Value of Land - ₹ 2,088 Lakhs Amenities - ₹ 30 Lakhs Approximate Landed Value - ₹ 2,118 Lakhs Valuer Name: K Ramesh (Er, K Ramesh & Associates - Approved Valuer & Chartered Engineer)	Market Rate

**iv) Since it is the vacant land, therefore no income and expenditure is recognized in the statement of profit and loss account for the current and previous year.**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

## 8 Investments

	As at March 31, 2023	As at March 31, 2022
<b>A. Non-Current investments</b>		
<b>Investments in equity instruments of other entities</b>		
<b>Unquoted equity shares (measured at fair value through profit or loss)</b>		
<b>Caparo Power Limited</b> 6,55,832 (March 31, 2022: 6,55,832) equity shares of ₹ 10 each fully paid up	339.98	221.00
<b>Avaada MHBuldhana Private Limited</b> 10,50,000 (March 31, 2022: 10,50,000) equity shares of ₹ 10 each fully paid up	113.19	105.00
<b>Avaada KNSolar Private Limited</b> 17,50,000 (March 31, 2022: Nil) equity shares of ₹ 10 each fully paid up	176.10	-
<b>Unquoted Preference shares (measured at fair value through profit or loss)</b>		
<b>Caparo Power Limited</b> 9,44,168 (March 31, 2022: 9,44,168) 2% Redeemable Preference shares of ₹ 10 each fully paid up	82.00	82.00
<b>Total</b>	<b>711.27</b>	<b>408.00</b>
<b>B. Current investments</b>		
<b>Quoted equity shares (measured at fair value through profit or loss)</b>		
<b>PNB Gilts Limited</b> 43,866 (March 31, 2022: 43,866) equity shares of ₹ 10 each	25.09	26.14
<b>Total</b>	<b>25.09</b>	<b>26.14</b>
<b>Current</b>	<b>25.09</b>	<b>26.14</b>
<b>Non-current</b>	<b>711.27</b>	<b>408.00</b>
<b>Aggregate cost of quoted investments</b>	<b>9.87</b>	<b>9.87</b>
<b>Aggregate market value of quoted investments</b>	<b>25.09</b>	<b>26.14</b>
<b>Aggregate amount of unquoted investments</b>	<b>711.27</b>	<b>408.00</b>

## 9 Investment in associate

	As at March 31, 2023	As at March 31, 2022
<b>Unquoted equity shares (equity method)</b>		
SL Lumax Limited (an associate)* 32,98,986 (March 31, 2022: 32,98,986) equity shares of ₹ 10 each fully paid up	13,953.57	9,746.11
	<b>13,953.57</b>	<b>9,746.11</b>

\*Refer Note 40

## 10 Loans

	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>Non-Current</b>		
Loan to employees	53.86	59.77
<b>Total (A)</b>	<b>53.86</b>	<b>59.77</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Current</b>		
Loan to employees	116.07	112.43
<b>Total (B)</b>	<b>116.07</b>	<b>112.43</b>
<b>Total Loans (A+B)</b>	<b>169.93</b>	<b>172.20</b>
<b>Non-Current</b>	<b>53.86</b>	<b>59.77</b>
<b>Current</b>	<b>116.07</b>	<b>112.43</b>

The Group has no loans which are either repayable on demand or are without specifying any terms or period of repayment.

#### Loans or advances to specified persons

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Loan to employees</b>		
Mr Vineet Sahni-CEO and Senior Executive Director till April 14, 2023 (₹ 150.00 Lakhs taken on October 15, 2019).	45.00	75.00

#### 11 Other financial assets

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>Non-current</b>		
Deposits with remaining maturity for more than 12 months	5.24	5.00
Unpaid dividend accounts*	129.10	133.92
Security deposits	601.37	647.58
<b>Total (A)</b>	<b>735.71</b>	<b>786.50</b>
<b>Current</b>		
Unbilled revenue (refer note 52)	3,252.28	1,441.75
Interest accrued but not due	0.40	0.60
Export benefits and other incentive receivable <sup>#</sup>	2,463.28	1,818.38
Others	52.61	206.96
<b>Total (B)</b>	<b>5,768.57</b>	<b>3,467.69</b>
<b>Total (A+B)</b>	<b>6,504.28</b>	<b>4,254.19</b>
<b>Non-Current</b>	<b>735.71</b>	<b>786.50</b>
<b>Current</b>	<b>5,768.57</b>	<b>3,467.69</b>

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

<sup>#</sup>Includes government grant receivable of ₹ 2,456.39 Lakhs (March 31, 2022 ₹ 1,801.39 Lakhs) which the Holding company is confident of getting refund in the next year on the basis of claim filed.

#### Break up of financial assets carried at amortized cost:

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Trade receivables (refer note 12)	30,616.68	23,214.44
Cash and cash equivalents (refer note 13)	717.58	1,552.57
Other bank balance (refer note 14)	18.32	17.12
Loans (refer note 10)	169.93	172.20
Other financial assets (refer note 11)	6,504.28	4,254.19
<b>Total</b>	<b>38,026.79</b>	<b>29,210.52</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**12 Trade receivables**

**a) Details of trade receivables:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Trade receivables	26,575.12	19,088.17
Receivables from related parties (refer note 42)	4,041.56	4,126.27
<b>Total trade receivables</b>	<b>30,616.68</b>	<b>23,214.44</b>

**b) Break-up for security details:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Trade receivables</b>		
Unsecured, considered good	30,616.68	23,214.44
Trade receivable - credit impaired	112.23	122.10
<b>Total</b>	<b>30,728.91</b>	<b>23,336.54</b>
Impairment allowance for trade receivables - credit impaired	(112.23)	(122.10)
<b>Total</b>	<b>30,616.68</b>	<b>23,214.44</b>

c) Trade receivables are non-interest bearing and are generally on terms of not more than 30-120 days.

d) For terms and conditions relating to related party receivables, refer Note 42.

**e) Trade receivables Ageing Schedule**

**As at March 31, 2023**

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	24,948.91	5,158.54	352.91	156.32	-	-	<b>30,616.68</b>
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	53.83	9.87	48.53	-	-	<b>112.23</b>
(iv) Disputed Trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>24,948.91</b>	<b>5,212.37</b>	<b>362.78</b>	<b>204.85</b>	<b>-</b>	<b>-</b>	<b>30,728.91</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**As at March 31, 2022**

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	19,079.69	3,830.91	301.70	2.14	-	-	<b>23,214.44</b>
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	13.68	16.88	21.19	30.28	21.33	18.74	<b>122.10</b>
(iv) Disputed Trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>19,093.37</b>	<b>3,847.79</b>	<b>322.89</b>	<b>32.42</b>	<b>21.33</b>	<b>18.74</b>	<b>23,336.54</b>

f) Trade receivable includes amount due from private companies having common director and firm in which director is a partner as follows:

	As at March 31, 2023	As at March 31, 2022
Lumax Cornaglia Auto Technologies Private Limited	-	0.04
Lumax Ancillary Limited	119.09	222.71
Bharat Enterprises	45.94	35.45
Lumax Mannoh Allied Technologies Limited	207.13	132.76
Lumax Jopp Allied Technologies Private Limited	1.27	-
Lumax Ituran Telematices Private Limited	108.59	3.16
Finetone Acoustic Private Limited	0.17	-
Mahavir Udyog	0.59	0.24
<b>Total</b>	<b>482.78</b>	<b>394.36</b>

**13 Cash and cash equivalents**

	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
On current accounts	707.01	1,538.47
Cash on hand	10.57	14.10
<b>Total</b>	<b>717.58</b>	<b>1,552.57</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**14 Other bank balances**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Other bank balances:		
- Deposits with original maturity of more than 3 months but remaining maturity of less than 12 months	17.54	16.38
- Margin Money with banks* (deposits with original maturity of less than 12 months)	0.78	0.74
<b>Total</b>	<b>18.32</b>	<b>17.12</b>

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

a) **For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Balances with banks:		
On current accounts	707.01	1,538.47
Cash on hand	10.57	14.10
<b>Total</b>	<b>717.58</b>	<b>1,552.57</b>

b) **Changes in liabilities arising from financing activities:**

	<b>As at April 01, 2022</b>	<b>Cash flows (net)</b>	<b>Other non cash transaction</b>	<b>As at March 31, 2023</b>
Long term borrowings (including current maturities)	7,643.27	298.79	-	7,942.06
Short term borrowings	28,755.79	1,468.32	-	30,224.11
Lease liabilities	3,678.44	(582.65)	1,790.05	4,885.84
Interest	46.53	(2517.84)	2,584.06	112.75
<b>Total liabilities from financing activities</b>	<b>40,124.03</b>	<b>(1,333.38)</b>	<b>4,374.11</b>	<b>43,164.76</b>

	<b>As at April 01, 2021</b>	<b>Cash flows (net)</b>	<b>Other non cash transaction</b>	<b>As at April 01, 2022</b>
Long term borrowings (including current maturities)	13.22	7,630.05	-	7,643.27
Short term borrowings	30,082.92	(1,327.13)	-	28,755.79
Lease liabilities	3,716.17	(398.52)	360.79	3,678.44
Interest	53.17	(1,828.72)	1,822.08	46.53
<b>Total liabilities from financing activities</b>	<b>33,865.48</b>	<b>4,075.68</b>	<b>2,182.87</b>	<b>40,124.03</b>

**15 Income tax assets (net)**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Non Current tax asset	1,164.30	538.16
<b>Total</b>	<b>1,164.30</b>	<b>538.16</b>

**16 Other assets**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>Non-current</b>		
Advances for property, plant and equipment	7,055.98	6,014.59
Prepaid expenses	58.33	24.02
<b>Total (A)</b>	<b>7,114.31</b>	<b>6,038.61</b>



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Advance to suppliers	4,085.04	3,330.79
Advance to employees	9.03	15.66
Export benefits receivable	13.46	56.90
Balances with statutory authorities	3,353.88	2,093.05
Prepaid expenses	714.30	525.80
Other advances	425.08	298.51
<b>Total (B)</b>	<b>8,600.79</b>	<b>6,320.71</b>
<b>Total (A+B)</b>	<b>15,715.10</b>	<b>12,359.32</b>
<b>Non-current</b>	<b>7,114.31</b>	<b>6,038.61</b>
<b>Current assets</b>	<b>8,600.79</b>	<b>6,320.71</b>

## 17 Inventories

(at lower of cost and net realizable value)

	As at March 31, 2023	As at March 31, 2022
<b>Raw materials</b>	20,874.38	14,931.62
{including stock in transit ₹ 2,893.84 Lakhs (March 31, 2022: ₹ 1,783.19 Lakhs)}		
<b>Work-in-progress</b>	4,687.40	3,581.19
<b>Finished goods</b>	4,290.22	2,465.23
(includes sales in transit ₹ 1,278.21 Lakhs (March 31, 2022: ₹ 692.93 Lakhs))		
<b>Traded goods</b>	108.39	377.62
<b>Stores and spares</b>	1,250.37	808.64
<b>Moulds, tools and dies in process</b>	6,582.38	4,270.45
{including material in transit ₹ 243.16 Lakhs (March 31, 2022: ₹ Nil)}		
<b>Total inventories*</b>	<b>37,793.14</b>	<b>26,434.75</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 ₹ 1,696.48 Lakhs (March 31, 2022: ₹ 293.12 Lakhs) including exceptional loss amounting to ₹ 485.93 Lakhs (March 31, 2022: Nil). The above provision is included in cost of materials consumed, cost of mould, tools and dies, purchase of traded goods or changes in inventories of finished goods, work-in-progress and traded goods.

## 18 Equity Share Capital

### a) Details of share capital:

	As at March 31, 2023	As at March 31, 2022
<b>Authorised Share Capital</b>		
1,20,00,000 (As at March 31, 2022: 1,20,00,000) equity shares of ₹ 10 each	1,200.00	1,200.00
	<b>1,200.00</b>	<b>1,200.00</b>
<b>Issued, subscribed and fully paid up capital</b>		
93,47,732 (As at March 31, 2022: 93,47,732) equity shares of ₹ 10 each	934.77	934.77
	<b>934.77</b>	<b>934.77</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**b) Reconciliation of authorized share capital**

	Equity Shares	
	No. of shares	Amount
As at April 01, 2021	1,20,00,000	1,200.00
Increase during the year	-	-
<b>As at March 31, 2022</b>	<b>1,20,00,000</b>	<b>1,200.00</b>
Increase during the year	-	-
<b>As at March 31, 2023</b>	<b>1,20,00,000</b>	<b>1,200.00</b>

**c) Reconciliation of issued, subscribed and paid up share capital**

	Equity Shares	
	No. of shares	Amount
<b>Equity shares of ₹ 10 each issued, subscribed and fully paid up</b>		
As at April 01, 2021	93,47,732	934.77
Issued during the year	-	-
<b>As at March 31, 2022</b>	<b>93,47,732</b>	<b>934.77</b>
Issued during the year	-	-
<b>As at March 31, 2023</b>	<b>93,47,732</b>	<b>934.77</b>

**d) Terms/ rights 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.

**e) Details of shareholders holding more than 5% shares in the holding Company (representing legal and beneficial ownership)**

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of total shares	Number of shares	% of total shares
<b>Equity shares of ₹ 10 each fully paid up held by-</b>				
i. Stanley Electric Co. Limited	33,43,381	35.77%	33,43,381	35.77%
ii. Deepak Jain, Chairman & Managing Director	12,43,516	13.30%	12,43,516	13.30%
iii. Anmol Jain, Joint Managing Director	12,43,516	13.30%	12,43,516	13.30%
iv. Lumax Auto Technologies Limited	5,25,000	5.62%	5,25,000	5.62%
v. Lumax Finance Private Limited	4,93,367	5.28%	4,93,367	5.28%
<b>Total</b>	<b>68,48,780</b>	<b>73.27%</b>	<b>68,48,780</b>	<b>73.27%</b>

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**f) Details of Shareholding of Promoters in the holding Company (representing legal and beneficial ownership)**

Name of the promoters	No. of shares			% of total shares	% Change during the year
	As at March 31, 2022	Change	As at March 31, 2023		
<b>Equity shares of ₹ 10 (March 31, 2022: ₹ 10) each fully paid</b>					
i. Stanley Electric Co. Limited	33,43,381	-	33,43,381	35.77%	-
ii. Deepak Jain, Chairman & Managing Director	12,43,516	-	12,43,516	13.30%	-
iii. Anmol Jain, Joint Managing Director	12,43,516	-	12,43,516	13.30%	-
iv. Lumax Auto Technologies Limited	5,25,000	-	5,25,000	5.62%	-
v. Lumax Finance Private Limited	4,93,367	-	4,93,367	5.28%	-
vi. Thai Stanley Electric Public Co. Limited	1,62,018	-	1,62,018	1.73%	-

Name of the promoters	No. of shares			% of total shares	% Change during the year
	As at March 31, 2021	Change	As at March 31, 2022		
<b>Equity shares of ₹ 10 (March 31, 2021: ₹ 10) each fully paid</b>					
i. Stanley Electric Co. Limited	33,43,381	-	33,43,381	35.77%	-
ii. Deepak Jain, Chairman & Managing Director	12,43,516	-	12,43,516	13.30%	-
iii. Anmol Jain, Joint Managing Director	12,43,516	-	12,43,516	13.30%	-
iv. Lumax Auto Technologies Limited	5,25,000	-	5,25,000	5.62%	-
v. Lumax Finance Private Limited	4,93,367	-	4,93,367	5.28%	-
vi. Thai Stanley Electric Public Co. Limited	1,62,018	-	1,62,018	1.73%	-

**19 Other equity**
**Reconciliation of Other Equity**

	Reserve and Surplus				Item of OCI		Total
	Retained Earnings	Capital Reserve	Securities Premium	General Reserve	Remeasurements of defined benefit plans	Exchange differences on translating the financial statements of foreign operations	
<b>As at April 01, 2021</b>	<b>28,672.74</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	-	<b>45,108.52</b>
Profit for the year	4,072.47	-	-	-	-	-	4,072.47
Other comprehensive income for the year (net of tax)	-	-	-	-	(287.02)	-	(287.02)
Transferred to retained earnings	(287.02)	-	-	-	287.02	-	-
Less: Dividend paid	654.34	-	-	-	-	-	654.34
<b>As at March 31, 2022</b>	<b>31,803.85</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	-	<b>48,239.63</b>
Profit for the year	10,308.02	-	-	-	-	-	10,308.02
Other comprehensive income for the year (net of tax)	-	-	-	-	95.96	41.49	137.45
Transferred to retained earnings	95.96	-	-	-	(95.96)	-	-
Less: Dividend paid	1,261.94	-	-	-	-	-	1,261.94
<b>As at March 31, 2023</b>	<b>40,945.89</b>	<b>0.65</b>	<b>6,796.66</b>	<b>9,638.47</b>	-	<b>41.49</b>	<b>57,423.16</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**19.1 Nature and purpose of reserves**

**a) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes in accordance with the provisions of the Companies Act, 2013.

**b) General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.

**c) Retained Earnings**

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

**d) Capital reserve**

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 utilized in accordance with the provisions of the Companies Act, 2013.

**19.2 Distributions made and proposed**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Holding Company</b>		
<b>Cash dividend on equity shares declared and paid</b>		
Final cash dividend for the year ended March 31, 2022: ₹ 13.5 per share (March 31, 2021: ₹ 7 per share) on face value of ₹ 10 each	1,261.94	654.34
<b>Proposed dividend on Equity shares*</b>		
Final cash dividend for the year ended March 31, 2023: ₹ 27 per share (March 31, 2022: ₹ 13.5 per share) on face value of ₹ 10 each	2,523.89	1,261.94

\* Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at year end.

