



LUMAX
AUTOMOTIVE PARTS

11th ANNUAL REPORT 
2010-2011

**LUMAX
AUTOMOTIVE
SYSTEMS LIMITED**



Lumax Automotive Systems Ltd.

BOARD OF DIRECTORS

Mr. U. K. Jain- Chairman & Non-Executive Director
Mr. Nitin Jain- Managing Director
Mr. Milan Jain- Executive Director
Mr. Prem Das Gandhi
Mr. Vinay Panchmiya

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Private Limited
D-153 A, Okhla Industrial Area,
Phase - I, New Delhi - 110 020
Tel. No. : 26812682-83-84
e-mail : admin@skylinerta.com

COMPANY SECRETARY

Ms. Monika Gupta

AUDITORS

M/s R. Jain & Sanjay Associates
Chartered Accountants, Delhi

BANKERS

Syndicate Bank
IDBI Bank Ltd.

CORPORATE OFFICE

Plot No.99, Phase-IV,
Udyog Vihar, Gurgaon (Haryana)
e-mail : cs@lumaxauto.com

REGISTERED OFFICE

63-64, Gokhale Market,
New Delhi-110054
Tel. No. : 23914320-21
Fax No. : 23916350
e-mail : cs@lumaxauto.com

WORKS

- Plot No.78, Sector-6, Faridabad (Haryana)
- 10, Indraprastha Estate, 12/2, Mathura Road, Faridabad (Haryana)
- Plot No.46, Sector-3, IMT, Manesar, Gurgaon (Haryana)
- D-2 Block, Plot No.29/5, MIDC Industrial Area, Chinchwad, Pune (Maharashtra)
- D-2/44, MIDC Industrial Area, Chinchwad, Pune (Maharashtra)
- C-10, MIDC Industrial Area, Waluj, Aurangabad (Maharashtra)

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NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the members of Lumax Automotive Systems Limited will be held on Wednesday, the 28th day of September 2011 at 10.00 A.M. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date together with the Directors' and Auditors' Reports thereon.
2. To appoint a director in place of Mr. Vinay Panchmiya who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Milan Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

5. To appoint Mr. Nitin Jain as a Whole-time-Director designated as Managing Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution: -

"RESOLVED THAT in accordance with the provisions of section 198, 269 and 309 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Nitin Jain, as Whole-time-Director designated as Managing Director of the Company, for a period of 5 (five) years with effect from May 24, 2011 on the terms and conditions including remuneration as set out in the explanatory statement herein, with authority to the remuneration committee/board of directors (herein after referred as "The Board", which term shall deem to include any committee which the board may constitute to exercise its powers conferred by this resolution) to alter and to vary the terms and conditions of the said appointment and/or remuneration not exceeding the limits specified under schedule XIII to the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and on a poll, vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must reach the Company at its registered office at least 48 hours before the time fixed for the meeting. A proxy form is attached herewith.
2. The register of members and the share transfer books of the Company will remain closed from September 20, 2011 to September 28, 2011 (both days inclusive).
3. The explanatory statements pursuant to section 173(2) of the Companies Act, 1956 in respect of Item No. 5 are annexed hereto.
4. Members/proxies are requested to bring the attendance slips duly filled in for attending the meeting and also their copy of annual report.
5. Members are advised that no gift/gift coupons will be distributed at the annual general meeting of the Company.

**By Order of the Board
For Lumax Automotive Systems Limited**

Place: New Delhi
Date: 27/08/2011

**Monika Gupta
Company Secretary**

Annexure to the Notice

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5 :

Mr. Nitin Jain, Whole-time-Director, designated as Managing Director, in the meeting held on 23rd May, 2011.

The present proposal is to seek the members' approval for the appointment of and remuneration payable to Mr. Nitin Jain as Managing Director, in terms of the applicable provisions of the Companies Act, 1956.

The Board of Directors of the Company at its meeting held on May 23, 2011 has, subject to the approval of Members, appointed Mr. Nitin Jain for a period of 5 years from the date of his appointment, on the remuneration determined by the Remuneration Committee of the Board at its meeting held on May 23, 2011.

