

THINKING FUTURE. ACTING TODAY.

LUMAX INDUSTRIES LIMITED
ANNUAL REPORT 2017-18

CONTENTS

1

Corporate Overview

Group / Corporate Snapshot 05

Business Model 08

Management Message 10

Board of Directors 24

2

Statutory Reports

Boards' Report 29

Annexures to Boards' Report 41

3

Financial Statements

Standalone Financial Statements 90

Consolidated Financial Statements 162



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

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

CHAIRMAN EMERITUS & CHIEF MENTOR

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

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

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

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



THINKING FUTURE. ACTING TODAY.

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

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

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

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

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

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

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



Our Group Purpose

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

Our Vision

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

Our Values

Respect
Integrity
Passion
Excellence

ABOUT DK JAIN GROUP

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

Perfectly placed to achieve
our future potential

70+

Years of industry experience and expertise

9

Partnerships

27

World-class manufacturing
facilities

3

R&D Centres

1

Design Centre in Taiwan

BACKWARD INTEGRATION

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

READY FOR BSVI

Even before the roll out of the
regulation in 2020

CORPORATE SNAPSHOT

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



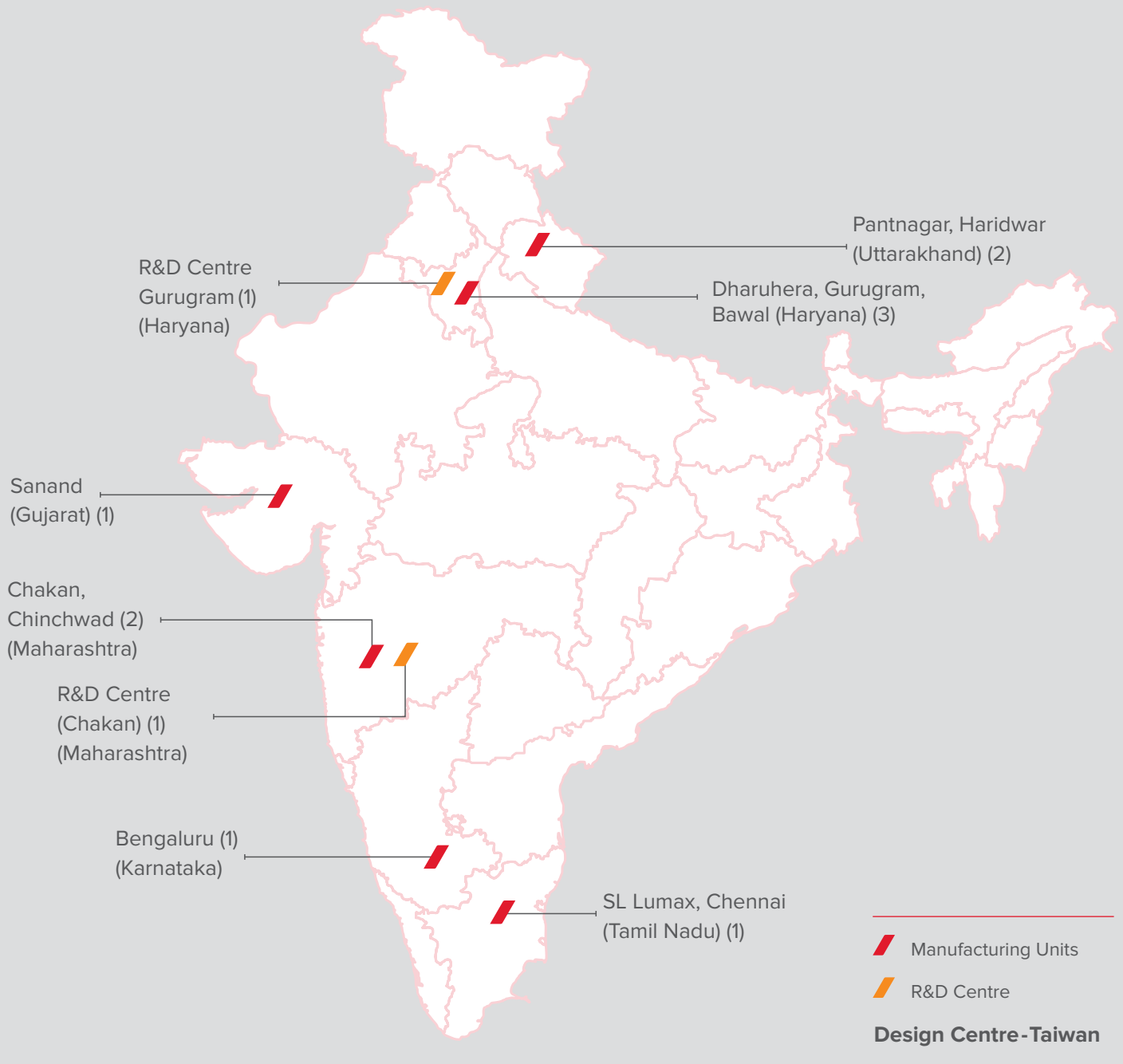
Product Portfolio

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

Collaborations

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

Regional Presence



Note: Map not to scale

Customer Portfolio

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

Four-Wheeler



Two-Wheeler



Commercial Vehicle



Exports



Tractor/FES



BUSINESS MODEL

High focus on product development

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

Material Procurement

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