**20 Borrowings**

**a) Details of long term borrowings:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Term Loans</b>		
Rupee Term Loan from banks (secured)	7,777.64	7,555.38
Vehicle loan from banks (secured)	164.42	87.89
<b>Less: current maturity disclosed under short term borrowings</b>		
- Rupee term loan	1,777.74	1,777.74
- Vehicle loan	67.65	31.38
<b>Total borrowings</b>	<b>6,096.67</b>	<b>5,834.15</b>
<b>Total current (disclosed other short term borrowings)</b>	<b>1,845.39</b>	<b>1,809.12</b>
<b>Total Non-current</b>	<b>6,096.67</b>	5,834.15
<b>Aggregate secured loans</b>	<b>7,942.06</b>	<b>7,643.27</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**Terms and repayment schedule**

	Currency	Financial year of maturity	Nominal interest rate (range)	As at March 31, 2023	Charges
Rupee Term Loan (Non Current)	₹	2026-27	5.75%-9.31%	5,999.90	Secured by way of exclusive charge on Land of Bawal and Plant & machinery financed from proceed of Term Loan.
Current Maturities of rupee Term Loan	₹	2023-24	5.75%-9.31%	1,777.74	Secured by way of exclusive charge on Land of Bawal and Plant & machinery financed from proceed of Term Loan.
				<b>7,777.64</b>	
Vehicle Loan (Non Current)	₹	2026-27	7.9%-8.85%	96.77	Secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of thirty nine months from the date of availment.
Current Maturities of Vehicle Loan	₹	2023-24	7.9%-8.85%	67.65	Secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of thirty nine months from the date of availment.
				<b>164.42</b>	

Particulars	Currency	Financial year of maturity	Nominal interest rate (range)	As at March 31, 2022	Charges
Rupee Term Loan (Non Current)	₹	2026-27	5.75%	5,777.64	Secured by way of exclusive charge on Land of Bawal and Plant & machinery financed from proceed of Term Loan.
Current Maturities of rupee Term Loan	₹	2022-23	5.75%	1,777.74	Secured by way of exclusive charge on Land of Bawal and Plant & machinery financed from proceed of Term Loan.
<b>Total</b>				<b>7,555.38</b>	
Vehicle Loan (Non Current)	₹	2025-26	7.6%-10%	56.51	Secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of thirty nine months from the date of availment.
Current Maturities of Vehicle Loan	₹	2022-23	7.6%-10%	31.38	Secured by way of hypothecation of the respective vehicles acquired out of proceeds thereof. These loans are repayable over a period of thirty nine months from the date of availment.
<b>Total</b>				<b>87.89</b>	

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

b) Details of short term borrowings:

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Current Maturities of Long term borrowings</b>		
Current maturities of rupee term loan (refer note above)	1,777.74	1,777.74
Current maturities of vehicle loan from banks (refer note above)	67.65	31.38
<b>Loan repayable on demand</b>		
Short term loan from bank	2,000.00	2,000.00
On cash credit accounts from banks (Secured)	1,130.69	268.91
Working Capital facility from banks/financial institution (Secured)	14,350.96	14,693.00
Working capital loan repayable on demand from financial institution (unsecured)	2,000.00	-
Customer finance facility from banks	6,300.73	8,075.91
Vendor finance facility from banks (unsecured)	4,441.73	3,717.97
<b>Total</b>	<b>32,069.50</b>	<b>30,564.91</b>
<b>Aggregate Secured loan</b>	<b>25,627.77</b>	<b>26,846.94</b>
<b>Aggregate Unsecured loan</b>	<b>6,441.73</b>	<b>3,717.97</b>

Terms and repayment schedule

	Currency	Financial year of maturity	Nominal interest rate (range)	<b>As at March 31, 2023</b>	Charges
Short Term Loan	₹	2023-24	4.80% - 8.65%	2,000.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & entire Current Assets of the Holding Company both present and future.
Cash Credit	₹	2023-24	5.92% - 8.35%	1,130.69	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Holding Company.
<b>Working Capital facility from banks/financial institution (Secured)</b>					
Working Capital from Financial Institution	₹	2023-24	4.80% - 8.17%	2,000.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Holding Company.
Working Capital from Bank	₹	2023-24	4.80% - 8.17%	3,500.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & entire Current Assets of the Holding Company both present and future.
Working Capital from Bank	₹	2023-24	4.55% - 7.85%	6,000.00	Secured by way of first Pari-passu charge on stock, book debt, current assets of the Holding Company along with other lenders & over immovable fixed assets of Gurugram Unit.



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Currency	Financial year of maturity	Nominal interest rate (range)	As at March 31, 2023	Charges
Working Capital from Bank	₹	2023-24	5.92% - 8.45%	1,758.69	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Holding Company.
Working Capital from Bank	₹	2023-24	4.60% - 7.95%	1,090.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Holding Company.
Working Capital from Bank	₹	2023-24	-	2.27	
<b>Total Working Capital</b>				<b>14,350.96</b>	
Working Capital (Repayble on Demand) from financial institution	₹	2023-24	5.75% - 8.05%	2,000.00	Unsecured working/cash credit facility.
Customer Finance Facility	₹	2023-24	5.45% - 8.89%	6,300.73	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets of the Holding Company both present and future.
Vendor Finance Facility	₹	2023-24	5.34% - 7.88%	4,441.73	Unsecured

Particulars	Currency	Financial year of maturity	Nominal interest rate (range)	As at March 31, 2022	Charges
Short Term Loan	₹	2022-23	5.45% - 8.65%	2,000.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & entire Current Assets of the Holding Holding Company both present and future.
Cash Credit	₹	2022-23	6.35% - 8.35%	268.91	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Holding Holding Company.
<b>Working Capital facility from banks/financial institution (Secured)</b>					
Working Capital from Bank	₹	2022-23	5.25% - 9.10%	2,000.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Holding Holding Company.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

Particulars	Currency	Financial year of maturity	Nominal interest rate (range)	As at March 31, 2022	Charges
Working Capital from Bank	₹	2022-23	4.56% - 6.10%	3,500.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & entire Current Assets of the Holding Holding Company both present and future.
Working Capital from Bank	₹	2022-23	4.55% - 6.70%	6,000.00	Secured by way of first Pari-passu charge on stock, book debt, current assets of the Holding Holding Company along with other lenders & over immovable fixed assets of Gurugram Unit.
Working Capital from Bank	₹	2022-23	4.40% - 4.60%	2,300.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Holding Holding Company.
Working Capital from Bank	₹	2022-23	5.00% - 7.90%	893.00	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets & Pari Pasu charge on movable fixed assets of the Holding Holding Company.
				<b>14,693.00</b>	
Customer Finance Facility	₹	2022-23	4.80% - 7.10%	8,075.91	Secured by way of first Pari-passu charge over immovable fixed assets of Gurugram Unit & Entire Current Assets of the Holding Holding Company both present and future.
Vendor Finance Facility	₹	2022-23	5.24% - 7.10%	3,717.97	Unsecured

**c) Undrawn committed borrowing facility**

The Company has availed fund based and non fund based limits amounting to ₹ 49,350.00 Lakhs (March 31, 2022: ₹ 49,350.00 Lakhs) from banks and financial institutions. An amount of ₹ 13,813.00 Lakhs remain undrawn as at March 31, 2023 (March 31, 2022: ₹ 17,190.00 Lakhs)

**d) Loan covenants**

The Holding Company has satisfied all debt covenants prescribed in the terms of bank loans. The other loans do not carry any debt covenant. The Holding Company has not defaulted on any loans payable and term loan term loan were applied for the purpose for which the loans were obtained.

**e) Wilful defaulter**

The Holding Company have not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**21 Lease liability**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Non-current</b>		
Lease Liability	4,454.67	3,542.64
<b>Total (A)</b>	<b>4,454.67</b>	<b>3,542.64</b>
<b>Current</b>		
Lease Liability	431.17	135.80
<b>Total (B)</b>	<b>431.17</b>	<b>135.80</b>
<b>Total (A+B)*</b>	<b>4,885.84</b>	<b>3,678.44</b>
<b>Non-current</b>	<b>4,454.67</b>	<b>3,542.64</b>
<b>Current</b>	<b>431.17</b>	<b>135.80</b>

\*Refer note no 5

**22 Provisions**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Non-current</b>		
Provision for warranties*	71.16	53.68
<b>Total</b>	<b>71.16</b>	<b>53.68</b>

**\*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.

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
At the beginning of the year	53.68	76.73
Arising during the year (net of reversals)	106.53	39.80
Utilized during the year	(89.05)	(62.85)
<b>At the end of the year</b>	<b>71.16</b>	<b>53.68</b>

**23 Trade payables**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (refer note below for details of due to micro and small enterprises)	2,174.49	1,971.05
- Total outstanding dues of creditors other than micro enterprises and small enterprises	53,578.82	45,435.13
	<b>55,753.31</b>	<b>47,406.18</b>
- Trade payables	36,340.13	29,994.85
- Trade payables to related parties (refer note 42)	19,413.18	17,411.33
<b>Total</b>	<b>55,753.31</b>	<b>47,406.18</b>

**Terms and conditions of the above financial liabilities:**

Trade payables are non-interest bearing and are normally settled on 30 to 120 day terms.

For explanations on the Group's credit risk management processes, refer note 51.

For terms and conditions with related parties, refer to Note 42

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

- a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2023 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
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	2,070.45	1,890.03
Interest due on above	0.23	0.27
	<b>2,070.68</b>	<b>1,890.30</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	2.45
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	22.79	4.78
The amount of interest accrued and remaining unpaid at the end of each accounting year.	104.04	81.02
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	

- b) Trade Payable Ageing Schedule

<b>As at March 31, 2023</b>	<b>Unbilled</b>	<b>Not Due</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
			<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
(i) MSME	-	2,029.79	144.70	-	-	-	2,174.49
(ii) Others	3,129.43	37,836.69	12,266.77	286.47	17.12	42.33	53,578.82
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	<b>3,129.43</b>	<b>39,866.49</b>	<b>12,411.47</b>	<b>286.47</b>	<b>17.12</b>	<b>42.33</b>	<b>55,753.31</b>

<b>As at March 31, 2022</b>	<b>Unbilled</b>	<b>Not Due</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
			<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
(i) MSME	-	1,944.63	26.42	-	-	-	1,971.05
(ii) Others	2,757.44	29,032.66	13,570.95	26.32	16.37	31.39	45,435.13
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	<b>2,757.44</b>	<b>30,977.29</b>	<b>13,597.37</b>	<b>26.32</b>	<b>16.37</b>	<b>31.39</b>	<b>47,406.18</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**24 Other financial liabilities**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Other financial liabilities at amortized cost</b>		
<b>Current</b>		
Amount payable for property, plant and equipment for other than micro enterprises and small enterprises	4,007.72	2,181.78
Interest accrued on borrowings/cash credit	112.75	46.53
Employee related payable*	2,744.40	1,926.82
Unpaid dividend **	129.10	133.92
Unsecured deposits from customers	0.75	5.75
Other liabilities***	2,964.83	1,382.52
<b>Total</b>	<b>9,959.55</b>	<b>5,677.32</b>
<b>Current</b>	<b>9,959.55</b>	<b>5,677.32</b>
<b>Non-current</b>	-	-

\*Includes payable to directors of ₹ 987.47 Lakhs (March 31, 2022: ₹ 489.05 Lakhs) (Also refer note 42)

\*\*Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. Accordingly, the Holding Company has transferred ₹ 8.69 Lakhs during the current year (March 31, 2022: ₹ 5.05 Lakhs) to the Investor Education and Protection Fund.

\*\*\*Other liabilities represent rate difference for price decrease not yet paid to the customers (Also refer note 52).

**Breakup of financial liabilities at amortized cost:**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Borrowings non-current (refer note 20)	6,096.67	5,834.15
Borrowings current (refer note 20)	32,069.50	30,564.91
Non-current lease liabilities (refer note 21)	4,454.67	3,542.64
Current lease liabilities (refer note 21)	431.17	135.80
Trade payables (refer note 23)	55,753.31	47,406.18
Other financial liabilities (refer note 24)	9,959.55	5,677.32
<b>Total financial liabilities carried at amortized cost</b>	<b>1,08,764.87</b>	<b>93,161.00</b>

**25 Other liabilities**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Current</b>		
Advances from customers (contract liabilities)	7,044.88	2,772.28
Statutory dues	1,056.73	1,291.48
<b>Total</b>	<b>8,101.61</b>	<b>4,063.76</b>
<b>Current</b>	<b>8,101.61</b>	<b>4,063.76</b>
<b>Non-current</b>	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**26 Employee benefit Liabilities**

	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
Provision for leave encashment	2,337.94	2,305.67
Provision for gratuity (refer note 41)	1,706.45	1,552.95
<b>Total (A)</b>	<b>4,044.39</b>	<b>3,858.62</b>
<b>Current</b>		
Provision for leave encashment	277.75	212.38
Provision for gratuity (refer note 41)	383.39	379.64
<b>Total (B)</b>	<b>661.14</b>	<b>592.02</b>
<b>Total (A+B)</b>	<b>4,705.53</b>	<b>4,450.64</b>
<b>Current</b>	<b>661.14</b>	<b>592.02</b>
<b>Non-current</b>	<b>4,044.39</b>	<b>3,858.62</b>

**27 Income tax**

(a) The major components of income tax expense for the years ended are:

Statement of profit and loss:

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current income tax:</b>		
Current tax {(including tax related to earlier years ₹ (47.69) Lakhs (March 31, 2022 ₹ (14.13) Lakhs)}	1,823.84	639.82
<b>Deferred tax:</b>		
Deferred tax	2,782.29	569.64
<b>Income tax expense reported in the statement of profit or loss</b>	<b>4,606.13</b>	<b>1,209.46</b>

(b) OCI section

Deferred tax related to items recognized in Other Comprehensive Income during the year:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Tax effect on gain on re-measurement of deferred benefit plan	(45.99)	-
<b>Income tax charged to Other Comprehensive Income</b>	<b>(45.99)</b>	<b>-</b>

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Accounting profit before income tax (a)</b>	<b>10,743.61</b>	<b>4,614.75</b>
<b>Share of profit of associate (net of tax)</b>	<b>4,170.54</b>	<b>667.18</b>
<b>Total accounting profit before income tax</b>	<b>14,914.15</b>	<b>5,281.93</b>
Tax at the Indian Tax Rate of 34.944% (March 31, 2022: 34.944%) on (a)	3,754.25	1,612.58
<b>Non-deductible expenses for tax purposes:</b>		
Tax related to prior periods	(59.66)	(16.01)
Dividend deduction u/s 80M	(3.56)	(6.26)
Tax rate change impact*	(156.25)	(423.58)
Deferred tax on profit of associate	926.10	138.08
Others	145.25	(95.35)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>4,606.13</b>	<b>1,209.46</b>



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

\* The Holding company has Tax rate change impact of ₹ 156.25 Lakhs (March 31, 2022 ₹ 423.58 Lakhs) which is calculated on the basis of difference between old tax regime i.e. 34.944% and lower tax rate i.e. 25.168% (which has been measured only for calculating the deferred tax on the basis of management best estimate of falling in lower tax rate in future years)

**(d) Deferred tax**

	Balance sheet		Statement of profit and loss and OCI	
	As at March 31, 2023	As at March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Deferred tax assets relates to the following:</b>				
Impact of expenditures charged to statement of profit and loss but allowed for tax purposes on payment basis	1,370.18	1,257.74	112.44	161.51
Impact of impairment allowance for doubtful debts	48.01	146.81	(98.80)	104.22
Deferred tax on Right-to-use asset (net)	201.33	209.55	(8.22)	66.48
Carry forward MAT credits	1,806.95	3,064.47	(1,257.52)	(1,118.25)
Voluntary separation scheme Expenses	305.12	445.63	(140.51)	445.63
Others	0.26	0.92	(0.66)	(4.63)
<b>Total (A)</b>	<b>3,731.85</b>	<b>5,125.12</b>	<b>(1,393.27)</b>	<b>(345.04)</b>
<b>Deferred tax liability relates to the following:</b>				
Undistributed profit of associate	3,422.36	2,487.77	934.58	138.08
Accelerated depreciation for tax purposes	6,619.62	6,288.66	330.96	(83.65)
Fair value gain on Investments	100.11	55.66	44.45	51.73
Unrealized gain on Investment Property	155.35	30.33	125.02	2.38
<b>Total (B)</b>	<b>10,297.44</b>	<b>8,862.42</b>	<b>1,435.01</b>	<b>108.54</b>
<b>Deferred tax (expense) charged to statement of profit and loss</b>	-	-	<b>(2,782.29)</b>	<b>(569.64)</b>
Re-measurement gain on defined benefit plans (OCI)	-	-	(45.99)	-
<b>Deferred tax (expense) charged to OCI and Profit and loss</b>	-	-	<b>(2,828.28)</b>	<b>(569.64)</b>
<b>Total deferred tax liability (Net)</b>	<b>6,565.59</b>	<b>3,737.30</b>		

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

## 28 Revenue from contracts with customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of products</b>		
Finished goods	2,21,303.20	1,64,192.17
Traded goods	956.55	1,129.59
Moulds, tools and dies	9,128.21	8,210.81
<b>Total Sale of products (A)</b>	<b>2,31,387.96</b>	<b>1,73,532.57</b>
<b>Sale of services (B)</b>	<b>214.21</b>	<b>1,130.77</b>
<b>Other operating revenue</b>		
Scrap Sale	320.53	278.53
Others	29.64	189.23
<b>Total other operating revenue (C)</b>	<b>350.17</b>	<b>467.76</b>
<b>Revenue from contracts with customers (A+B+C)</b>	<b>2,31,952.34</b>	<b>1,75,131.10</b>

### 28.1 Contract Balances

	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade Receivables (refer note 12)	30,616.68	23,214.44
Unbilled Revenue (refer note 11)	3,252.28	1,441.75
Advance from Customer (Contract liabilities (refer note 25))	7,044.88	2,772.28

### 28.2 Timing of revenue recognition

	For the year ended March 31, 2023	For the year ended March 31, 2022
Goods transferred at a point in time	2,31,738.13	1,74,000.33
Services transferred over time	214.21	1,130.77

### 28.3 Performance obligation

The performance obligation is satisfied upon delivery of the goods to the customer and payment is generally due within 30 to 120 days from delivery.

### 28.4 Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue as per contracted price</b>	<b>2,32,913.72</b>	<b>1,75,930.47</b>
<b>Adjustments</b>		
Discounts	961.38	799.37
	<b>2,31,952.34</b>	<b>1,75,131.10</b>
India	2,28,413.11	1,71,362.18
Outside India	3,539.23	3,768.92
<b>Total Revenue from Contracts with Customers</b>	<b>2,31,952.34</b>	<b>1,75,131.10</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**28.5 Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price**

The aggregate amount of transaction price allocated to the unsatisfied performance obligations as at March 31, 2023 amounts to ₹ 529.05 Lakhs - (March 31, 2022: ₹ Nil). This will be recognized as revenue when the moulds will be sold to the customer, which is expected to occur post March 31, 2024\*.