Brief particulars of the terms of appointment of and remuneration payable to Mr. Nitin Jain are as under:

(a) Salary, Perquisites and allowances:

Name and Designation	Rs. per month	
	Salary	Perquisites & Allowances
Mr. Nitin Jain, Managing Director	1,20,000	30,000

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilization of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; club fees, medical insurance and such other perquisites and allowance. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. However, the company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income-tax law, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the company and to the extent not taxable under the Income tax law, shall not be included for the purposed of computation of the overall ceiling of remuneration. Further, employee stock options granted / to be granted, from time to time, are not to be considered as perquisite and not to be included for the purpose of computation of the overall ceiling of remuneration.

(b) Commission:

In addition to the salary, perquisites and allowances as above, Mr. Nitin Jain shall also be entitled to receive commission on net profits. The commission payable to him for each financial year shall not exceed 3% of the net profits of the Company, only in case of adequacy of profits, subject to overall limits of the remuneration prescribed under section 198 of the Companies Act, 1956.

(c) Reimbursement of Expenses:

Reimbursement of expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips; provision of car for use on the company's business and telephone expenses at residence shall be reimbursed and not considered as perquisites.

(d) Minimum Remuneration:

Notwithstanding anything hereinabove stated, where in any financial year, the company has no profits or its profits are inadequate, the remuneration payable to Mr. Nitin Jain by way of salary, perquisites and any other allowance shall not exceed the ceiling limits prescribed under Schedule XIII to the Companies act, 1956 or any amendments thereto.

Lumax Automotive Systems Ltd.

(e) General:

1. The office of Managing Director and Whole- time Directors may be terminated by the company or the concerned Director by giving the other 3 months prior notice in writing.
2. The terms and conditions set out for re-appointment/appointment and payment of remuneration herein may be altered and varied by the Board as it may, from time to time, deem fit.

Mr. Nitin Jain satisfies the conditions set out in Part I of Schedule XIII to the Companies Act, 1956 for being eligible for the appointment.

The salary and other allowances mentioned above shall be within the limit specified under para 1(A) of section II, part II of Schedule XIII of the Act.

Wherein any financial year during the currency of the tenure of the Managing Director and Executive Directors, the company has no profit or its profit is inadequate, the company will pay the above mentioned salary and other perks as minimum remuneration.

The appointees shall not be entitled to sitting fee for attending the meeting of Board of Directors or Committee thereof.

The above may be treated as an abstract of the terms of appointment of Mr. Nitin Jain under Section 302 of the Companies Act, 1956.

Mr. Nitin Jain is interested in the resolution set out at Item No. 5 of the Notice, which pertain to his respective appointment and remuneration payable to him. Further, Mr. U.K. Jain and Mr. Milan Jain may be deemed to be interested in the resolution to Mr. Nitin Jain, as they are related to each other. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

The Board recommends the resolution set out at Item No. 5 of the Notice for your approval.

**By Order of the Board
For Lumax Automotive Systems Limited**

**Monika Gupta
Company Secretary**

Place : New Delhi
Date : 27/08/2011

Details of the directors seeking re-appointment/appointment in annual general meeting scheduled on September 28, 2011.

Name of director	Date of birth	Date of appointment	Qualifications	Expertise in specific functional area	Name of the Companies in which also holds directorship	Name of Companies in the committees of which holds membership/ chairmanship
Mr. Nitin Jain	10/01/1976	31/10/2003	MBA	Wide experience in Automobile Industry.	1. Toray Auto Industries Pvt. Ltd. 2. Lumax Automotive Care Ltd. 3. Nine Land Developers Ltd. 4. Rich Auto Pvt. Ltd.	Nil
Mr. Vinay Panchmiya	26/08/1951	18/05/2004	B.Sc.	Wide experience in trading Business of furniture and garments	Nil	Nil
Mr. Milan Jain	03/12/1981	31/08/2010	B.B.A	8years experience in auto industry.	Nil	Nil

DIRECTORS' REPORT

To the members of
LUMAX AUTOMOTIVE SYSTEMS LIMITED

Your Directors have pleasure in presenting the 11th Annual Report together with audited accounts of the Company for the year ended 31st March 2011.