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

**29 Other Income**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
- On fixed deposits	8.40	23.58
- Others	18.14	30.33
Dividend Income	10.19	17.92
Gain on sale of property, plant and equipment (net)	117.76	26.92
Rental Income	31.18	26.84
Liabilities/provisions no longer required written back	232.11	106.90
Gain on foreign currency transaction and translation (net)	-	144.46
Net change in fair value of investment in equity shares held at FVTPL	126.12	148.04
Government Grant (including export incentives)	770.95	746.90
Miscellaneous income	153.58	66.75
<b>Total</b>	<b>1,468.43</b>	<b>1,338.64</b>

**30 Cost of raw material and components consumed**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	14,931.62	12,022.98
Add: Purchases	1,52,921.33	1,09,197.38
Less: Inventory at the end of the year	(20,874.38)	(14,931.62)
<b>Cost of raw material and components consumed</b>	<b>1,46,978.57</b>	<b>1,06,288.74</b>

**30.1 Purchase of Traded Goods**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Automotive lamps/components	94.94	921.05
<b>Purchase of Traded Goods</b>	<b>94.94</b>	<b>921.05</b>

**31 Cost of moulds, tools & dies consumed**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	4,270.45	3,625.38
Add: Purchases	9,028.37	6,919.48
Less: Inventory at the end of the year	(6,582.38)	(4,270.45)
<b>Cost of moulds, tools &amp; dies consumed</b>	<b>6,716.44</b>	<b>6,274.41</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**32 Increase in inventories of finished goods, work-in-progress and traded goods**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening Stock</b>		
- Finished goods	2,465.23	2,626.87
- Work-in-progress	3,581.19	2,893.63
- Traded Goods	377.62	113.28
<b>Total (A)</b>	<b>6,424.04</b>	<b>5,633.78</b>
<b>Closing stock</b>		
- Finished goods	4,290.22	2,465.23
- Work-in-progress	4,687.40	3,581.19
- Traded Goods	108.39	377.62
<b>Total (B)</b>	<b>9,086.01</b>	<b>6,424.04</b>
<b>Changes in inventories</b>		
- Finished goods	(1,824.99)	161.64
- Work-in-progress	(1,106.21)	(687.56)
- Traded Goods	269.23	(264.34)
<b>Increase in inventories of finished goods, work-in-progress and traded goods (A-B)</b>	<b>(2,661.97)</b>	<b>(790.26)</b>

**33 Employee benefits expense**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	24,442.98	21,366.51
Contribution to provident and other funds	1,182.94	1,099.23
Gratuity expense (refer note 41)	362.78	316.33
Staff welfare expense	1,595.84	1,301.81
<b>Total</b>	<b>27,584.54</b>	<b>24,083.88</b>

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**34 Finance costs**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expenses on financial liabilities {net of Capitalized ₹ 38.06 Lakhs (March 31, 2022: ₹ 300.80 Lakhs )}	2,535.04	1,865.75
Interest on lease liabilities	351.14	250.46
Interest paid to others	49.07	25.28
<b>Total</b>	<b>2,935.25</b>	<b>2,141.49</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**35 Depreciation and amortization expense**

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Depreciation of tangible assets (refer note 4)	7,310.91	5,942.23
Amortization of right-to-use assets (refer note 5)	342.83	184.18
Amortization of intangible assets (refer note 6)	337.78	240.39
<b>Total</b>	<b>7,991.52</b>	<b>6,366.80</b>

**36 Other expenses**

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Stores and spares consumed	1,531.17	790.82
Packing material consumed	6,189.50	4,717.23
Power and fuel	6,688.35	5,159.07
Rent	461.28	358.64
Rates and taxes	121.09	76.98
Insurance	510.60	357.43
Repairs and maintenance		
- Plant and machinery	1,748.88	1,498.73
- Building	76.56	73.93
- Others	1,220.60	1,086.47
Freight and forwarding charges	4,276.30	3,073.71
Bank charges	50.78	32.42
Travelling and conveyance	1,299.85	774.97
Legal and professional fees	543.63	456.23
Management fees	2,621.72	2,294.82
Design, support and testing charges	165.62	330.49
Directors' sitting fees	37.20	38.20
Payment to auditors (refer details below)*	50.39	57.26
Royalty	2,965.65	2,453.43
Warranty	106.53	39.80
Loss on foreign currency fluctuations (net)	219.39	-
Outstanding balances written off	2.62	13.15
Provision for doubtful debts and advances	112.22	25.37
Advertisement and sales promotion	141.16	113.45
Communication Cost	125.74	129.37
Printing & stationery	97.99	108.06
CSR expenditure (refer details below)**	123.70	134.45
Donations	5.00	4.55
Miscellaneous expenses	1,000.52	655.90
<b>Total</b>	<b>32,494.04</b>	<b>24,854.93</b>

Above expenses include research and development expenses (refer note 44).

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**\*Payment to Auditors (excluding applicable taxes)**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>As auditor:</b>		
Audit fee	27.50	23.25
Tax audit fee	2.50	3.00
Limited Review	15.00	23.25
<b>In other capacity:</b>		
Certification fees	1.50	4.50
Reimbursement of expenses	3.89	3.26
<b>Total</b>	<b>50.39</b>	<b>57.26</b>

**\*\*Details of CSR expenditure:**

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Gross amount required to be spent by the Holding Company during the year	112.60	128.87
(b) Amount approved by the Board to be spent during the year	112.60	130.00

	In Cash	Yet to be paid in Cash	Total
(c) Amount spent during the year ending on March 31, 2023:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above in cash	123.70	-	123.70
(d) Amount spent during the year ending on March 31, 2022:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above in cash	134.45	-	134.45

	For the year ended March 31, 2023	For the year ended March 31, 2022
(e) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	-	21.00
ii) Contribution to Charitable Trust	123.70	113.45
iii) Unspent amount in relation to:		
Ongoing project	-	-
Other than ongoing project	-	-

In case of Section 135(5) Excess amount spent (other than ongoing project)			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance excess
5.58	(112.60)	123.70	16.68

In case of Section 135(6) ongoing project			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance excess
-	-	-	-



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**37 Exceptional Items**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Scrap of inventory*	485.93	-
Voluntary separation schemes (VSS)**	57.90	1,713.95
<b>Total</b>	<b>543.83</b>	<b>1,713.95</b>

\*Loss of ₹ 485.93 Lakhs on account of scrapping of inventory of electronics components due to significant design changes at the customer end.

\*\*Pursuant to the VSS scheme introduced by the Holding Company in previous year, the Holding Company has disbursed the amount of ₹ 57.90 Lakhs (March 31, 2022: ₹ 1,713.95 Lakhs) on account of Voluntary Separation Scheme (VSS) to the workers of Gurugram plant.

**38 Components of Other Comprehensive Income (OCI)**

The disaggregation of changes to OCI by each type of reserve in equity:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Re-measurement gains/ (losses) on defined benefit plans	105.03	(287.02)
Deferred tax thereon	(45.99)	-
	<b>59.04</b>	<b>(287.02)</b>

**39 Earnings per share (EPS)**

- a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year. Basic and diluted EPS are same as there are no convertible financial instruments outstanding as on March 31, 2023.
- b) The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to the equity holders of the Group	10,308.02	4,072.47
Weighted average number of equity shares for basic and diluted EPS	93,47,732	93,47,732
Basic and diluted earnings per share (face value ₹ 10 per share, March 31, 2022: ₹ 10 per share) (₹)	110.27	43.57

- c) There has not been any transactions involving equity shares or potential equity shares between the reporting date and the date of authorization of these consolidated financial statements.

**40 Group information**

The consolidated financial statements of the Group includes subsidiary and associate.

**(a) Information about subsidiary and associate**

Name	Relationship	Principal activities	Country of incorporation	% Equity interest	
				March 31, 2023	March 31, 2022
SL Lumax Limited	Associate	Manufacturing	India	21.28%	21.28%
Lumax Industries Czech s.r.o.*	Subsidiary	Technical and Engineering Services	Czech Republic	100%	-

\*Subsidiary w.e.f. September, 2022.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**(b) Investment in associate**

The Holding Company has a 21.28% interest in SL Lumax Limited, which is involved in the manufacturing of Automotive lighting for vehicles. SL Lumax Limited is private entity that is not listed on any stock exchange. The Group interest in SL Lumax Limited is accounted for using the equity method in the consolidated financial statements. The following table shows the summarized financial information of the group investment in SL Lumax Limited:

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Current Assets	68,026.60	52,716.62
Non Current Assets	32,347.54	26,990.53
Current Liabilities	(32,813.15)	(31,651.60)
Non Current Liabilities	(2,117.22)	(2,380.51)
<b>Equity</b>	<b>65,443.77</b>	<b>45,675.04</b>
Share in equity - 21.28% (March 31, 2022 - 21.28%)	13,928.67	9,721.21
Goodwill	24.90	24.90
<b>Carrying amount of the investment</b>	<b>13,953.57</b>	<b>9,746.11</b>

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Revenue from contracts with customers including other income	2,45,188.07	1,98,396.19
Cost of raw material and components consumed	1,82,707.94	1,63,363.49
Depreciation and amortization expense	5,467.81	5,238.12
Finance cost	13.97	142.71
Employee benefits expense	10,223.70	10,508.34
Other Expenses	20,497.89	14,861.93
<b>Profit Before Tax</b>	<b>26,276.76</b>	<b>4,281.60</b>
Income Tax expenses	6,681.48	1,146.83
<b>Profit for the year</b>	<b>19,595.28</b>	<b>3,134.77</b>
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	173.46	212.01
<b>Total comprehensive income for the year</b>	<b>19,768.74</b>	<b>3,346.78</b>
<b>Group share of profit of the year</b>	<b>4,170.54</b>	<b>667.18</b>

	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Contingent Liability	1,428.89	1,082.82
<b>Group Share</b>	<b>304.07</b>	<b>230.42</b>
Capital Commitment	590.77	125.72
<b>Group Share</b>	<b>125.72</b>	<b>26.75</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

(c) 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 March 31, 2023**

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>Company</b>								
Lumax Industries Limited	82.49%	48,140.78	68.53%	7,063.59	49.71%	68.33	68.28%	7,131.92
<b>Associate*</b>								
SL Lumax Limited	23.87%	13,928.67	40.46%	4,170.54	20.10%	27.63	40.19%	4,198.17
<b>Subsidiary</b>								
Lumax industries Czech s.r.o.	0.86%	501.58	-	-	30.19%	41.49	0.40%	41.49
Adjustment arising out of consolidation	(7.22%)	(4,213.10)	(8.99%)	(926.11)	-	-	(8.87%)	(926.11)
<b>Total</b>	<b>100.00%</b>	<b>58,357.93</b>	<b>100.00%</b>	<b>10,308.02</b>	<b>100.00%</b>	<b>137.45</b>	<b>100.00%</b>	<b>10,445.47</b>

\*Accounted using Equity method (excluding tax impact)

**Year ended March 31, 2022**

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>Company</b>								
Lumax Industries Limited	85.96%	42,270.80	87.01%	3,543.37	115.72%	(332.14)	84.83%	3,211.23
<b>Associate*</b>								
SL Lumax Limited	19.77%	9,721.21	16.38%	667.18	(15.72%)	45.12	18.82%	712.30
Adjustment arising out of consolidation	(5.73%)	(2,817.61)	(3.39%)	(138.08)	-	-	(3.65%)	(138.08)
<b>Total</b>	<b>100.00%</b>	<b>49,174.40</b>	<b>100.00%</b>	<b>4,072.47</b>	<b>100.00%</b>	<b>(287.02)</b>	<b>100.00%</b>	<b>3,785.45</b>

\*Accounted using Equity method (excluding tax impact)

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**41 Gratuity and other post-employment benefit plans**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with an insurance company in the form of qualifying insurance policy.

**A) Defined contribution plans**

During the year, the Company has recognized the following amounts in the statement of profit and loss :

	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to provident and other funds	1,182.94	1,099.23

**B) Defined Benefit plans**

a) The following table summarise the components of net benefit expense recognized in the Statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

	For the year ended March 31, 2023	For the year ended March 31, 2022
	Gratuity	Gratuity
<b>Cost for the year included under employee benefit</b>		
Current service cost	226.50	227.28
Interest cost	136.28	89.05
<b>Net benefit expense</b>	<b>362.78</b>	<b>316.33</b>

b) Amounts recognized in statement of other comprehensive income (OCI)

	For the year ended March 31, 2023	For the year ended March 31, 2022
	Gratuity	Gratuity
<b>Opening amount recognized in OCI outside statement of profit and loss</b>	-	-
Remeasurement for the year - Obligation Loss / (Gain)	(106.49)	369.92
Remeasurement for the year - Plan Assets Loss / (Gain)	1.46	(37.78)
<b>Total remeasurement (Credit) / Cost for the year recognized in OCI</b>	<b>(105.03)</b>	<b>332.14</b>
<b>Closing amount recognized in OCI outside statement of profit and loss</b>	<b>(105.03)</b>	<b>332.14</b>

c) Mortality table

	For the year ended March 31, 2023	For the year ended March 31, 2022
	Gratuity	Gratuity
<b>Economic assumptions</b>		
1 Discount rate	7.37%	7.24%
2 Rate of increase in compensation levels - for the first two years	7.00%	7.00%
h - Thereafter	7.00%	7.00%
3 Rate of return on plan assets	7.24%	6.76%
<b>Demographic assumptions</b>		
1 Expected average remaining working lives of employees (years)	20.39	20.41
2 Retirement Age (years)	58	58
3 Mortality Rate	Indian Assured Lives Mortality (2012-14) ultimate	
<b>Withdrawal Rate</b>		
1 Upto 30 years	10.00%	9.00%
2 Ages from 31-40 years	10.00%	9.00%
3 Ages from 41-50 years	10.00%	9.00%
4 Above 50 years	10.00%	9.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**d) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for defined benefit obligation and plan assets**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Benefit obligation as at the beginning of the year	2,757.48	3,389.30
Current service cost	226.49	227.28
Interest cost	188.12	181.44
Benefit paid	(318.14)	(1,410.46)
Actuarial (gain)/loss	(106.49)	369.92
<b>Gross Liability</b>	<b>2,747.47</b>	<b>2,757.48</b>

**e) Table showing changes in the fair value of plan assets:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Opening fair value of plan assets	824.89	2,038.86
Expected return on plan assets	51.84	92.39
Contribution made during the year	100.50	66.34
Benefits paid	(318.14)	(1,410.48)
Mortality charges	-	-
Actuarial (loss)/gain on plan assets	(1.46)	37.78
<b>Closing fair Value of Plan asset</b>	<b>657.63</b>	<b>824.89</b>

**f) Benefit (asset) / liability:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Present value of Defined Benefit Obligation ("DBO")	2,747.47	2,757.48
Fair value of plan assets	657.63	824.89
<b>Net liability</b>	<b>2,089.84</b>	<b>1,932.59</b>

**g) Major category of plan assets (as % of total plan assets)**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Investment with the insurer	96.59%	97.47%

**h) A quantitative sensitivity analysis for significant assumption is as shown below:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
	<b>Gratuity</b>	<b>Gratuity</b>
<b>A. Discount rate</b>		
Effect on DBO due to 1% increase in Discount Rate	2,602.78	2,604.94
Effect on DBO due to 1% decrease in Discount Rate	2,907.88	2,927.43
<b>B. Salary escalation rate</b>		
Effect on DBO due to 1% increase in Salary Escalation Rate	2,899.53	2,919.32
Effect on DBO due to 1% decrease in Salary Escalation Rate	2,607.00	2,608.47
<b>C. Withdrawal rate</b>		
Effect on DBO due to 1% increase in Withdrawal rate	2,749.88	2,760.40
Effect on DBO due to 1% decrease in Withdrawal rate	2,744.74	2,755.63

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

i) **The expected benefit payments in future years is as follows:**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
March 31, 2023	-	379.64
March 31, 2024 (Previous Year: April 01, 2023 to March 31, 2027)	397.08	1,240.63
March 31, 2025	351.91	-
March 31, 2026	312.96	-
March 31, 2027	336.84	-
March 31, 2028 (Previous Year: April 01, 2027 to March 31, 2032)	280.62	1,224.36
April 01, 2028 to March 31, 2033 (Previous Year: April 01, 2032 onwards)	1,274.80	1,760.63

**42 Related Party Disclosure**

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

<b>S. No.</b>	<b>Particulars</b>	<b>Name of Related parties</b>
1	Entity/Person having significant influence	Stanley Electric Co. Limited, Japan
2	Key Management Personnel	Mr Deepak Jain (Chairman & Managing Director) Mr Anmol Jain (Joint Managing Director) Mr Vineet Sahni (CEO & Senior Executive Director till April 14, 2023) Mr Tadayoshi Aoki (Senior Executive Director) Mr Kenjiro Nakazono (Executive Director till April 07, 2023) Mr Vishnu Johri (Chief Executive Officer w.e.f. April 15, 2023) Mr Shrutikant Rustagi (Chief Financial Officer till March 31, 2023) Mr Ravi Teltia (Chief Financial Officer w.e.f. April 01, 2023) Mr Pankaj Mahendru (Company Secretary till May 26, 2023) Mr Raajesh Gupta (Executive Director & Company Secretary w.e.f. May 27, 2023)
3	Relatives of Key Management Personnel	Mr D.K. Jain (Chairman Emeritus) Mr Vyom Sahni (son of Mr Vineet Sahni) till April 01, 2023
4	Non Executive Director	Mr Toru Tanabe Mr Avinash Parkash Gandhi (Independent Director) Mr Rajeev Kapoor (Independent Director) Mr Rattan Kapur (Independent Director) Ms Ritika Modi (Independent Director) Mr Dhiraj Dhar Gupta (Independent Director) Mr Vikrampati Singhania (Independent Director)



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Particulars	Name of Related parties
5	Entity Controlled / significantly influenced by Key Management Personnel and/or their Relatives	Lumax Auto Technologies Limited
		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
		Lumax FAE Technologies Private Limited
		Lumax Ituran Telematics Private Limited
		Lumax Mettalics Private Limited (The erstwhile 100% Subsidiary Company of Lumax Auto Technologies Limited (LATL) has been merged with LATL)
		Lumax Integrated Ventures Private Limited
		Sipal Engineering Private Limited
		Backcountry Estates Private Limited
		Velomax Mobility Private Limited
		Finetone Acoustic Private Limited
		Lumax Alps Alpine India Private Limited
D.K. Jain Family Trust		
Lumax Charitable Foundation		
6	Entity controlled by Entity having significant influence	Thai Stanley Electric Public Co. Limited
		Asian Stanley International Co. Limited
		PT Indonesia Stanley Electric
		Stanley Electric (Asia Pacific) Limited
		Tianjin Stanley Electric Co. Limited
		Tianjin Stanley Electric Technology Co. Limited
		Vietnam Stanley Electric Co. Limited
		Shenzhen Stanley Electric Co. Limited
		Guangzhou Stanley Electric Co. Limited
		Sirivit-Stanley Co. Limited
		Stanley Iwaki Works Limited
		Stanley Electric Do Brasil Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (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 and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity having significant influence		Total
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
i)	<b>Sale of Raw Materials and Components (grouped in Consumption)</b>									
	Lumax Auto Technologies Limited	-	-	-	246.49	-	-	-	-	246.49
	Lumax Ancillary Limited	-	-	-	225.21	-	-	-	-	225.21
	Bharat Enterprises	-	-	-	262.45	-	-	-	-	262.45
	Lumax Ituran Telematics Private Limited	-	-	-	1.02	-	-	-	-	1.02
	Lumax Mannoh Allied Technologies Limited	-	-	-	0.51	-	-	-	-	0.51
	<b>Total</b>	-	-	-	<b>734.66</b>	-	-	-	-	<b>734.66</b>
ii)	<b>Sale of Finished Goods (including Semi-finished Goods) and moulds</b>									
	Lumax Auto Technologies Limited	-	-	-	10,665.71	-	-	-	-	10,665.71
	Lumax Ancillary Limited	-	-	-	160.77	-	-	-	-	160.77
	Lumax Mannoh Allied Technologies Limited	-	-	-	281.44	-	-	-	-	281.44
	Lumax Ituran Telematics Private Limited	-	-	-	3.16	-	-	-	-	3.16
	Lumax Jopp Allied Technologies Limited	-	-	-	1.27	-	-	-	-	1.27
	Stanley Electric Do Brasil Limited	-	-	-	-	0.59	-	3.74	-	3.74
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	0.37	-	0.37
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	11.54	10.13	10.13
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	9.19	-	9.19
	Stanley Electric Co. Limited	26.69	61.05	-	-	-	-	-	-	26.69
	<b>Total</b>	<b>26.69</b>	<b>61.05</b>	-	<b>11,111.08</b>	<b>21.32</b>	<b>14.24</b>	<b>14,449.80</b>	<b>11,186.37</b>	<b>11,186.37</b>
iii)	<b>Sale of Fixed Assets</b>									
	Lumax Auto Technologies Limited	-	-	-	1.92	-	-	-	-	1.92
	Lumax Ancillary Limited	-	-	-	1.88	-	-	-	-	1.88
	Lumax FAE Technologies Private Limited	-	-	-	0.03	-	-	-	-	0.03
	Mahavir Udyog	-	-	-	0.12	-	-	-	-	0.12

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel and 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
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
	Lumax Management Services Private Limited	-	-	-	-	3.53	-	-	-	3.53
	<b>Total</b>	-	-	-	-	<b>7.48</b>	<b>0.99</b>	-	-	<b>7.48</b>
iv)	<b>Sale of Services</b>									
	Lumax Auto Technologies Limited	-	-	-	-	0.17	184.01	-	-	0.17
	Lumax Ancillary Limited	-	-	-	-	0.54	-	-	-	0.54
	Lumax Ituran Telematics Private Limited	-	-	-	-	47.20	-	-	-	47.20
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	23.20	-	-
	Pt Indonesia Stanley Electric	-	-	-	-	-	-	11.47	11.96	11.47
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	14.32	-
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	-	12.31	-
	Stanley Electric Co. Limited	-	75.92	-	-	-	-	-	-	75.92
	<b>Total</b>	-	<b>75.92</b>	-	-	<b>47.91</b>	<b>184.01</b>	<b>11.47</b>	<b>61.79</b>	<b>59.38</b>
v)	<b>Purchase of Raw Materials, Components and Moulds</b>									
	Lumax Auto Technologies Limited	-	-	-	-	15,158.76	14,204.77	-	-	15,158.76
	Lumax Ancillary Limited	-	-	-	-	12,712.05	8,209.09	-	-	12,712.05
	Lumax Tours & Travels Limited	-	-	-	-	-	10.71	-	-	10.71
	Bharat Enterprises	-	-	-	-	4,120.86	3,344.93	-	-	4,120.86
	Mahavir Joyog	-	-	-	-	290.72	157.31	-	-	290.72
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	17.34	49.88	-	-	17.34
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	44.53	215.31	44.53
	Asian Stanley International Co. Limited	-	-	-	-	-	-	3,452.52	1,532.79	3,452.52
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	6,999.08	4,053.65	6,999.08
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	1.88	443.02	1.88
	Tianjin Stanley Electric Technology Co. Limited	-	-	-	-	-	-	1,377.24	172.04	1,377.24
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	86.11	46.16	86.11
	Sirivit-Stanley Co. Limited	-	-	-	-	-	-	859.47	603.01	859.47
	<b>Total</b>	-	-	-	-	-	-	-	-	<b>603.01</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Shenzhen Stanley Electric Co. Limited	-	-	-	-	-	-	30.95	129.10	30.95	129.10
	Stanley Iwaki Works Limited	-	-	-	-	-	-	-	3.41	-	3.41
	Stanley Electric Co. Limited	7,019.59	4,996.72	-	-	-	-	-	-	7,019.59	4,996.72
	<b>Total</b>	<b>7,019.59</b>	<b>4,996.72</b>	-	-	<b>32,299.73</b>	<b>25,976.69</b>	<b>12,851.78</b>	<b>7,198.49</b>	<b>52,171.10</b>	<b>38,171.90</b>
vi)	<b>Purchase of Packing Material</b>										
	Mahavir Udyog	-	-	-	-	3,810.89	3,029.81	-	-	3,810.89	3,029.81
	Lumax Auto Technologies Limited	-	-	-	-	-	0.21	-	-	-	0.21
	<b>Total</b>	-	-	-	-	<b>3,810.89</b>	<b>3,030.02</b>	-	-	<b>3,810.89</b>	<b>3,030.02</b>
vii)	<b>Purchase of Stores &amp; Spares</b>										
	Lumax Auto Technologies Limited	-	-	-	-	0.21	0.34	-	-	0.21	0.34
	Lumax Ancillary Limited	-	-	-	-	0.06	0.47	-	-	0.06	0.47
	Bharat Enterprises	-	-	-	-	-	0.01	-	-	-	0.01
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	-	1.70	-	1.70
	Stanley Electric Co. Limited	11.55	-	-	-	-	-	-	-	11.55	-
	<b>Total</b>	<b>11.55</b>	-	-	-	<b>0.27</b>	<b>0.82</b>	-	<b>1.70</b>	<b>11.82</b>	<b>2.52</b>
viii)	<b>Purchase of Fixed Assets</b>										
	Lumax Auto Technologies Limited	-	-	-	-	38.04	-	-	-	38.04	-
	Lumax Ancillary Limited	-	-	-	-	-	7.66	-	-	-	7.66
	Tianjin Stanley Electric Technology Co. Limited	-	-	-	-	-	-	49.50	-	49.50	-
	Stanley Iwaki Works Limited	-	-	-	-	-	-	11.28	4.12	11.28	4.12
	Asian Stanley International Co Limited	-	-	-	-	-	-	107.03	-	107.03	-
	Stanley Electric Co. Limited	921.13	571.36	-	-	-	-	-	-	921.13	571.36
	<b>Total</b>	<b>921.13</b>	<b>571.36</b>	-	-	<b>38.04</b>	<b>7.66</b>	<b>167.81</b>	<b>4.12</b>	<b>1,126.98</b>	<b>583.14</b>
ix)	<b>Purchase of Traded Goods</b>										
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	68.02	628.81	68.02	628.81
	<b>Total</b>	-	-	-	-	-	-	<b>68.02</b>	<b>628.81</b>	<b>68.02</b>	<b>628.81</b>
x)	<b>Technical Charges</b>										
	<b>Design, Drawing Charges</b>										
	Stanley Electric Co. Limited	216.07	180.22	-	-	-	-	-	-	216.07	180.22
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	6.99	11.09	6.99	11.09

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel and 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	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Tianjin Stanley Electric Technology Co. Limited	-	-	-	-	-	-	570.13	88.37	570.13	88.37
	Lumax Auto Technologies Limited	-	-	-	-	40.10	-	-	-	-	40.10
	<b>Testing Charges</b>										
	Stanley Electric Co. Limited	17.67	46.56	-	-	-	-	-	-	17.67	46.56
	Asian Stanley International Co Limited	-	-	-	-	-	-	1.36	-	1.36	-
	Lumax Auto Technologies Limited	-	-	-	-	6.46	-	-	-	6.46	-
	Lumax Ancillary Limited	-	-	-	-	0.16	-	-	-	0.16	-
	<b>Management Support Fee</b>										
	Stanley Electric Co. Limited	838.62	949.88	-	-	-	-	-	-	838.62	949.88
	Lumax Management Services Private Limited	-	-	-	-	1,584.92	-	-	-	2,100.03	1,584.92
	<b>Total</b>	<b>1,072.36</b>	<b>1,176.66</b>	<b>-</b>	<b>-</b>	<b>2,108.35</b>	<b>1,631.64</b>	<b>578.48</b>	<b>99.46</b>	<b>3,759.19</b>	<b>2,907.76</b>
xi)	<b>Rent Income</b>										
	Lumax Management Services Private Limited	-	-	-	-	5.10	5.10	-	-	5.10	5.10
	Sipal Engineering Private Limited	-	-	-	-	-	0.04	-	-	-	0.04
	Lumax Finance Private Limited	-	-	-	-	0.17	0.17	-	-	0.17	0.17
	Lumax Metallics Private Limited (Formerly known as Lumax Gill Austem Auto Technologies Private Limited)	-	-	-	-	0.17	0.17	-	-	0.17	0.17
	Lumax Integrated Ventures Private Limited	-	-	-	-	0.17	0.17	-	-	0.17	0.17
	Lumax Auto Technologies Limited	-	-	-	-	0.09	0.06	-	-	0.09	0.06
	Lumax Ancillary Limited	-	-	-	-	29.48	24.60	-	-	29.48	24.60
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	0.17	0.17	-	-	0.17	0.17
	Lumax Tours & Travels Limited	-	-	-	-	0.17	0.17	-	-	0.17	0.17
	Lumax FAE Technologies Private Limited	-	-	-	-	0.17	0.08	-	-	0.17	0.08
	Lumax Ituran Telematics Private Limited	-	-	-	-	0.17	0.08	-	-	0.17	0.08

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
	Lumax Jopp Allied Technologies Limited	-	-	-	-	0.08	0.06	-	-	0.08
	Lumax Alps Alpine India Private Limited	-	-	-	-	0.17	0.08	-	-	0.17
	Lumax Yokowo Technologies Private Limited	-	-	-	-	0.17	0.18	-	-	0.17
	Backcountry Estates Private Limited	-	-	-	-	0.17	0.17	-	-	0.17
	Velomax Mobility Private Limited	-	-	-	-	-	0.03	-	-	0.03
	Finetone Acoustic Private Limited	-	-	-	-	0.17	0.19	-	-	0.17
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	0.17	0.17	-	-	0.17
	<b>Total</b>	-	-	-	-	<b>36.79</b>	<b>31.69</b>	-	-	<b>36.79</b>
xii)	<b>Rent Expenses</b>									
	Lumax Auto Technologies Limited	-	-	-	-	301.49	296.99	-	-	301.49
	<b>Total</b>	-	-	-	-	<b>301.49</b>	<b>296.99</b>	-	-	<b>301.49</b>
xiii)	<b>Payment to Chairman Emeritus</b>									
	Mr D.K. Jain	-	-	30.00	30.00	-	-	-	-	30.00
	<b>Total</b>	-	-	<b>30.00</b>	<b>30.00</b>	-	-	-	-	<b>30.00</b>
xiv)	<b>Managerial Remuneration (short term employee benefits)*</b>									
	Mr Deepak Jain <sup>#</sup>	-	-	135.84	135.84	-	-	-	-	135.84
	Mr Anmol Jain <sup>#</sup>	-	-	53.66	53.66	-	-	-	-	53.66
	Mr Tadayoshi Aoki	-	-	18.08	17.75	-	-	-	-	18.08
	Mr Kenjiro Nakazono	-	-	19.01	19.11	-	-	-	-	19.01
	Mr Vineet Sahni <sup>#</sup>	-	-	364.01	337.51	-	-	-	-	364.01
	<b>Total</b>	-	-	<b>590.60</b>	<b>563.87</b>	-	-	-	-	<b>590.60</b>
xv)	<b>Commission to Director<sup>#</sup></b>									
	Mr Deepak Jain	-	-	609.21	341.36	-	-	-	-	609.21
	Mr Anmol Jain	-	-	243.69	75.67	-	-	-	-	243.69
	Mr Vineet Sahni	-	-	121.84	70.97	-	-	-	-	121.84
	<b>Total</b>	-	-	<b>974.74</b>	<b>488.00</b>	-	-	-	-	<b>974.74</b>

\*Does not include provision for gratuity and compensated absences, since the same is accrued on the basis of actuarial valuation carried out for the Holding Company as a whole.

<sup>#</sup>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 Companies Act, 2013.



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel and 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
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
xvi)	<b>Royalty (gross)</b>									
	Stanley Electric Co. Limited	2,959.95	2,253.43	-	-	-	-	-	-	2,959.95
		<b>2,959.95</b>	<b>2,253.43</b>	-	-	-	-	-	-	<b>2,959.95</b>
xvii)	<b>Dividend Paid</b>									
	Mr Deepak Jain	-	-	167.87	87.05	-	-	-	-	167.87
	Mr Anmol Jain	-	-	167.87	87.05	-	-	-	-	167.87
	Lumax Auto Technologies Limited	-	-	-	-	70.88	36.75	-	-	70.88
	Lumax Finance Private Limited	-	-	-	-	66.60	34.54	-	-	66.60
	Stanley Electric Co. Limited	451.36	234.04	-	-	-	-	-	-	451.36
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	21.87	11.34	21.87
	<b>Total</b>	<b>451.36</b>	<b>234.04</b>	<b>335.74</b>	<b>174.10</b>	<b>137.48</b>	<b>71.29</b>	<b>21.87</b>	<b>11.34</b>	<b>946.45</b>
xviii)	<b>Travelling &amp; Conveyance</b>									
	Lumax Tours & Travels Limited	-	-	-	-	654.48	245.55	-	-	654.48
	Stanley Electric Co. Limited	2.33	-	-	-	-	-	-	-	2.33
		<b>2.33</b>	-	-	-	<b>654.48</b>	<b>245.55</b>	-	-	<b>656.81</b>
xix)	<b>Freight Inward</b>									
	Lumax Ancillary Limited	-	-	-	-	0.09	-	-	-	0.09
	Lumax Auto Technologies Limited	-	-	-	-	1.86	1.18	-	-	1.86
		-	-	-	-	<b>1.95</b>	<b>1.18</b>	-	-	<b>1.95</b>
xx)	<b>Legal &amp; Professional Charges</b>									
	Lumax Auto Technologies Limited	-	-	-	-	3.45	-	-	-	3.45
	Lumax Ancillary Limited	-	-	-	-	-	1.38	-	-	-
	Lumax Management Services Private Limited	-	-	-	-	6.96	10.56	-	-	6.96
	<b>Total</b>	-	-	-	-	<b>10.41</b>	<b>11.94</b>	-	-	<b>10.41</b>
xxi)	<b>Miscellaneous Expenses</b>									
	Lumax Auto Technologies Limited	-	-	-	-	106.33	3.03	-	-	106.33
	Lumax Ancillary Limited	-	-	-	-	2.00	0.40	-	-	2.00
	Lumax Tours & Travels Limited	-	-	-	-	-	0.05	-	-	-
	Stanley Electric Co. Limited	2.06	-	-	-	-	-	-	-	2.06
	<b>Total</b>	<b>2.06</b>	-	-	-	<b>108.33</b>	<b>3.48</b>	-	-	<b>110.39</b>
										<b>3.48</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity controlled by Entity having significant influence		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
xxii)	<b>Packing &amp; Forwarding</b>										
	Lumax Ancillary Limited	-	-	-	-	1.24	-	-	-	-	1.24
	Lumax Auto Technologies Limited	-	-	-	-	4.42	0.02	-	-	-	4.42
	<b>Total</b>	-	-	-	-	<b>4.42</b>	<b>1.26</b>	-	-	-	<b>4.42</b>
xxiii)	<b>Salaries, wages and bonus</b>										
	Lumax Auto Technologies Limited	-	-	-	-	24.83	18.79	-	-	-	24.83
	Stanley Electric Co. Limited	15.54	18.80	-	-	-	-	-	-	-	15.54
	Mr Vyom Sahnii	-	-	13.05	11.70	-	-	-	-	-	13.05
	<b>Total</b>	<b>15.54</b>	<b>18.80</b>	<b>13.05</b>	<b>11.70</b>	<b>24.83</b>	<b>18.79</b>	-	-	-	<b>53.42</b>
xxiv)	<b>Reimbursement Received</b>										
	Lumax Auto Technologies Limited	-	-	-	-	(335.75)	(410.29)	-	-	-	(335.75)
	Lumax Management Services Private Limited	-	-	-	-	(2.64)	(7.47)	-	-	-	(2.64)
	Lumax Ancillary Limited	-	-	-	-	(27.46)	(11.59)	-	-	-	(27.46)
	Bharat Enterprises	-	-	-	-	(16.81)	(13.76)	-	-	-	(16.81)
	Mahavir Udyog	-	-	-	-	(1.36)	(1.37)	-	-	-	(1.36)
	Stanley Electric Co. Limited	(193.38)	(222.32)	-	-	-	-	-	-	-	(193.38)
	<b>Total</b>	<b>(193.38)</b>	<b>(222.32)</b>	-	-	<b>(384.02)</b>	<b>(444.48)</b>	-	-	-	<b>(577.40)</b>
xxv)	<b>Repair to Plant &amp; Machinery</b>										
	Lumax Ancillary Limited	-	-	-	-	2.45	0.93	-	-	-	2.45
	Lumax Auto Technologies Limited	-	-	-	-	15.60	-	-	-	-	15.60
	Bharat Enterprises	-	-	-	-	1.63	0.61	-	-	-	1.63
	<b>Total</b>	-	-	-	-	<b>19.68</b>	<b>1.54</b>	-	-	-	<b>19.68</b>
xxvi)	<b>Repairs &amp; Maintenance-Others</b>										
	Lumax Management Services Private Limited	-	-	-	-	134.36	116.80	-	-	-	134.36
	Lumax Auto Technologies Limited	-	-	-	-	0.48	-	-	-	-	0.48
	Stanley Electric Co. Limited	11.54	12.18	-	-	-	-	-	-	-	11.54
	<b>Total</b>	<b>11.54</b>	<b>12.18</b>	-	-	<b>134.84</b>	<b>116.80</b>	-	-	-	<b>146.38</b>
xxvii)	<b>Repairs &amp; Maintenance-Building</b>										
	Lumax Ancillary Limited	-	-	-	-	4.46	-	-	-	-	4.46
	<b>Total</b>	-	-	-	-	<b>4.46</b>	-	-	-	-	<b>4.46</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel and 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	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
xxviii)	<b>Sales promotion</b>										
	Lumax Tours & Travels Limited	-	-	-	-	-	6.65	-	-	-	6.65
	Lumax Management Services Private Limited	-	-	-	-	12.31	9.63	-	-	12.31	9.63
	<b>Total</b>	-	-	-	-	<b>12.31</b>	<b>16.28</b>	-	-	<b>12.31</b>	<b>16.28</b>
xxix)	<b>Welfare (Staff And Labour)</b>										
	Lumax Auto Technologies Limited	-	-	-	-	0.45	-	-	-	0.45	-
	Lumax Management Services Private Limited	-	-	-	-	26.46	5.72	-	-	26.46	5.72
	<b>Total</b>	-	-	-	-	<b>26.91</b>	<b>5.72</b>	-	-	<b>26.91</b>	<b>5.72</b>
xxx)	<b>Excess provision Written Back</b>										
	PT Indonesia Stanley Electric	-	-	-	-	-	-	-	7.01	-	7.01
	<b>Total</b>	-	-	-	-	-	-	-	<b>7.01</b>	-	<b>7.01</b>
xxxi)	<b>Job Work Charges</b>										
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	0.14	-	-	-	0.14	-
	Lumax Ancillary Limited	-	-	-	-	0.07	2.31	-	-	0.07	2.31
	<b>Total</b>	-	-	-	-	<b>0.21</b>	<b>2.31</b>	-	-	<b>0.21</b>	<b>2.31</b>
xxxii)	<b>Power &amp; Fuel Expenses</b>										
	Lumax Ancillary Limited	-	-	-	-	-	3.46	-	-	-	3.46
	<b>Total</b>	-	-	-	-	-	<b>3.46</b>	-	-	-	<b>3.46</b>
xxxiii)	<b>Donations</b>										
	Lumax Charitable Foundation	-	-	-	-	2.60	4.55	-	-	2.60	4.55
	<b>Total</b>	-	-	-	-	<b>2.60</b>	<b>4.55</b>	-	-	<b>2.60</b>	<b>4.55</b>
xxxiv)	<b>Corporate Social Responsibility Contribution (CSR)</b>										
	Lumax Charitable Foundation	-	-	-	-	123.70	113.45	-	-	123.70	113.45
	<b>Total</b>	-	-	-	-	<b>123.70</b>	<b>113.45</b>	-	-	<b>123.70</b>	<b>113.45</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel and 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	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
xxxv)	<b>Sitting Fees</b>										
	Mr Avinash Parkash Gandhi	-	-	9.40	8.20	-	-	-	-	9.40	8.20
	Mr Rejeev Kapoor	-	-	6.40	5.60	-	-	-	-	6.40	5.60
	Mr Rattan Kapur	-	-	6.80	7.40	-	-	-	-	6.80	7.40
	Ms Ritika Modi	-	-	1.60	4.40	-	-	-	-	1.60	4.40
	Mr Vikrampati Singhania	-	-	5.20	4.40	-	-	-	-	5.20	4.40
	Mr Dhiraj Dhar Gupta	-	-	7.80	8.20	-	-	-	-	7.80	8.20
	<b>Total</b>	-	-	<b>37.20</b>	<b>38.20</b>	-	-	-	-	<b>37.20</b>	<b>38.20</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity having significant influence		Total	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022		
i)	<b>Trade Receivables</b>										
	Lumax Auto Technologies Limited	-	-	-	-	3,523.16	3,672.78	-	-	3,523.16	3,672.78
	Lumax Cornaglia Auto Technologies Private Limited	-	-	-	-	-	0.04	-	-	-	0.04
	Lumax Ancillary Limited	-	-	-	-	119.09	222.71	-	-	119.09	222.71
	Bharat Enterprises	-	-	-	-	45.94	35.45	-	-	45.94	35.45
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	207.13	132.76	-	-	207.13	132.76
	Lumax Jopp Allied Technologies Private Limited	-	-	-	-	1.27	-	-	-	1.27	-
	Lumax Ituran Telematics Private Limited	-	-	-	-	108.59	3.16	-	-	108.59	3.16
	Finetone Acoustic Private Limited	-	-	-	-	0.17	-	-	-	0.17	-
	Mahavir Udyog	-	-	-	-	0.59	0.24	-	-	0.59	0.24
	Stanley Electric Co. Limited	13.96	-	-	-	-	-	-	-	13.96	34.17
	Stanley Electric Do Brasil Limited	-	-	-	-	-	-	-	0.59	-	0.59
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	-	5.21	10.33	5.21
Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	15.86	14.63	15.86	
<b>Total</b>		<b>13.96</b>	<b>34.17</b>	<b>4,005.94</b>	<b>4,067.14</b>	<b>21.66</b>	<b>24.96</b>	<b>4,041.56</b>	<b>4,126.27</b>		
ii)	<b>Advance received from Customers</b>										
	Lumax Auto Technologies Limited	-	-	-	-	-	11.18	-	-	-	11.18
	Stanley Electric Co. Limited	1.99	-	-	-	-	-	-	-	-	1.99
<b>Total</b>		<b>1.99</b>	<b>-</b>	<b>-</b>	<b>11.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.17</b>		
iii)	<b>Other Recoverable</b>										
	Lumax Auto Technologies Limited	-	-	-	-	400.00	300.00	-	-	400.00	300.00
<b>Total</b>		<b>-</b>	<b>-</b>	<b>400.00</b>	<b>300.00</b>	<b>-</b>	<b>-</b>	<b>400.00</b>	<b>300.00</b>		
iv)	<b>Trade Payables</b>										
	Lumax Auto Technologies Limited	-	-	7,097.47	7,216.58	-	-	-	-	7,097.47	7,216.58