Financial Results:

The performance of the Company for the financial year is summarized as under:

	Rs in million	
	2010-2011	2009-2010
SALES (excluding excise duty)	1111.68	1004.77
Profit (before interest, dep. & tax)	128.80	87.29
(-) Interest	77.13	66.71
(-) Depreciation	43.72	56.80
Profit/Loss before extra ordinary items and tax	7.95	-
(+) Exceptional items income	6.64	-
(-) Prior Period Expenses	1.93	1.49
PROFIT /(LOSS) :	12.66	(37.71)
(-) Tax provision	2.83	2.84
(-) Deferred tax credit	0.10	5.56
(+) Balance in the P&L A/c b/f	20.41	55.07
(+) Transfer from revaluation reserve	0.33	0.33
PROFIT - for appropriation	30.47	20.42
Appropriation :		
Proposed equity dividend	-	-
Transfer to general reserve	-	-
Balance retained in P&L A/c	30.47	20.42

Dividend:

The directors regret their inability to recommend dividend for the year.

Operations:

Your Company's total turnover during the year under review was Rs. 1111.68 million as compared to Rs. 1004.77 million during the previous year, showing a rise of Rs. 106.91 million.

Directors:

In accordance with the requirement of the Companies Act, 1956 and Articles of Association of the Company, Mr. Vinay Panchmiya and Mr. Milan Jain are liable to retire by rotation and being eligible offer themselves for reappointment.

On May 23, 2011, Mr. U. K. Jain and Mr. Nitin Jain resigned from their positions as Managing Director and Executive Director respectively but they continue to hold the office of directors in the company. Mr. U. K. Jain still holds the position of chairman of the company. On May 24, 2011, Mr. Nitin Jain was appointed as the Managing Director in the company.

Mr. Parmod Kumar Gupta has been associated with the company as a director for about 11 months. He resigned from the directorship of the company with effect from July 11, 2011. The directors placed on record their appreciation for the valuable advices given by him during his tenure as an independent director of the company.

Brief resume of the directors re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of board committees, shareholding and relationships between directors inter-se, as stipulated under clause 49 of the listing agreements with the stock exchanges, are annexed elsewhere in this report.

Subsidiary Company:

As per share sale purchase agreement between the Company and Magna Donnelly Corporation, the joint venture of the company was terminated. The company has sold the holding of Lumax Automotive Components Systems Private Limited (formerly known as Lumax Magna Donnelly Automotive Mirrors Private Limited) on March 28, 2011. Now Lumax Automotive Components Systems Private Limited is not the subsidiary company of the Lumax Automotive Systems Ltd.

Auditors and Auditors' report:

M/s R. JAIN & SANJAY ASSOCIATES, Auditors of the Company, are retiring at the conclusion of the ensuing Annual General Meeting of the Company and are eligible for reappointment and have confirmed that their reappointment if made, shall be with in the limits of the section 224 (1B) of the Companies Act, 1956. The board recommends the reappointment of M/s R. JAIN & SANJAY ASSOCIATES as Auditors of the Company. The observations of the Auditors in their report are self-explanatory and do not call for any further comments from the directors.

Management Discussion and Analysis Report:

A report on Management Discussion and Analysis as required under clause 49 of the listing agreement is annexed elsewhere.

Corporate Governance:

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the auditors of the Company confirming the compliance of Clause 49 of listing agreement is included in the annual report.

Deposits:

During the year the Company has not accepted or invited any deposit from public within the meaning of section 58A of the Companies Act, 1956 and the rules made there under.

Particulars of Employees:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Director's Report.

However, having regard to the provisions of section 219(1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any members interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

Listing:

The equity shares of your Company are listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has been complying with all the clauses of the listing agreement and the Company has paid the requisite listing fees to both the stock exchanges.

Disclosure u/s 217(1)(e):

Information as per section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Directors) Rule, 1988, details are given below.

Conservation of energy:

The Company has always been conscious about the need for conservation of energy. Electricity and Fuel consumption per unit of production were monitored regularly at all the manufacturing plants and corrective actions taken as needed. During the period the Company has made additions in the machinery to the extent of Rs. 26.84 Lac.

Technology absorption:

In filter segment the Company has obtained technical assistance from Toyo-Roki Manufacturing Company Ltd., Japan.

Foreign Exchange Earning and Outgo:

This information is given in notes to accounts at point No.9 and 10.

Directors' Responsibility Statement u/s 217(2AA):

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors based on the representation received from the operative management, confirm that:

- in the preparation of the annual accounts, all the applicable accounting standards have been followed and there are no material departures (Subject to point no. 4 (d) of the auditors report) ;
- they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- they have prepared the annual accounts on a going concern basis.

Industrial Relation:

Your Company has taken significant steps in developing human resource and strengthening human resource systems. During the year under review, industrial relation in the Company continues to be cordial and peaceful.

Acknowledgement:

The board wishes to thank the Company's esteemed customers, associates, suppliers its shareholders and investors for their continued support and co-operation.

Place: New Delhi

Date: 27/08/2011

For & On behalf of the Board of Directors

U. K. Jain
Chairman

Nitin Jain
Managing Director

Lumax Automotive Systems Ltd.

CORPORATE GOVERNANCE REPORT

Company's Philosophy

The Company firmly believes that any meaningful policy on the corporate governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibilities to meet shareholders and stakeholders aspirations. The Company recognizes the importance of corporate governance for the efficient conduct of business and committed to attain the corporate governance of the high standards and maximize the long-term shareholder value in a legal and ethical manner, ensuring fairness, courtesy and dignity in all transactions of the Company.

Board of Directors

The board of directors comprises of six directors out of which three are non-executive directors. The Board consists of three promoter directors, being one managing director, and two executive directors. The Company has an Executive Chairman and half of the total number of directors comprises of independent director. During the year under review 10 board meetings were held on May 15, 2010, June 24, 2010, August 13, 2010, August 28, 2010, August 31, 2010, October 25, 2010, November 13, 2010, January 4, 2011, January 18, 2011, February 14, 2011. Details of composition and category of the Board, attendance of Directors in the Board Meetings and last AGM, number of directorships and chairmanships/memberships of committee of each director held in other public companies are shown below:

Name of Director	Category	No. of Board Meeting attended	Last AGM attended	No. of Directorship in other public companies	No. of Committee positions held in other Public companies		Relationship, Inter-se
					Chairman	Member	
U.K. Jain	Executive Chairman, Promoter	10	Yes	-	-	-	Related as father to Mr. Nitin Jain
Nitin Jain	Executive, Promoter	10	Yes	-	-	-	Related as son to Mr. U.K. Jain
Milan Jain	Executive, Promoter	6	Yes	-	-	-	Related as son to Mr. U.K. Jain
Vinay Panchmiya	Non-Executive, Independent	10	No	-	-	-	Not related to any Director
Prem Das Gandhi	Non-Executive, Independent	10	Yes	-	-	-	Not related to any Director
Parmod Kr. Gupta	Non-Executive, Promoter	6	No	-	-	-	Not related to any Director

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company, which is also available on the website of the Company. All Board members and senior management that includes Company executives who report affirmed their compliance with the said Code. A declaration signed by the Chairman and Managing Director to this effect is provided elsewhere in the Annual Report.

Audit Committee

The Company constituted Audit Committee w.e.f. 18th May 2004 in terms of the provisions of Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

The terms of reference of the Audit Committee of the Company includes all activities stipulated under Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement and, inter-alia, includes overseeing the audit functions, review of Company's financial performance, review of critical findings of internal audit, review of financial reporting systems & processes, review of the quarterly, half yearly and annual financial statements and other financial disclosures including their adequacy, correctness and credibility.

The Audit Committee comprises of three non-executive directors with majority of them being independent Directors.

Composition of the Audit Committee: -

Name of the Directors	Meetings held	Meeting attended
Mr. Vinay Panchmiya - Chairman	5	5
Mr. Prem Das Gandhi- Member	5	5
Mr. U. K. Jain - Member	5	5

Mr. Prem Das Gandhi is having financial and accounting Knowledge. The Company Secretary acts as a Secretary of the Committee.

During the year, the Committee met 5 times on May 15, 2010, August 13, 2010, November 13, 2010, February 14, 2011 and March 31, 2011.

Remuneration Committee

The terms of reference of the Remuneration Committee in brief pertain to determine the Company's policy on and approve specific remuneration packages for Executive Directors after taking into account financial position of the Company, interest of the Company and shareholders etc.