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel and 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 March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022		
	Lumax Tours & Travels Limited	-	-	-	-	10.77	30.50	-	-	10.77	30.50
	Lumax Ancillary Limited	-	-	-	-	2,946.83	2,591.61	-	-	2,946.83	2,591.61
	Bharat Enterprises	-	-	-	-	363.35	363.09	-	-	363.35	363.09
	Mahavir Udyog	-	-	-	-	952.43	882.78	-	-	952.43	882.78
	Lumax Management Services Private Limited	-	-	-	-	963.04	508.65	-	-	963.04	508.65
	Lumax Mannoh Allied Technologies Limited	-	-	-	-	-	22.04	-	-	-	22.04
	Thai Stanley Electric Public Co. Limited	-	-	-	-	-	-	0.99	21.28	0.99	21.28
	Asian Stanley International Co. Limited	-	-	-	-	-	-	1,146.59	973.02	1,146.59	973.02
	Guangzhou Stanley Electric Co. Limited	-	-	-	-	-	-	-	217.06	-	217.06
	Stanley Electric (Asia Pacific) Limited	-	-	-	-	-	-	2,592.16	1,140.84	2,592.16	1,140.84
	Sirvit-Stanley Co. Limited	-	-	-	-	-	-	96.04	172.41	96.04	172.41
	Shenzhen Stanley Electric Co. Limited.	-	-	-	-	-	-	3.31	68.29	3.31	68.29
	Tianjin Stanley Electric Co. Limited	-	-	-	-	-	-	1.88	-	1.88	-
	Tianjin Stanley Electric Technology Co. Limited	-	-	-	-	-	-	138.48	204.93	138.48	204.93
	Vietnam Stanley Electric Co. Limited	-	-	-	-	-	-	12.94	13.26	12.94	13.26
	Stanley Electric Co. Limited	3,086.90	2,984.99	-	-	-	-	-	-	3,086.90	2,984.99
	<b>Total</b>	<b>3,086.90</b>	<b>2,984.99</b>	<b>-</b>	<b>-</b>	<b>12,333.89</b>	<b>11,615.25</b>	<b>3,992.39</b>	<b>2,811.09</b>	<b>19,413.18</b>	<b>17,411.33</b>
v)	<b>Capital Advance</b>										
	Lumax Ancillary Limited	-	-	-	-	5,282.48	5,276.23	-	-	5,282.48	5,276.23
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,282.48</b>	<b>5,276.23</b>	<b>-</b>	<b>-</b>	<b>5,282.48</b>	<b>5,276.23</b>
vi)	<b>Advance paid to Vendors</b>										
	Lumax Tours & Travels Limited	-	-	-	-	-	0.82	-	-	-	0.82
	Lumax Ancillary Limited	-	-	-	-	15.77	-	-	-	15.77	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.77</b>	<b>0.82</b>	<b>-</b>	<b>-</b>	<b>15.77</b>	<b>0.82</b>



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

S. No.	Account Head	Entity / Person having significant influence		Key Management Personnel and Relatives of Key Management Personnel		Entity Controlled / significantly influenced by Key Management Personnel and / or their Relatives		Entity having significant influence		Total	Total
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022		
vii)	<b>Recoverable from Vendors</b>										
	Lumax Tours & Travels Limited	-	-	-	6.07	-	-	-	-	-	6.07
	Bharat Enterprises	-	-	0.32	2.74	-	-	-	-	0.32	2.74
	<b>Total</b>	-	-	<b>0.32</b>	<b>8.81</b>	-	-	-	-	<b>0.32</b>	<b>8.81</b>
viii)	<b>Security Deposit for Rent</b>										
	Mr.D.K. Jain	-	-	3.45	3.45	-	-	-	-	3.45	3.45
	<b>Total</b>	-	-	<b>3.45</b>	<b>3.45</b>	-	-	-	-	<b>3.45</b>	<b>3.45</b>
ix)	<b>Loan to Employee</b>										
	Mr Vineet Sahni										
	Repayment of Loan	-	-	(30.00)	(30.00)	-	-	-	-	(30.00)	(30.00)
	<b>Closing Balance</b>	-	-	<b>45.00</b>	<b>75.00</b>	-	-	-	-	<b>45.00</b>	<b>75.00</b>
x)	<b>Other Financial Liabilities</b>										
	Mr Deepak Jain	-	-	609.21	341.36	-	-	-	-	609.21	341.36
	Mr Anmol Jain	-	-	243.69	75.67	-	-	-	-	243.69	75.67
	Mr Vineet Sahni	-	-	129.26	70.97	-	-	-	-	129.26	70.97
	Mr Rattan Kapur	-	-	0.18	-	-	-	-	-	0.18	-
	Mr Rejeev Kapoor	-	-	1.44	-	-	-	-	-	1.44	-
	Mr Avinash Parkash Gandhi	-	-	1.62	-	-	-	-	-	1.62	-
	Mr Dhirej Dhar Gupta	-	-	1.62	0.36	-	-	-	-	1.62	0.36
	Mr Vikrampati Singhania	-	-	1.08	-	-	-	-	-	1.08	-
	Mr D.K. Jain	-	-	0.45	0.69	-	-	-	-	0.45	0.69
	<b>Total</b>	-	-	<b>988.55</b>	<b>489.05</b>	-	-	-	-	<b>988.55</b>	<b>489.05</b>

**Note:**

The Group 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 Group 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.

Above amount is inclusive of GST wherever applicable.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**43 Commitments and Contingencies**

**a) Capital and other commitments**

**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

Capital commitments are ₹ 7,694.71 Lakhs (As at March 31, 2022 ₹ 1,669.40 Lakhs), net of advances.

**b) Contingent Liabilities**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Claims against the Holding Company not acknowledged as debts</b>		
<b>Customs Duty</b>		
i) During the earlier year, the Holding Company had received demand cum show cause notice from the indirect tax department alleged that Holding Company had incorrectly classified as certain imported goods. The Holding Company has submitted reply to the Show Cause Notice and the matter is pending for adjudication. The Holding Company is of the view that the final outcome of the case would be in the favor of the Holding Company and hence, no provision has been made in the books of accounts.	6.51	6.51
ii) During the earlier year, the Holding Company had received demand cum show cause notice from the indirect tax department alleged that Holding Company has availed duty drawback and not submitted the proof of realization of export within time. The matter was adjudicated and an Appeal was filed against the said Adjudication Order. The matter was remanded back for re-adjudication vide Order in Appeal No. MUM-CUSTM/ AXP-APP-30 Dated April 23, 2018. The Holding Company is of the view that the final outcome of the case would be in the favor of the Holding Company and hence, no provision has been made in the books of accounts.	1.16	1.16
iii) During the earlier year, the Holding Company had received Show Cause-Cum-Demand Notice based on the allegation of non-realization of export proceeds. The Holding Company had already submitted the reply along with TR-6 challan. Therefore, the case is closed now.	-	0.20
iv) The Department had issued the notices alleged that the Holding Company has not included the cost of drawing, design and testing charges paid to M/S. Stanley Electric Co. Limited for the value of moulds/tools/dies imported by it and has therefore not paid customs duty on the value of such design, drawings and testing charges and demanded ₹ 500 Lakhs which was duly deposited under protest by the Holding Company on February 01, 2021. The matter is presently pending for adjudication as no personal hearing is held so far. The Holding Company is of the view that the final outcome of the case would be in the favor of the Holding Company and hence, no provision has been made in the books of accounts.	1,315.56	1,132.26
v) A Show Cause Notice was issued based on the allegation that the Holding Company has wrongly classified the imported goods. The matter was confirmed and an appeal was filed on June 24, 2022. The Holding Company is of the view that the final outcome of the case would be in the favor of the Holding Company and hence, no provision has been made in the books of accounts.	45.03	45.03
vi) During the earlier year, the Holding Company had received demand cum show cause notice from the indirect tax department alleged that the Holding Company has wrongfully obtained the duty drawback and said case has been closed now.	-	2.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
vii)	Demand was raised by the department for Excise Duty on Drawing & Design / specification provided by MSIL on free of cost and amortization cost thereon. The matter was adjudicated and demand was partially dropped by the Adjudicating Authority. Appeal filed before CESTAT for the demand confirmed by the Adjudicating Authority. The Holding Company is of the view that the final outcome of the case would be in the favor of the Holding Company and hence, no provision has been made in the books of accounts.	48.77	1,237.80
		<b>1,417.03</b>	<b>2,424.96</b>
<b>Good and Services Tax (GST)/ Central Sales Tax (CST)</b>			
viii)	During the current year, The Holding Company has received demands from the department alleged that excess Input Tax Credit (ITC) has been claimed. The Holding Company is of the view that the final outcome of the case would be in the favor of the Holding Company and hence, no provision has been made in the books of accounts.	102.64	-
ix)	During the earlier year, the Holding Company had received demand cum show cause notice from the indirect tax department for non submission of C form. The matter was adjudicated and an Appeal was filed against the said Adjudication Order. The Holding Company is of the view that the final outcome of the case would be in the favor of the Holding Company and hence, no provision has been made in the books of accounts.	35.64	35.64
x)	During the earlier year, the Holding Company had received demand cum show cause notice from the indirect tax department for non submission of C form. The matter was adjudicated and an Appeal was filed against the said Adjudication Order. The said case has been closed now.	-	20.23
xi)	During the earlier year, the Holding Company had received demand cum show cause notice from the indirect tax department alleged that the Holding Company has wrongfully obtained the ITC. The matter was adjudicated and an Appeal was filed against the said Adjudication Order. The Holding Company is of the view that the final outcome of the case would be in the favor of the Holding Company and hence, no provision has been made in the books of accounts.	90.79	90.79
xii)	During the earlier year, the Holding Company had received demand cum show cause notice from the indirect tax department alleged that the Holding Company has wrongfully obtained the ITC. The matter was adjudicated and an Appeal was filed against the said Adjudication Order. The Holding Company is of the view that the final outcome of the case would be in the favor of the Holding Company and hence, no provision has been made in the books of accounts.	31.48	31.48
		<b>260.55</b>	<b>178.14</b>
xiii)	<b>Outstanding Export Obligations</b> Outstanding export obligations for ₹ 6,776.62 Lakhs (March 31, 2022 ₹ 5,589.49 Lakhs), which is six times of the duty saved 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 custom duty, interest if any has not been considered.	1,129.44	931.58

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Income Tax</b>		
xiv) In respect of A.Y. 2018-19, the Assessing officer had made addition of ₹ 3,991.85 Lakhs vide assessment order u/s 143(3) dated December 30, 2019 on account of search and seizure operation and raised the demand amounting to ₹ 2,572.15 Lakhs including interest u/s 234 A/B/C. Against the addition made by Assessing officer, the Holding Company had preferred an appeal on January 18, 2020 with Commissioner of Income Tax (Appeals), CIT(A). Demand was corrected by AO to zero u/s 154 vide order dated August 6, 2020. During the FY 2020-21, the Holding Company had received a favourable order in this regard from CIT(A) and Appeal effect order dated October 27, 2020 was passed by AO. However, against the said order of CIT(A) the department has filed an appeal on November 10, 2020 with the Income Tax Appellate Tribunal (ITAT). Based on the opinion of the advocate, the Holding Company is of the view that the final outcome of the case would be in the favour of the Holding Company and hence, no provision has been made in the books of accounts.	3,083.71	3,083.71
<b>Other Cases</b>		
xv) During the earlier year, the Vendor had filed a frivolous counterclaim suit against Holding Company for restraining the DG set installed by him. Based on the opinion of the advocate, the Holding Company is of the view that the final outcome of the case would be in the favour of the Holding Company and hence, no provision has been made in the books of accounts.	300.00	300.00
xvi) During the earlier year, the Holding Company had received a notice from Charodi Gram panchayat towards payment of property tax amounting to ₹ 250.00 Lakhs from the period from FY 2010-11 to FY 2019-20 in respect to the factory situated at Sanand, Ahmedabad in response to which Hon'ble High Court has directed the Holding Company dated September 22, 2022 to submit a supporting documents to village gram panchayat for reassessment of case.	250.00	250.00

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.