During the year, the Committee met once on August 31, 2010.

Composition of the Remuneration Committee: -

Name of the Directors	Meetings held	Meeting attended
Mr. Parmod Kumar Gupta- Chairman	1	1
Mr. Prem Das Gandhi	1	1
Mr. Vinay Panchmiya	1	1

• Remuneration of whole time and Managing Directors:

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Total (Rs.)
Mr. U.K. Jain, Managing Director	1440000	346211	1786211
Mr. Nitin Jain, Executive Director	1200000	648250	1848250
Mr. Milan Jain, Executive Director	935000	179042	1114042

None of the Non Executive Directors is drawing any remuneration.

Shareholders' Committee

The objective of the Committee is to monitor the redressal of shareholders and Investors complaints relating to transfer of shares, non-receipt of Annual Report, issue of duplicate shares etc.

During the period under review, 2 Shareholders' Committee meetings were held on August 13, 2010 and February 14, 2011

Composition of the Shareholders' Committee: -

Members	Meetings held	Meeting attended
Mr. Prem Das Gandhi- Chairman	2	2
Mr. U.K. Jain	2	2
Mr. Nitin Jain	2	2

Ms. Monika Gupta, Company Secretary is the Compliance Officer of the Company.

During the year the Company received one complaint, which has been completely resolved to the satisfaction of stakeholder. As on date, there is no pending complaint of any stakeholder.

General Body Meeting:

Details of the Annual General Meeting held during the last three years are as follows: -

Year	Date	Time	Venue	Special Resolution Passed
2009-10	30/09/2010	10.00 A.M.	The Executive Club, New Delhi	N.A.
2008-09	24/09/2009	10.00 A.M.	The Executive Club, New Delhi	N.A.
2007-08	26/09/2008	10.00 A.M.	The Executive Club, New Delhi	N.A.

The special resolution was not put to vote through postal ballot.

Disclosure

- During the year under review, the Company had entered into transactions in the normal course of business with some of the entities in which some of the directors are interested and which have been disclosed adequately in the notes forming part of the accounts. There was no potential conflict of interest with that of the Company.
- The Company has complied with various rules and regulations prescribed by the stock exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authorities on all matters relating to the capital markets, and no penalties or strictures have been imposed on the Company by any of them in this regard during the last three years.
- The Company has followed the accounting standards laid down by the Institute of Chartered Accountants of India.
- The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement. Non-mandatory requirements relating to Remuneration Committee have been adopted by the Company.

Means of Communication

- The Company publishes un-audited Quarterly financial results normally in "Financial Express" (English) and "Jansatta" (Hindi) Newspapers. The results are promptly furnished to the Stock Exchanges for display on their respective website.
- Management discussion and analysis forms the part of the Annual Report.

General information to shareholders:

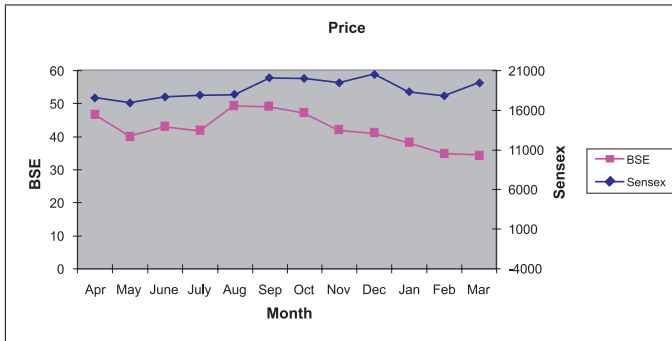
- **Date and Venue of the AGM** : 28th September 2011 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074
- **Financial Year** : 1st April to 31st March.
- **Book Closure Date** : 20th Sept. to 28th Sept. 2011 (both days inclusive)
- **Listing on Stock Exchanges & (Stock Code)** : The Stock Exchange, Mumbai (532537)
National Stock Exchange (Lumaxauto)
ISIN No. "INE547G01019"
No dues are pending towards Listing Fee.

● Stock Market Data

Stock Exchange	The Stock Exchange, Mumbai		National Stock Exchange of India Ltd.	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Mar-11	38.85	32.80	38.10	32.20
Feb-11	42.00	33.00	42.10	33.30
Jan-11	47.50	38.20	48.10	36.15
Dec-10	43.40	36.20	43.00	35.00
Nov-10	53.00	38.50	53.40	39.35
Oct-10	54.40	47.00	54.00	47.00
Sep-10	55.00	47.25	59.80	47.65
Aug-10	57.65	42.90	57.55	42.25
Jul-10	45.40	40.20	49.90	40.30
Jun-10	48.80	38.40	48.80	37.10
May-10	47.60	37.15	47.00	37.40
Apr-10	51.95	38.15	51.45	38.05

Lumax Automotive Systems Ltd.

Share Price Performance :



- **Registrar and Transfer Agent** : Skyline Financial Services Private Limited
D-153 A, Okhla Industrial Area, Phase - I, New Delhi - 110 020
Ph : 26292682-83, Fax: 26292681

- **Share Transfer System** :
The Company has appointed M/s Skyline Financial Services Private Limited as the common agency to handle electronic as well as physical transfer of shares. The Company ensures that physical transfers are generally registered in less than 15 days, if documents are clear in all respect.

- **Distribution of Shareholding** : As on 31st March, 2011

No. of Shares	No. of Shareholders		Total Shares	%
	Number	%		
Up to 500	18388	98.05	750848	10.14
501 – 1000	195	1.04	152424	2.06
1001 – 2000	83	0.44	121368	1.64
2001 – 3000	21	0.11	51541	0.70
3001 – 4000	14	0.07	47257	0.64
4001 – 5000	8	0.04	36613	0.49
5001 – 10000	10	0.05	62218	0.84
10001 and above	34	0.18	6181837	83.49
Total	18753	100.00	7404106.00	100.00

- **Shareholding pattern** : As on 31st March, 2011

Category	No. of shares held	(%) of shareholding
Promoters/Group Companies	5356464	72.34
Mutual Funds & UTI	1240	0.02
Banks/Financial Institutions	485	0.01
FIs	110	0.00
Private Corporate Bodies	553111	7.47
Indian Public	1485339	20.06
NRIs/OCBs	7357	0.10
Any other (clearing member)	0	0.00
Total	7404106	100

- **Dematerialization of shares and liquidity**
As on 31st March 2011, 70.66% of the Paid up equity capital of the Company was in the dematerialized mode. The shares of the Company are tradable compulsorily in electronic form.

- **Outstanding GDRs/ADRs/ Warrants**
The Company has not issued any GDRs/ADRs/ Warrants or Convertible instruments.

- **Plant Locations: Haryana**
 - Plot No. 78, Sector-6, Faridabad
 - Plot No.46, Sector-3, IMT, Manesar, Gurgaon
 - 10, Indraprastha Estate, 12/2, Mathura Road, Faridabad
- **Maharashtra**
 - D-2/44, MIDC Industrial Area, Chinchwad, Pune
 - D-2 Block, Plot No.29/5, MIDC Industrial Area, Chinchwad, Pune
 - C-10, MIDC Industrial Area, Waluj, Aurangabad

- **Correspondence Address: Of the Company-**
Ms. Monika Gupta, Company Secretary
Lumax Automotive Systems Limited,
63-64, Gokhale Market, Delhi-110054
Ph. :011-23914320-21, Fax: 011-23916350
e-mail : cs@lumaxauto.com

- **Regarding Shares-**
Skyline Financial Services Private Limited
D-153 A, Okhla Industrial Area, Phase - I,
New Delhi - 110 020
Ph: 011-26812682-83-84
e-mail:admin@skylinerta.com

E-mail id for :
investor grievances

cs@lumaxauto.com

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview

The Company has been engaged in the business of manufacturing auto-components like rear view mirrors, automotive filters & plastic moulded parts and had been doing reasonably well in the past. But in the last year due to slowdown of economy production has been came down. But now due to steady economic recovery & growth, improved consumer sentiments from the last previous year when they were dampened due to global meltdown, reduced interest rates, & better money supply industry production has contributed growth into the GDP for this year is 8.6%. According to Society of Indian Automobile Manufacturers (SIAM), sales of vehicles have been grown this year. During the year sales in passenger vehicles has been grown by 29.16%. sales in commercial vehicles has been grown up by 26.97%, while medium & heavy vehicles sales grown up by 31.78% and light commercial vehicles sales grown up by 22.88% in the same period. The Indian Automotive Industry will continue to grow, however there will be moderation in growth. Overall, the Automotive Industry growth in FY 2011-12 will be around 14.1 percent over the previous year. The focus of the company during the year was on providing services to the customers of highest standard.