**44 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 recognized by the Ministry of Science & Technology, Government of India.**

**Capital expenditure**

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Capital expenditure	98.92	70.68

**Revenue expenditure**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Salaries, wages and bonus	1,605.70	1,656.12
Contribution to provident fund	85.20	80.42

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Contribution to other funds	11.80	11.54
Staff welfare	41.39	56.89
Gratuity	43.60	60.58
Insurance	6.18	6.80
Repair & maintenance	179.50	231.04
Travelling & conveyance	241.12	169.28
Legal & professional expenses	109.68	10.86
Research & development	3.38	17.21
Power & fuel	18.98	26.15
Miscellaneous	65.52	68.64
Design, support & testing charges	0.21	4.01
Consumables	0.12	0.09
Depreciation	113.44	120.29
Finance cost	7.08	1.52
<b>Total</b>	<b>2,532.90</b>	<b>2,521.44</b>

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

**Capital expenditure**

	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Capital expenditure	282.72	140.34

**Revenue expenditure**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Salaries, wages and bonus	1,520.53	1,222.84
Contribution to provident fund	74.40	57.18
Contribution to other funds	5.91	13.35
Staff welfare	61.54	53.50
Gratuity	48.40	45.45
Insurance	6.46	3.67
Repair & maintenance	225.88	183.33
Travelling & conveyance	134.78	91.65
Legal & professional expenses	12.17	139.82
Power & fuel	47.60	47.30
Miscellaneous	76.59	60.75
Design, support & testing charges	23.12	10.04
Consumables	59.81	0.49
Depreciation	170.09	131.24
Finance cost	4.17	0.29
<b>Total</b>	<b>2,471.45</b>	<b>2,060.90</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**45 Event after the reporting date**

The Board of Directors of the Holding Company has proposed dividend @ 270% i.e. ₹ 27 per equity share of face value of ₹ 10 each (March 31, 2022 @ 135% i.e. ₹ 13.5 per equity share of face value of ₹ 10 each) which is subject to shareholder's approval in forthcoming annual general meeting.

**46 Significant accounting judgements, estimates and assumptions**

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**(i) Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

**a) Operating lease commitments – Group as lessor**

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an valuation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**b) Assessment of lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

**c) Revenue from contracts with customers**

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of products include a right of price revision on account of change of commodity prices/purchase price that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

**(ii) Estimates and assumptions**

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**a) Property, plant and equipment**

The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by the management. The Group believes that the derived useful life best represents the period over which the Group expects to use these assets.

**b) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the longterm nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.



**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)**

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

The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

**c) Gratuity benefit**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

**d) Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**e) Impairment of financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**f) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are also relevant to other intangibles. During the year the Group has done the impairment assessment of non-financial assets and have concluded that there is no impairment in value of non-financial assets as appearing in the financial statements.

**g) Lease incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore its Incremental Borrowing Rate (IBR) is used to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the Right-to-use assets in as similar economic environments. The IBR therefore effects what the Group "would have to pay" which requires estimates when no observable rates are available or when they need to be adjusted to reflect the term and conditions of the lease. The Group estimates the IBR using observable inputs such as market interest rates when available.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

#### 47 Capital Management

For the purpose of the Group capital management, capital includes issued equity capital, all equity reserves attributable to the equity holders of the Group. The primary objective of the Group capital management is to maximize the shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Group reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Total Borrowings including current maturities of long term borrowing and lease liabilities	43,052.01	40,077.50
Less: cash and cash equivalents	(717.58)	(1,552.57)
<b>Net debts</b>	<b>42,334.43</b>	<b>38,524.93</b>
<b>Capital components</b>		
Equity Share capital	934.77	934.77
Other equity	57,423.16	48,239.63
<b>Total equity</b>	<b>58,357.93</b>	<b>49,174.40</b>
<b>Capital and net debt</b>	<b>1,00,692.36</b>	<b>87,699.33</b>
<b>Gearing ratio (%)</b>	<b>42.04%</b>	<b>43.93%</b>

#### 48 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group financial instruments:

##### a) Fair value of financial assets:

	Carrying values		Fair values	
	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Financial assets measured at fair value</b>				
Investments in unquoted equity instruments of other entities (valued at fair value through Profit and loss)	629.27	326.00	629.27	326.00
Investments in unquoted preference shares (valued at fair value through Profit and loss)	82.00	82.00	82.00	82.00
Investments in quoted equity shares of other entities (valued at fair value through Profit & loss)	25.09	26.14	25.09	26.14
<b>Total</b>	<b>736.36</b>	<b>434.14</b>	<b>736.36</b>	<b>434.14</b>
<b>Financial Instruments where carrying amounts that are reasonable approximations of fair values:</b>				
Trade receivables	30,616.68	23,214.44	30,616.68	23,214.44
Cash and cash equivalents	717.58	1,552.57	717.58	1,552.57
Other Bank balances	18.32	17.12	18.32	17.12
Loans	169.93	172.20	169.93	172.20
Other financial assets	6,504.28	4,254.19	6,504.28	4,254.19
<b>Total</b>	<b>38,026.79</b>	<b>29,210.52</b>	<b>38,026.79</b>	<b>29,210.52</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**b) Fair value of financial liabilities:**

	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial liabilities measured at amortized cost</b>				
Borrowings non-current	6,096.67	5,834.15	6,096.67	5,834.15
Borrowings current	32,069.50	30,564.91	32,069.50	30,564.91
Non-current lease liabilities	4,454.67	3,542.64	4,454.67	3,542.64
Trade payables	55,753.31	47,406.18	55,753.31	47,406.18
Other financial liabilities	9,959.55	5,677.32	9,959.55	5,677.32
Current lease liabilities	431.17	135.80	431.17	135.80
<b>Total</b>	<b>1,08,764.87</b>	<b>93,161.00</b>	<b>1,08,764.87</b>	<b>93,161.00</b>

**Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Group and in case of financial asset is the average market rate of similar credit rated instrument. The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**49 Fair value hierarchy**

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

**(a) Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2023:**

	Total (Carrying value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value</b>				
<b>Quoted equity shares</b>				
Short term Investments in equity instruments of other entities (at fair value through Profit & loss "FVTPL")	25.09	25.09	-	-
<b>Unquoted equity shares</b>				
Long term Investments in equity instruments of other entities (at fair value through Profit and loss "FVTPL")	629.27	-	-	629.27
<b>Unquoted preference shares</b>				
Long term Investments in preference shares (at fair value through Profit and loss "FVTPL")	82.00	-	-	82.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

	Total (Carrying value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Others</b>				
Trade receivables	30,616.68	-	-	30,616.68
Cash and cash equivalents	717.58	-	-	717.58
Other Bank balances	18.32	-	-	18.32
Loans	169.93	-	-	169.93
Other financial assets	6,504.28	-	-	6,504.28
<b>Total</b>	<b>38,763.15</b>	<b>25.09</b>	-	<b>38,738.06</b>

(b) Quantitative disclosures of fair value measurement hierarchy for liabilities as at March 31, 2023:

	Total (Carrying value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Liabilities measured at amortized cost</b>				
Borrowings non-current	6,096.67	-	-	6,096.67
Borrowings current	32,069.50	-	-	32,069.50
Non-current lease liabilities	4,454.67	-	-	4,454.67
Trade payables	55,753.31	-	-	55,753.31
Other financial liabilities	9,959.55	-	-	9,959.55
Current lease liabilities	431.17	-	-	431.17
<b>Total</b>	<b>1,08,764.87</b>	-	-	<b>1,08,764.87</b>

(c) Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2022:

	Total (Carrying value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value</b>				
<b>Quoted equity shares</b>				
Short term Investments in equity instruments of other entities (at fair value through Profit & loss "FVTPL")	26.14	26.14	-	-
<b>Unquoted equity shares</b>				
Long term Investments in equity instruments of other entities (at fair value through Profit and loss "FVTPL")	326.00	-	-	326.00
<b>Other Investment</b>				
Unquoted short term investments (at fair value through Profit & loss "FVTPL")	82.00	-	-	82.00
<b>Others</b>				
Trade receivables	23,214.44	-	-	23,214.44
Cash and cash equivalents	1,552.57	-	-	1,552.57
Other bank balance	17.12	-	-	17.12
Loans	172.20	-	-	172.20
Other financial assets	4,254.19	-	-	4,254.19
<b>Total</b>	<b>29,644.66</b>	<b>26.14</b>	-	<b>29,618.52</b>

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**(d) Quantitative disclosures of fair value measurement hierarchy for liabilities as at March 31, 2022:**

	<b>Total (Carrying value)</b>	<b>Quoted prices in active markets (Level 1)</b>	<b>Significant observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
<b>Liabilities measured at amortized cost</b>				
Borrowings non-current	5,834.15	-	-	5,834.15
Borrowings current	30,564.91	-	-	30,564.91
Non-current lease liabilities	3,542.64	-	-	3,542.64
Trade payables	47,406.18	-	-	47,406.18
Other financial liabilities	5,677.32	-	-	5,677.32
Current lease liabilities	135.80	-	-	135.80
<b>Total</b>	<b>93,161.00</b>	<b>-</b>	<b>-</b>	<b>93,161.00</b>

**50** On April 01, 2019, the Holding Company purchased certain assets from Lumax Auto Technologies Limited at a consideration of ₹ 2,245.41 Lakhs, pursuant to which, the Holding Company has setup in-house Electronic facility at Manesar on April 01, 2019 for designing and manufacturing of Electronics Printed Circuit Boards Assembly ('PCB'). The said acquisition was primarily done to optimize cost by indigenization of Printed Circuit Board ('PCB'). The above mentioned purchase of assets has been accounted as Business Combination in accordance with Ind AS 103.

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.

For the purpose of impairment testing, Goodwill is allocated to the Holding Company as a whole since the performance of the Holding Company is monitored at that level for internal management purposes. The recoverable amount of the CGU was based on its value in use and was determined by discounting the future cash flows to be generated from the continuing use of the CGU. These calculations use cash flow projections over a period of five years, based on next year financial budgets estimated by management, with extrapolation for the remaining period, and an average of the range of assumptions as mentioned below.

The key assumptions used in the estimation of value in use were as follows:

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Terminal value growth rate	3%	3%
EBITDA growth rate	15.00%-17.00%	8.5%-10.5%
Discount rate	17.00%	17.00%

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate and EBITDA margins were determined based on management's estimate. Budgeted EBITDA margin was based on expectations of future outcomes taking into account past experience. The estimation of value in use reflects numerous assumptions that are subject to various risks and uncertainties, including key assumptions regarding expected growth rates and operating margin, expected length and the shape and timing of the subsequent recovery, as well as other key assumptions with respect to matters outside of the Holding Company's control. It requires significant judgments and estimates, and actual results could be materially different than the judgments and estimates used to estimate value in use.

The Holding Company has used the discount rate, which is based on the Weighted Average Cost of Capital (WACC) of comparable market participant, adjusted for specific risks. These estimates are likely to differ from future actual results of operations and cash flows. Based on the above, no impairment was identified as at March 31, 2023 and March 31, 2022 as the recoverable value of the CGU exceeded the carrying value. No reasonably possible change in any of the above key assumptions would cause the carrying amount of these CGU to exceed their recoverable amount.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**51 Financial risk management objectives and policies**

The Group principal financial liabilities comprise of trade and other payables, borrowings, security deposits and payables for property, plant and equipment. The main purpose of these financial liabilities is to finance the Group operations. The Group principal financial assets include trade and other receivables, cash, fixed deposits and security deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group senior management oversees the management of these risks. The Group senior management is supported by Finance department that advises on financial risks and the appropriate financial risk governance framework for the Group. The Finance department provides assurance to the Group senior management that the Group financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group policies and risk objectives. It is the Group policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

**A. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instrument effected by market risk include loans and borrowings, deposits, FVTOCI instrument.

The sensitivity analyzes in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022 including the effect of hedge accounting.

**i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group interest bearing financial liabilities includes borrowings with fixed interest rates.

The Group's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**ii) Foreign currency risk**

Foreign currency risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group'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 optimizing the return.

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

The Group 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 Group is ₹.

As at March 31, 2023	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognized financial assets / (liabilities)	
					Foreign currency	₹
					<b>Foreign currency</b>	
EUR	0.05	-	0.29	3.64	3.98	355.75
GBP	-	-	0.00	6.00	6.00	610.11
JPY	-	-	(1,282.61)	-	(1,282.61)	(790.09)
USD	0.00	-	(112.82)	5.67	(107.15)	(8,804.93)
TWD	0.61	-	-	-	0.61	1.64



Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

As at March 31, 2023	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognized financial assets / (liabilities)	
					Foreign currency	₹
CHF		-	(0.03)	-	(0.03)	(3.01)
CZK	44.51	-	(12.58)	-	31.93	121.22

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, TWD: New Taiwan dollar, CZK: Czech Koruna, CHF: Swiss franc

As at March 31, 2022	Cash and cash equivalents	Borrowings	Trade payables and other financial liabilities	Trade receivables	Net exposure of recognized financial assets / (liabilities)	
					Foreign currency	₹
EUR	0.27	-	-	3.79	4.06	342.15
GBP	-	-	-	6.02	6.02	598.45
JPY	-	-	(389.00)	-	(389.00)	(241.77)
USD	-	-	(103.18)	6.52	(96.66)	(7,325.54)
TWD	0.80	-	-	-	0.80	2.11
CZK	23.66	-	(10.27)	-	13.39	46.07

EUR: Euro, GBP: Great Britain Pound, JPY: Japanese Yen, USD: US Dollar, TWD: New Taiwan dollar, CZK: Czech Koruna, CHF: Swiss franc.

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Group profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	(88.05)	88.05	(73.26)	73.26
JPY (1% movement)	(7.90)	7.90	(2.42)	2.42
EUR (1% movement)	3.56	(3.56)	3.42	(3.42)
GBP (1% movement)	6.10	(6.10)	5.98	(5.98)
Other currencies	1.20	(1.20)	0.48	(0.48)

#### iii) Equity Price Risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was ₹ 25.09 Lakhs. A decrease of 10% on the NSE market index could have an impact of approximately ₹ 2.51 Lakhs on the profit or loss. An increase of 10% in the value of the listed securities would also impact profit or loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)  
(All amounts are presented in ₹ Lakhs, unless otherwise stated)

**B. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**Trade receivables**

Customer credit risk is managed by the Group subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets (trade receivable). The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Further, the Group customer base majorly includes Original Equipment Manufacturers (OEMs), Large Corporates and Tier-1 vendors of OEMs. Based on the past trend of recoverability of outstanding trade receivables, the Group has not incurred material losses on account of bad debts. Hence, no adjustment has been made on account of Expected Credit Loss (ECL).

**C. Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimized cost.

**The table below summarizes the maturity profile of the Group financial liabilities based on contractual undiscounted payments:**

<b>As at March 31, 2023</b>	<b>On Demand</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings	30,224.11	1,845.39	6,096.67	-	<b>38,166.17</b>
Trade and other payables	-	55,753.31	-	-	<b>55,753.31</b>
Other financial liabilities	-	9,959.55	-	-	<b>9,959.55</b>
<b>Total</b>	<b>30,224.11</b>	<b>67,558.25</b>	<b>6,096.67</b>	-	<b>1,03,879.03</b>

<b>As at March 31, 2022</b>	<b>On Demand</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings	28,755.79	1,809.12	5,834.15	-	<b>36,399.06</b>
Trade and other payables	-	47,406.18	-	-	<b>47,406.18</b>
Other financial liabilities	-	5,677.32	-	-	<b>5,677.32</b>
<b>Total</b>	<b>28,755.79</b>	<b>54,892.62</b>	<b>5,834.15</b>	-	<b>89,482.56</b>

**52** Revenue from contracts with customers is measured by the Group at the transaction price i.e. amount of consideration received/ receivable in exchange of transferring goods or services to the customers. In determining the transaction price for the sale of goods, the Group considers the effect of price adjustments, to be passed on/received from the customers, based on various cost parameters like raw material and other costs. The total estimated other liabilities and unbilled revenue outstanding/receivables as at March 31, 2023 is ₹ 2,964.83 Lakhs (March 31, 2022: ₹ 1,382.52 Lakhs), ₹ 3,252.28 Lakhs (March 31, 2022: ₹ 1,471.75 Lakhs) respectively, which management believes is sufficient to discharge liabilities/accrue income.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2023 (Contd.)**

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

**53 Other Statutory Information**

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have transactions with struck off companies.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**54** The Group's business activity falls within a single business segment i.e. manufacturing and trading of Automotive Components and therefore, segment reporting in terms of Ind AS 108 on Segmental Reporting is not applicable.

**55** With respect to agreement entered by the Holding Company for purchase of land for the Printed Circuit Board (PCB) with Lumax Ancillary Limited (LAL), LAL has applied for obtaining approval of Haryana State Industrial & Infrastructure Development Corporation (HSIIDC) for implementation of the project of PCB in the name of the Holding Company. The approval from the HSIIDC is pending at this stage. Further, based on independent opinion from consultants, the Holding Company is confident that such approval shall be granted. Further, the Holding Company has been indemnified by LAL in case approval are not obtained. In view of this, no provision is considered in these financials statements.

**56** Previous year financials have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP. Further, figures for the corresponding previous year have been regrouped/ reclassified, wherever considered necessary including requirements of the amended Schedule III to the Companies Act 2013, to make them comparable with current year classification.

As per our report of even date  
**S.R. Batliboi & Co. LLP**  
 Chartered Accountants  
 ICAI Firm Registration No. 301003E/E300005

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

**per Vikas Mehra**  
 Partner  
 Membership No. 094421

**Deepak Jain**  
 Chairman & Managing Director  
 DIN: 00004972

**Raajesh Kumar Gupta**  
 Executive Director & Company Secretary  
 DIN: 00988790  
 Membership No. A8709

Place: Gurugram  
 Date: May 27, 2023

**Vishnu Johri**  
 Chief Executive Officer

**Ravi Teltia**  
 Chief Financial Officer

## Form AOC-1

**Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

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

### PART "A" Subsidiaries

Name of Subsidiary Company	Lumax Industries Czech s.r.o.
A. Financial year ending on	March 31, 2023
B. Reporting Currency	CZK
C. Exchange Rate	3.80
D. Equity Share capital	501.58
E. Other Equity	(0.01)
F. Total assets	570.29
G. Total Liabilities	68.72
H. Investments	Nil
I. Revenue from Contracts with Customers	123.91
J. Profit before taxation	(0.01)
K. Provision for taxation	Nil
L. Profit after taxation	(0.01)
M. Proposed Dividend	Nil
N. % of shareholding	100%

### PART "B" Associates

Name of Associate Company	SL Lumax Limited
1. Latest Audited Balance Sheet Date	March 31, 2023
2. Shares of Associate Company held by the Company at the year end	
a. Nos.	32,98,986
b. Amount of Investment	354.74
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	13,928.67
6. Profit for the year	
a. Considered in Consolidation	4,170.54
b. Not considered in Consolidation	15,424.74

For and on behalf of the Board of Directors of

**Lumax Industries Limited**

**Deepak Jain**

Chairman &  
Managing Director  
DIN: 00004972

**Raajesh Kumar Gupta**

Executive Director &  
Company Secretary  
DIN: 00988790  
Membership No. A8709

**Vishnu Johri**

Chief Executive Officer

**Ravi Teltia**

Chief Financial Officer

Place: Gurugram

Date: May 27, 2023

## NOTICE

Notice is hereby given that the Forty-Second (42nd) Annual General Meeting (“AGM”) of the Members of **Lumax Industries Limited** (“Company”) will be held as per below mentioned schedule:

**Day : Tuesday**  
**Date : August 22, 2023**  
**Time : 10:30 A.M. (IST)**

via two-way Video Conferencing (“VC”) or other audio-visual means (“OAVM”) to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt
  - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Report of Auditors thereon.
2. To declare a dividend of ₹ 27/- per equity share as recommended by the Board of Directors for the Financial Year ended March 31, 2023.
3. To appoint a Director in place of Mr Toru Tanabe (DIN: 06883767), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

To consider and if thought fit, with or without modification(s) to pass the following resolutions:

#### 4. AS SPECIAL RESOLUTION

#### **APPOINTMENT OF MR RAAJESH KUMAR GUPTA (DIN:00988790) AS AN EXECUTIVE DIRECTOR**

“Resolved that pursuant to the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company, pursuant to the recommendation and approval of the Nomination and Remuneration Committee and Board of Directors of the Company, consent of the members be and is hereby accorded for the appointment of Mr Raajesh Kumar Gupta (DIN:00988790), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 27, 2023 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, whose period of office shall be liable to determination by retirement of directors by rotation.

**Resolved further that** in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and Central Government and other authorities, as applicable, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr Raajesh Kumar Gupta (DIN:00988790) as an Executive Director - Whole Time Director (Key Managerial Personnel) of the Company, for a period of 3 (Three) years with effect from May 27, 2023 on the terms and conditions including remuneration, allowances and perquisites as set out herein below with the liberty and authority to the Board of Directors to grant increments and to alter and vary the terms and conditions and/or remuneration subject to the provisions of the applicable laws and approvals and/or as may be directed by the Central Government, if any and agreed to by the said Executive Director.

Details of Remuneration and perquisites:

Particulars	Amount (₹ in Lakhs) Per Annum
Salary	21.58
HRA	10.79
Special Allowances	20.10
<b>Total</b>	<b>52.47</b>
Other Allowances/ Perquisites/ Variable Pay	As per Company Policy

Perquisites & Allowances, subject to maximum of the limits as given above, shall include Company Car with Driver, reimbursement of all expenses on Leave Travel Concession, Medical, Mediclaim, on actual basis, if incurred by him on self, spouse and dependent parent(s) and dependent children as the case may be.

Apart from the above, the Company shall make all applicable Statutory/Other Payments viz. Provident Funds, Superannuation funds, National Pension Scheme, Gratuity, as per the rules of the Company in respect of above remuneration.

The value of perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The use of company-maintained cars, telephones, mobile phone, travelling and hotel expenses incurred for business purposes shall not be included in the computation of perquisites and allowances for the purpose of calculating ceiling of remuneration.

## Notes (Contd.)

**Resolved further that** since the period of office of Mr. Raajesh Kumar Gupta as Director is liable to determination by retirement by rotation, he shall continue to hold office of Executive Director as soon as he is reappointed as a director immediately on retirement by rotation and such reappointment as director shall not be deemed to constitute a break in his appointment as Executive Director.

**Resolved further that** in the event of absence or inadequacy of profits during any of the financial year during the tenure, the above remuneration shall be paid to the Executive Director as the minimum remuneration.

**Resolved further that** for the purpose of giving effect to this Resolution, the Board of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorised on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities including filing of necessary forms/ returns in respect of the said appointment and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with powers on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.”

### 5. AS ORDINARY RESOLUTION

#### **APPOINTMENT OF MR YOSHITSUGU MATSUSHITA (DIN:10185011) AS A NON - EXECUTIVE DIRECTOR**

**“Resolved that** pursuant to the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company, pursuant to the recommendation and approval of the Nomination and Remuneration Committee and Board of Directors of the Company, consent of the members be and is hereby accorded for the appointment of Mr Yoshitsugu Matsushita (DIN:10185011), who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 01, 2023 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, whose period of office shall be liable to determination by retirement of directors by rotation.

**Resolved further that** for the purpose of giving effect to this Resolution, the Board of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary

of the Company be and are hereby severally authorised on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities including filing of necessary forms/ returns in respect of the said appointment and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with powers on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.”

### 6. AS ORDINARY RESOLUTION

#### **RATIFICATION OF REMUNERATION OF COST AUDITORS FOR FY 2023-24**

**“Resolved that** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), or re-enactment thereof, for the time being in force), the consent of members of the Company be and is hereby accorded to the ratification of the remuneration of ₹ 1,75,000/- (Rupees One Lakhs Seventy-Five Thousand Only) excluding taxes and reimbursement of out-of-pocket expenses at actuals payable to M/s Jitender Navneet & Co., Cost Accountants (Firm Registration No. 000119), appointed as the Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the FY 2023-24.

**Resolved further that** the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution.”

**By Order of the Board**  
For **Lumax Industries Limited**

**Raajesh Kumar Gupta**  
Executive Director &  
Company Secretary  
M. No. A 8709

**Place:** Gurugram  
**Date:** July 28, 2023

#### **Registered Office:**

2<sup>nd</sup> Floor, Harbans Bhawan-II,  
Commercial Complex, Nangal Raya, New Delhi– 110046  
Website: <https://www.lumaxworld.in/lumaxindustries>  
Email id: [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com)  
CIN: L74899DL1981PLC012804



## Notes for AGM Notice:

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 and 10/2022 dated May 05, 2020 and December 28, 2022, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 05, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 42nd AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 42nd AGM shall be the Registered Office of the Company.
2. Company has appointed National Securities Depository Limited ("NSDL"), to provide Video Conferencing facility/ Other Audio Visual Means (VC/OAVM) for conducting the AGM.
3. Since this AGM is being held through VC/OAVM pursuant to the MCA circulars, the requirement of physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.
5. Institutional Investors, who are Members of the Company, are encouraged to attend the AGM through VC/OAVM mode and vote electronically. **Corporate Members intending to appoint their authorized representatives pursuant to Section 113 of the Act, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution** to KFin Technologies Limited, Registrar and Share Transfer Agent of the Company, by e-mail at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) with a copy marked to the Company at [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com).
6. The attendance of the Members (members logins) attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("the Act").
7. An Explanatory Statement pursuant to Section 102 (1) of the Act, in respect of item no. 4, 5 & 6 of the Notice is furnished hereunder. The relevant details of the Directors seeking appointment/re-appointment at the AGM as required by Regulation 36(3) of Listing Regulations and as required under Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India is annexed as **Annexure - I**.
8. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations and as required under SS-2 and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM.  
Only those Members who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
9. In line with the MCA Circulars and SEBI Circular, the Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/RTA/Depositories. Further, the Notice of the AGM has been uploaded on the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).  
The AGM Notice can be accessed from the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, the same will also be available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. <https://www.evoting.nsdl.com>
10. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name appears in the Register of Members / list of beneficiaries received from the Depositories/RTA as on **Friday, July 21, 2023**.
11. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, August 11, 2023 to Tuesday, August 22, 2023** (both days inclusive) for determining the entitlement of shareholders to the Final Dividend for the FY 2022-23, as may be approved by the members at the AGM.

## Notes for AGM Notice: (Contd.)

12. **Dividend Entitlement:** Dividend on Equity Shares, as recommended by the Board of Directors, if approved at the AGM, will be payable to those Members whose names appear in the Register of Members of the Company, in the case of beneficial owners as at the close of **Thursday, August 10, 2023** (the **Record Date**) as per the beneficial ownership data to be furnished by NSDL/CDSL/RTA for the purpose and in respect of shares held in physical form after giving effect to all valid shares transfers/ transmission(s), which are lodged with the Company/ RTA before the Record date.

The Board of Directors had recommended a dividend of ₹ 27.00 per equity share of the face value of ₹ 10 each (@ 270 %), payable to those Shareholders whose names appear in the Register of Members as on the Record Date (subject to the approval of the same by the Shareholders in the AGM).

Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 01, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates as per Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents through e-mail by **Thursday, August 10, 2023**.

The note for '**Communication on Tax Deduction on Dividend**' is annexed with this notice.

Dividend amount for Members holding shares in Electronic Form and to those Members holding in Physical Form, who have given their Bank details, will be credited to their respective Bank Account through Electronic Clearing Service (ECS), wherever such facilities are available, soon after the declaration of the Dividend in the AGM, subject to deduction of income-tax at source ('TDS'). For others, Dividend Warrants/Demand Drafts (DD's) will be posted at the earliest. In order to avoid any fraudulent encashment, such Members are requested to furnish their Bank Account Number and Bank's name so as to incorporate the same in the Dividend Warrant/DD, immediately, if not submitted earlier. If there is any change in the Bank Account of Demat Members, they are requested to intimate the same to their respective DPs for their further action.

Further, in order to receive dividend(s) in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through ECS or any

other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate, by sending the below mentioned documents to the RTA of Company viz Kind Attn: Mr Rajeev Kumar, KFin Technologies Limited, Unit: Lumax Industries Limited, Selenium Tower-B, Plot No.31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032.

- a. a signed request letter mentioning name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
  - i) Name and Branch of Bank and Bank Account type;
  - ii) Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
  - iii) 11 digit IFSC Code;
- b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. self-attested scanned copy of the PAN Card; and
- d. self-attested scanned copy of any document (such as AADHAAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through ECS or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest possible.

13. **Transfer of Unclaimed/Unpaid dividend amounts to the Investor Education and Protection Fund (IEPF):** Members are requested to note that pursuant to the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the amount of dividend which remains unclaimed or unpaid for a period of 7 (Seven) years from the date of transfer of the amount to Unpaid dividend account, shall be transferred to the IEPF set up by Government of India. It may be noted that the due date for transfer of the Unpaid/Unclaimed Dividend lying in the Unpaid Dividend Account of the Company for the FY 2014-15, which was declared on August 19, 2015, was transferred to IEPF on October 18, 2022 and also the Interim dividend for FY 2015-16, which was declared on March 12, 2016, was transferred to IEPF on April 28, 2023 and accordingly the

Notes for AGM Notice: (Contd.)

shares lying unclaimed for the respective Financial Years were also transferred to IEPF within stipulated timelines.

The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application in Form no. IEPF-5 to the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

14. Members are requested to support Green Initiative by choosing to receive the Company's communication through e-mail and are requested to update their email addresses with their DPs / RTA.
15. **Change/Updation of details by Shareholders and availability of Dispute Resolution Mechanism:**

**SEBI via Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 Dated March 16, 2023 (the "SEBI Circular") HAS MANDATED FURNISHING/UPDATING OF PAN, KYC DETAILS AND NOMINATION DETAILS**

SEBI vide the captioned circular dated March 16, 2023 mandated:

- A. furnishing of PAN, email address, mobile number, bank account details and nomination by holders of physical securities;
- B. any service request shall be entertained only upon registration of the PAN, Bank details and the nomination;
- C. to ensure that your PAN is linked to Aadhaar by June 30, 2023 or any other date as may be specified by the Central Board of Direct Taxes to avoid freezing of your folio.

The Shareholders who have not furnished the mandatory documents are requested to furnish the documents/details, as per the table below, to the Registrar and Share Transfer Agent of the Company i.e. KFin Technologies Limited.

S. No.	Purpose	Form No.
1	Request for registering PAN, KYC details or changes/updation thereof	Form ISR-1
2	Confirmation of Signature of securities holder by the Banker	Form ISR-2
3	Registration of Nomination (Nomination Form)*	Form SH-13
4	Declaration Form for Opting-out of Nomination*	Form ISR -3
5	Cancellation or Variation of Nomination	Form SH-14

\*In case Shareholder is opting out for giving nomination, submit Form ISR-3 and in such case the Form SH-13 need not be submitted.

Furthermore, the aforesaid forms for submission of various documents as aforesaid may be downloaded from the Company's website at <https://www.lumaxworld.in/lumaxindustries/pdf/corporate-social-responsibility-policy.pdf>.

**Freezing of Folios without PAN, KYC details and Nomination:**

- A. Folios wherein any one of the said document / details are not available on or after October 01, 2023, shall be frozen and the Shareholder will not be eligible to lodge grievance or avail service request from the RTA until the Shareholder furnishes the complete documents/details as mentioned above. Further, effective April 01, 2024 the Shareholder will be eligible for receiving dividend in electronic mode only.
- B. After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

You are requested to forward the duly filled in documents along with the related proofs as mentioned in the respective forms to the following address:

KFin Technologies Ltd,  
Unit: Lumax Industries Limited  
Selenium, Tower B,  
Plot 31-32, Serilingampally Mandal, Hyderabad  
Financial District,  
Nanakramguda, Hyderabad, Telangana-500032

The scanned copies of the documents may also be mailed through your registered email id with RTA at the mail id einward.ris@kfintech.com duly e-Signed on the forms and all proofs.

E-Sign is an integrated service which facilitates issuing a Digital Signature Certificate and performing signing of requested data by eSign user. The holder/claimant may approach any of the empaneled eSign Service provider, details of which are available on the website of Controller of Certifying Authorities (CCA), Ministry of Communications and Information Technology (<https://cca.gov.in/>) for the purpose of obtaining an e-sign.

**AVAILABILITY OF DISPUTE RESOLUTION MECHANISM**

SEBI vide its circular No. SEBI /HO/ MIRSD/ MIRSD\_RTAMB/P/CIR/ 2022/76 dated May 30, 2022 read with Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has laid down Standard Operating Procedures (SOP) to be followed for dispute

## Notes for AGM Notice: (Contd.)

resolution under the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/Investor(s) pertaining to disputes emanating from investor service requests such as transfer/transmission of shares, demat/remat, issue of duplicate shares, transposition of holders, investor entitlements like corporate benefits, dividend, bonus shares, rights entitlements, credit of securities in public issue, interest /coupon payments on securities and delay in processing/wrongful rejection of aforesaid investor service.

Further to the aforesaid circular, SEBI vide its circular No. SEBI/ HO /OIAE/2023/03391 dated January 27, 2023 has advised every listed company to intimate to all investors/ Members who hold shares in physical form that Members can file for Arbitration with stock exchange(s) if they have any dispute against the Company and/or its RTA on delay or default in processing requests as per the circular dated May 30, 2022. Accordingly the Company had intimated the Shareholders vide intimation letter/Email dated May 08, 2023/May 09, 2023.

For more details, Members can refer below web links of the stock exchanges:

BSE – <http://tiny.cc/m1l2vz>

NSE – <http://tiny.cc/s1l2vz>

### **16. Transfer, Transmission, Transposition, Dematerialisation of shares and all other investor related matters are attended to and processed by the Company's RTA.**

Further, in terms of the requirements of Regulation 40 of the Listing Regulations, the request for transfer of securities shall not be processed unless the securities are held in the dematerialized form with Depositories. Further, the request for transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form. Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25 January 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialized form:

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal/ Exchange of securities certificate;
- iv. Endorsement;
- v. Sub-division/Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios;

vii. Transmission; and

viii. Transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

The Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form(s) can be downloaded from the Company's website under Investor Relations section at <https://www.lumaxworld.in/lumaxindustries/investor-relations.html>. It may be noted that any service request can be processed only after the folio is KYC Compliant

17. The Securities and Exchange Board of India has mandated that the transfer of securities would be carried out in dematerialized form only, therefore the members holding shares in physical form are requested to convert their holding into dematerialized form to eliminate all risk associated with the physical shares. Members can contact the Company or RTA for any further assistance in this regard.
18. As per the provisions of Section 89 read with Section 90 of the Act the combined effect of both the Sections is that every person who is holding a beneficial interest in the shares of the Company shall submit his/her declaration to the Company in the prescribed form and thereafter the Company shall intimate to the Registrar of Companies in the prescribed form along with such declaration.  
Every member(s) of the Company is requested to provide the declaration(s) regarding their beneficial interest, if any in the shares of the Company under the aforesaid provisions of the Act. The shareholders are further advised to refer Companies (Significant Beneficial Owners) Amendment Rules, 2019 before making declaration in respect of Beneficial Owner and Significant Beneficial Owner.
19. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.

## Notes for AGM Notice: (Contd.)

Electronic copy of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

21. Members, who would like to ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com) at least 7 days in advance before the start of the AGM i.e. by **Tuesday, August 15, 2023 by 5:00 P.M. IST**. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
22. **Voting through electronic means:** In terms of the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and Regulation 44 of the Listing Regulations read with SEBI Circular dated December 09, 2020, the Company is providing remote e-Voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to Members holding shares as on **Wednesday, August 16, 2023 (the Cut-off Date)** for the purpose of Rule 20(4)(vii) of the Rules fixed for determining voting rights of Members, entitled to participate in the remote e-Voting process, through the e-Voting platform provided by National Securities Depository Limited (NSDL) i.e. <https://www.evoting.nsdl.com> or to vote at the AGM.
23. The e-Voting period shall be from **Saturday, August 19, 2023 (09:00 A.M.) to Monday, August 21, 2023 (05:00 P.M.)**. During this period, Members holding shares either in physical or dematerialized form, as on the Cut-off date may cast votes electronically. A person, whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the RTA as on the Cut-off Date, shall be entitled to avail the facility of remote e-Voting.

The remote e-Voting module will be disabled by NSDL for voting thereafter. A shareholder shall not be allowed to vote again on any resolution on which vote has already been cast.

24. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote(s) through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, who have cast their votes, the e-Voting will be closed with the formal announcement of closure of the AGM.
25. The recorded transcript of the AGM shall also be made available on the website of the Company [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries) in the Investors Section, as soon as possible after the Meeting is over.
26. The Board has appointed Mr Maneesh Gupta, Practicing Company Secretary, FCS No.: 4982, New Delhi as the scrutinizer to scrutinize the e-Voting during the AGM and remote e-Voting process in a fair and transparent manner.
27. The Scrutinizer shall, after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unlock the votes cast through remote e-Voting, and shall submit a consolidated Scrutinizer's report, of the total votes cast in favour or against, invalid votes, if any, to the Chairman of the Company or any authorized person who shall countersign the same, within 2 working days of the conclusion of AGM.  
The Scrutinizer shall submit his report to the Chairman/ Authorised Person who shall declare the result of the voting. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries) and National Securities Depository Limited (NSDL) i.e. <https://www.evoting.nsdl.com/> and shall also be communicated to the Stock Exchanges.
28. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the meeting i.e. **Tuesday, August 22, 2023**.
29. Notice of this AGM, Audited Financial Statements for FY 2022-23 together with Board Report and Auditors' Report are also available on the website of the Company [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries). Person who is not a member as on the Cut-off Date should treat this Notice for information purposes only.



Notes for AGM Notice: (Contd.)

30. Instructions for attending the AGM through VC/OAVM and remote e-Voting are given below:

**A. Instructions for Members attending the AGM through VC/OAVM are as under:**

- I. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned below for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- II. Members are encouraged to join the Meeting through Laptops for better experience.
- III. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- IV. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**B. The instructions for remote e-Voting and Joining Annual General Meeting are as under:**

The remote e-Voting period shall be from **Saturday, August 19, 2023 (09:00 A.M.) to Monday, August 21, 2023 (05:00 P.M.)**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the Cut-off Date i.e. **Wednesday, August 16, 2023**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date.

**How to vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**




**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Notes for AGM Notice: (Contd.)

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div data-bbox="858 1339 1161 1514" style="text-align: center;">  <p>NSDL Mobile App is available on   App Store     Google Play</p> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e Voting is in progress as per the information provided by company. On clicking the e Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website HYPERLINK <a href="http://www.cdslindia.com">“http://www.cdslindia.com”</a> <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> </ol>

Notes for AGM Notice: (Contd.)

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. at <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> . The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at no.: 022 28867000 and 022 24997000.
Holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800225533.

**B) Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

## Notes for AGM Notice: (Contd.)

5. Password details for shareholders other than Individual shareholders are given below:
    - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
    - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    - c) How to retrieve your 'initial password'?
      - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
  6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
  3. Now you are ready for e-Voting as the Voting page opens.
  4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  5. Upon confirmation, the message "Vote cast successfully" will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [guptamaneeshcs@gmail.com](mailto:guptamaneeshcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## Notes for AGM Notice: (Contd.)

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. Any person holding shares in physical form and non individual shareholders, who becomes member of the Company after Friday, July 21, 2023 and hold shares as on Cut-off Date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Company/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. In case, you forgot your password, you can reset your password by using “Forgot User Details/ Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call at 022 28867000 and 022 24997000.  
  
In case of Individual Shareholders holding securities in demat mode who becomes member of the Company after July 21, 2023 and hold shares as on Cut-off Date, may follow steps mentioned in the Notice of the AGM under **“Access to NSDL e-Voting system.”**
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 28867000 and 022 24997000 or send a request to Ms Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholders/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Notes for AGM Notice: (Contd.)

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE ANNUAL GENERAL MEETING ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.
  - Mr Amit Vishal, Assistant Vice President, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or

AmitV@nsdl.co.in or at telephone number :+91-22-24994360.

- Ms Pallavi Mhatre, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone number +91 22 2499 4545.

**By Order of the Board**  
For **Lumax Industries Limited**

**Rajesh Kumar Gupta**

Executive Director &  
Company Secretary  
M. No. A 8709

**Place:** Gurugram  
**Date:** July 28, 2023

**Registered Office:**

2<sup>nd</sup> Floor, Harbans Bhawan-II,  
Commercial Complex, Nangal Raya, New Delhi– 110046  
Website: <https://www.lumaxworld.in/lumaxindustries>  
Email id: [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com)  
CIN: L74899DL1981PLC012804

## Notes for AGM Notice: (Contd.)

### EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS (PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013)

#### Item No. 4

The Board of Directors in their meeting held on May 27, 2023 had appointed Mr Raajesh Kumar Gupta (DIN:00988790) as an Additional Director designated as Executive Director – Whole Time Director (Key Managerial Personnel) of the Company for a period of 3 years w.e.f. May 27, 2023, subject to the approval of the Members of the Company. Accordingly, he shall hold office upto the date of this AGM and is to be appointed as a Director in this Meeting.

Mr Raajesh Kumar Gupta, aged 54 years, is a qualified Company Secretary, Cost Accountant and Law Graduate. He has total experience of more than 3 decades in handling Secretarial, legal and compliance matters across various industries including 15 years in the automotive industry. He has vast experience of working in Joint Venture culture and has always been pivotal in maintaining relationships with Joint Venture Partners.

Considering his vast experience in the automotive industry, approval of the Members of the Company is sought for appointment of Mr Raajesh Kumar Gupta as an Executive Director - Whole time Director (Key Managerial Personnel) for a period of 3 years w.e.f. May 27, 2023, on the terms and conditions, including remuneration, allowances and perquisites as mentioned in the Resolution.

The aforesaid proposal has been recommended by Nomination and Remuneration Committee considering financial position of the Company, trend in the industry, appointee's qualification, experience, past performance and past remuneration amongst others and also by the Board of Directors in their meeting held on May 27, 2023.

Mr Raajesh Kumar Gupta has signified his consent for appointment as Executive Director - Whole Time Director (Key Managerial Personnel) of the Company. Further, Mr Raajesh Kumar Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act. He is not debarred from holding the office of a Director by virtue of any order of the Securities and Exchange Board of India or any other such authority.

Pursuant to the provisions of Section 190 of the Companies Act, 2013, the written memorandum setting out the terms and conditions including remuneration and other relevant documents are open for inspection by the members at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

Pursuant to Regulation 36 of the Listing Regulations and SS-2 issued by ICSI, information about the Director Seeking

appointment/ re-appointment and fixation of remuneration along with the Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 are annexed as **Annexure I**.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr Raajesh Kumar Gupta, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Your Directors recommend the resolution set forth in Item No. 4 for approval of the members as a Special Resolution.

#### Item No. 5

The Board of Directors upon recommendation of the Nomination and Remuneration Committee passed the resolution for appointment of Mr Yoshitsugu Matsushita (DIN: 10185011) as an Additional Director (Non-Executive and Non-Independent) with effect from June 01, 2023.

Accordingly, he shall hold office upto the date of this AGM and is to be appointed as a Director in this Meeting.

Mr Yoshitsugu Matsushita, aged 59 Years is Bachelor of Economics, from HOSEI University, Tokyo, Japan. He has experience of more than 35 years in the Automotive Industry. He is associated with Stanley Electric Co., Limited Since 1987.

Considering his vast experience in the automotive industry, approval of the Members of the Company is being sought for appointment of Mr Yoshitsugu Matsushita as a Director (Non-Executive and Non-Independent) of the Company.

Mr Yoshitsugu Matsushita has granted the consent for his appointment as Director of the Company. Mr Yoshitsugu Matsushita is not disqualified from being appointed as a Director in terms of Section 164 of the Act. He is not debarred from holding the office of a Director by virtue of any order of the Securities and Exchange Board of India or any other such authority.

Pursuant to Regulation 36 of the Listing Regulations and SS-2 issued by ICSI, information about the Director Seeking appointment/ re-appointment and fixation of remuneration is annexed as **Annexure I**.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr Tadayoshi Aoki and Mr Toru Tanabe, being Nominee Directors of Stanley Electric Co. Limited., are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Your Directors recommend the resolution set forth in Item No. 5 for approval of the members as Ordinary Resolution.



## Notes for AGM Notice: (Contd.)

### Item No. 6

The Board on the recommendation of the Audit Committee, in its Meeting held on May 27, 2023 have approved the appointment of M/s Jitender Navneet & Co., Cost Accountants Firm Regn. No. 000119) as the Cost Auditor of the Company for audit of cost accounting records of the Company for the FY 2023-24 and fixed their fee at ₹ 1,75,000 excluding taxes and reimbursement of out-of-pocket expenses at actuals, if any, in connection with the audit.

M/s. Jitender Navneet & Co., Cost Accountants (Firm Regn. No.000119) have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148 of the Act and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

Accordingly, ratification by the Members is sought to the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending March 31, 2024.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at Item No. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for approval of the Members as an Ordinary Resolution.

**By Order of the Board**  
For **Lumax Industries Limited**

**Raajesh Kumar Gupta**

Executive Director &  
Company Secretary  
M. No. A 8709

**Place:** Gurugram

**Date:** July 28, 2023

### Registered Office:

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

Commercial Complex, Nangal Raya, New Delhi- 110046

Website: <https://www.lumaxworld.in/lumaxindustries>

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

CIN: L74899DL1981PLC012804

Notes for AGM Notice: (Contd.)

**Annexure-I**

**PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS - 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AND FIXATION OF REMUNERATION IS FURNISHED BELOW:**

Names of Director /DIN	Date of Birth/ Details of Shareholding (Including shareholding as a beneficial owner)	Qualifications/Brief Resume/Nature of Expertise	Relationship with Director Inter-se	Name of Listed Companies in which Directorship held other than Lumax Industries Limited  Name of listed entities from which the Director has resigned in the past three years	Chairmanship/ Membership in Committees of Other Companies	Date of first appointment on the Board	Terms and conditions of appointment/re-appointment
Mr. Toru Tanabe DIN: 06883767	10/03/1959 Shares held in the Company (Including shareholding as a Beneficial Owner): Nil	He has about 32 years of rich experience and knowledge in R&D of electrical components and advanced illumination systems for automotive equipment and about 17 years in automotive electronics since he joined Stanley, Japan in 1981 and has management record of about 27 years' standing.	Related to Mr. Tadayoshi Aoki and Mr. Yoshitsugu Matsushita as Nominee Directors of Stanley Electric Co. Limited	None  None	None	August 22, 2014	Re-appointment as a Non Executive Director
Mr Raajesh Kumar Gupta DIN: 00988790	04/12/1968 Shares held in the Company (Including shareholding as a Beneficial Owner): 10 Equity Shares	Mr Raajesh Kumar Gupta, aged 54 years, is a qualified Company Secretary, Cost Accountant and Law Graduate. He has total experience of more than 3 decades in handling Secretarial, legal and compliance matters across various industries including 15 years in the automotive industry. He has vast experience of working in Joint Venture culture and has always been pivotal in maintaining relationships with Joint Venture Partners.	Not Related with any Director/ Manager/ KMP of the Company	None  None	None	May 27, 2023	As set out in the resolution at item no. 4 of the AGM Notice.

## Notes for AGM Notice: (Contd.)

Names of Director /DIN	Date of Birth/ Details of Shareholding (Including shareholding as a beneficial owner)	Qualifications/Brief Resume/Nature of Expertise	Relationship with Director Inter-se	Name of Listed Companies in which Directorship held other than Lumax Industries Limited  Name of listed entities from which the Director has resigned in the past three years	Chairmanship/ Membership in Committees of Other Companies	Date of first appointment on the Board	Terms and conditions of appointment/re-appointment
Mr Yoshitsugu Matsushita DIN: 10185011	07/09/1963 Shares held in the Company (Including shareholding as a Beneficial Owner): Nil	Mr Yoshitsugu Matsushita is Bachelor of Economics, from HOSEI University, Tokyo, Japan. He has experience of more than 35 years in the Automotive Industry. He is associated with Stanley Electric Co., Limited Since 1987.	Related to Mr Tadayoshi Aoki and Mr Toru Tanabe as Nominee Directors of Stanley Electric Co. Limited.	None  None	None	June 01, 2023	As set out in the resolution at item no. 5 of the AGM Notice.

Name of Director / DIN	Remuneration proposed to be paid	Last drawn Remuneration	The number of Meetings of the Board attended during the year
Mr. Toru Tanabe DIN: 06883767	Not applicable	Nil	Attended 3 Board Meetings out of 6 Board Meetings.
Mr Raajesh Kumar Gupta DIN: 00988790	As set out in the resolution at item no. 4 of the AGM Notice.	Nil	Not Applicable
Mr Yoshitsugu Matsushita DIN: 10185011	Not applicable	Nil	Not Applicable

**Notes:**

- The Directorships and Chairmanships/Memberships of Section 8 Companies is not included in above table.

**Statement containing required information as per Section II of part II of Schedule V of the Companies Act, 2013 for Item No. 4**

**I. GENERAL INFORMATION:**

<b>i) Nature of Industry</b>	Manufacturers of end-to-end Automotive Lighting Solutions such as head lamps, tail lamps, LED Lamps, sundry and auxiliary lamps and other electronic components.
<b>ii) Date of commencement of commercial production</b>	1981 (Date of Incorporation: December 10, 1981)
<b>iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.</b>	Not Applicable

**(iv) Standalone Financial performance based on given indicators**

(₹ in Lakhs)

Financial Parameters	Financial Year		
	2020-21	2021-22	2022-23
Revenue from contracts with customers	1,42,598.07	1,75,131.10	2,31,952.34
Other Income	2,523.38	1,338.64	1468.43
<b>Total Income</b>	<b>1,45,121.45</b>	<b>1,76,469.74</b>	<b>2,33,420.77</b>
<b>Total Expenses</b>	<b>1,41,969.47</b>	<b>1,70,141.04</b>	<b>2,22,133.32</b>
Profit before exceptional item, income tax and share in profit of associate	3,151.98	6,328.70	11287.45
Exceptional item	--	(1,713.95)	(543.83)
<b>Profit Before Tax (PBT)</b>	<b>3,151.98</b>	<b>4,614.75</b>	<b>10,743.62</b>
Tax Expenses	1,448.13	1,071.38	3,680.03
<b>Profit After Tax (PAT)</b>	<b>1,703.85</b>	<b>3,543.37</b>	<b>7063.59</b>

**(v) Foreign investments or collaborators, if any:**

As on March 31, 2023, the Company has following foreign investments in the Company –

Promoter Category (Foreign) – 37.50% (including 26.74% as FDI)

Public Category (Foreign Portfolio Investors) – 0.84%

The Company has one foreign Technical & Financial Collaborator i.e., Stanley Electric Co. Limited Japan. Also, Company has one Associate Company viz. SL Lumax Limited, which was incorporated in the year 1997. The Company holds 21.28% in equity share capital of SL Lumax. SL Lumax is based in Chennai and primarily engaged in manufacturing of Auto Parts which includes auto lamp assemblies, chassis, mirror and front-end modules (FEM).

Also the Company has one Wholly Owned Subsidiary in Czech Republic namely Lumax Industries Czech s.r.o.

**II. Information about Mr Raajesh Kumar Gupta**

**1. Background details:**

Mr Raajesh Kumar Gupta, aged 54 years, is a qualified Company Secretary, Cost Accountant and Law Graduate. He has total experience of more than 3 decades in handling Secretarial, legal and compliance matters across various industries including 15 years in the automotive industry. He has vast experience of working in Joint Venture culture and has always been pivotal in maintaining relationships with Joint Venture Partners.

**2. Past remuneration-** Not Applicable

**3. Recognition or awards -** None

**4. Job profile and his suitability**

Mr Raajesh Kumar Gupta, aged 54 years, is a qualified Company Secretary, Cost Accountant and Law Graduate. He has total experience of more than 3 decades in handling Secretarial, legal

Notes for AGM Notice: (Contd.)

and compliance matters across various industries including 15 years in the automotive industry. He has vast experience of working in Joint Venture culture and has always been pivotal in maintaining relationships with Joint Venture Partners.

**5. Remuneration proposed**

**Particulars of Remuneration and perquisites**

Particulars	Amount (₹ in Lakhs) Per Annum
Salary	21.58
HRA	10.79
Special Allowances	20.10
<b>Total</b>	<b>52.47</b>
Other Allowances/ Perquisites/ Variable Pay	As per Company Policy

Perquisites & Allowances, subject to maximum of the limits as given above, shall include Company Car with Driver, reimbursement of all expenses on Leave Travel Concession, Medical, Mediclaim, on actual basis, if incurred by him on self, spouse and dependent parent(s) and dependent children as the case may be.

Apart from the above, the Company shall make all applicable Statutory/Other Payments viz. Provident Funds, Superannuation funds, National Pension Scheme, Gratuity, as per the rules of the Company in respect of above remuneration.

The value of perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The use of company-maintained cars, telephones, mobile phone, travelling and hotel expenses incurred for business purposes shall not be included in the computation of perquisites and allowances for the purpose of calculating ceiling of remuneration.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

The proposed remuneration would be commensurate with the size of the Company and nature of the industry. The salary structure of the

managerial personnel has undergone a major change in the industry in the past. Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Mr Raajesh Kumar Gupta, the proposed remuneration is comparative with the remuneration paid by other companies to such similar positions in the same industry.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other Director, if any.**

Raajesh Kumar Gupta holds 10 equity shares equivalent to 0.00% in his individual capacity.

**III. Other information:**

(1)	Reasons of loss or inadequate profits	The industrial scenario in the country may get impacted by internal as well as external factors which may lead to a situation of loss or inadequate profits in the Company during the tenure of Mr Raajesh Kumar Gupta
(2)	Steps taken or proposed to be taken for improvement	The management of the Company will take all requisite actions / steps including but not limited to reduction in fixed costs to contain the losses / inadequate profitability situation.
(3)	Expected increase in productivity and profits in measurable terms	N.A.

**IV. DISCLOSURES:**

1. Remuneration package of the managerial persons: Please refer to the details of the remuneration of the managerial personnel given in the Corporate Governance Report forming part of Annual Report of FY 2022-23.
2. Disclosures in the Board of Director's report under the heading "Corporate Governance" has already been included in Annual Report for FY 2022-23. The requisite details of remuneration of Directors to be paid in the Financial Year 2023-24 shall be included in the Corporate Governance Report, forming part of the Annual Report of FY 2023-24 of the Company.

### COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that Dividend paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

**For resident shareholders,** taxes shall be deducted at source under Section 194 of the IT Act as follows:

- Members having valid Permanent Account Number ("PAN"): 10% or as notified by the Government of India if he is not a specified person to be checked by Company based on Valid PAN provided by the member.
- Members not having PAN / valid PAN: 20% or as notified by the Government of India
- Further the Finance Act, 2021 inserted section 206AB in the Income-tax Act 1961 (hereinafter referred to as "the Act") which takes effect from 1st day of July, 2021.
- This section mandate tax deduction at higher rate in case of certain non-filers (specified persons) with respect to tax deductions twice the prescribed rate or 5%, whichever is higher. Specified person means a person who satisfies both the following conditions:
  - (i) he/she has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted/collected. The previous year to be counted is required to be the one whose return filing date under sub-section (l) of section 139 has expired.
  - (ii) Aggregate of tax deducted at source and tax collected at source is rupees fifty thousand or more in said immediate previous year.

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend paid by the Company during the financial year 2023-24 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the member or details as prescribed under rule 37BC of Income-tax Rules, 1962
- Copy of Tax Residency Certificate (TRC) for financial year 2023-24 obtained from the revenue authorities of the country of tax residence, duly attested by member
- Form 10F filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated 16th July 2022 and a subsequent notification dated December 12, 2022 issued by the Central Board of Direct Taxes (CBDT), as required under the Income-tax Act, 1961. (Please note that the shareholders who have PAN may not be eligible for DTAA benefit if the e-filed Form 10F is not furnished. However, pursuant to the Notification dated March 28, 2023, CBDT exempted those non-residents who are not having PAN and are not required to have PAN as per the law from mandatory e-filing of Form 10F online until September 30, 2023, and such non-residents may make this statutory compliance of filing Form 10F in manual form as was being done prior to issuance of the Notification No. 3/2022 till September 30, 2023 only).
- Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.







#### Disclaimer

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



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