Opportunities & Threats

a) Opportunities

India is looked upon as a global hub for developing small cars. At a time when many major global auto markets declined, Indian carmakers were able to expand their overseas presence with exports from the country registering a robust growth. Indian Automobile industry recorded a 26.2% sales growth over the last year in domestic sales. The increase in exports was driven by the demand for small cars in the European nations, which offered incentives to customers for buying new cars in exchange for their old ones under a scrap page incentive program. The opening of other markets such as The Middle East, North Africa, and South America; other than Europe, will further boost exports of small cars from India and the overall growth momentum will be sustained with the help of strong domestic demand and increased thrust on export.

The Company has opportunities to increase significantly the production capacity by increasing its customer base.

b) Threats/Challenges

Auto loan rates are likely to increase further to tame the rising inflation. Rising loan rates will translate into increasing borrowing cost, thus consumers are likely to postpone their buying decisions. Inflation control being a priority for the Government, further tightening of the monetary policy is expected. Many of products run on diesel fuel which is becoming expensive globally and within its traditional home market.

Future Outlook

The automobile industry has deep forward and backward linkages with the economy and stands to benefit from the economic growth. Continued focus on road and infrastructure development, increase in industrial activity and launch of new models, would enable the Indian automotive industry to move on the higher growth trajectory. The automotive industry (OEM and auto components) is poised to become the third largest market by 2050. We, at Lumax, believe that we are well on our way to achieve our vision of being a "quality product at competitive price".

Risk & Concerns

Technology obsolescence is an inherent business risk in a fast changing world and speed of change and adaptability is crucial for survival of the business. The domestic, regional and global macro- economic environment directly influences the demand. Any economic slowdown may adversely impact the business. Any change in Govt. policies may adversely affect the demand/profitability of the product. The Company is taking appropriate steps to guard it against these identified risks.

Internal control systems and their adequacy

The company has a system of internal controls in place to ensure that all the transactions are properly recorded and authorized. The internal control system is supplemented by documentary policies and procedures. The same is further supplemented by a program of audits by the internal auditors who periodically present their observations to the audit committee.

The systems and procedures followed by the company give reasonable assurance for the security of its assets and protect against losses from unauthorized use or disposition and that the transactions are properly authorized, recorded and reported.

Risk Management

Your Company has sought advice from reputed consultants to assess its current risk management practices to ensure "best-in-class" risk management practices in accordance with new Clause 49 of the Listing Agreement.

The consulting firm has studied and mapped Lumax's processes across planning, marketing, production, quality, purchasing, legal, accounts and stores and submitted its recommendations to the management.

Environment, Health and Safety

We pay utmost attention to safety of our employees, related communities and environment at large. We are an environment conscious company. Most of our units are accredited with ISO/ TS 16949 certification. We have been developing products that help in improving environment.

Human Resources:

We consider our human resource to be our most important assets. We have developed a culture where a sense of belongingness and ownership of work are the key motivating factors. We continuously make efforts to upgrade the skills of our employees through training and development programs. Our endeavour is to provide world class training to create a world-class work force.

Segment-Wise Performance

The company operates only in the Automobile Component Segment and hence segment-wise reporting is not applicable to the company.

Cautionary Statement

Certain statements in this report on "Management Discussion and Analysis" are forward looking statements and which have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged.

DECLARATION BY THE CHAIRMAN AND MANAGING DIRECTOR AS PER CLAUSE 49 OF THE LISTING AGREEMENT

I hereby confirm that the Company has obtained an affirmation from all the members of the Board and Senior Management that they have complied with the Code of Conduct in the financial year 2010-11.

For Lumax Automotive Systems Limited

Nitin Jain
Managing Director

Place: New Delhi
Date: 27/08/2011

AUDITORS' REPORT

TO
THE MEMBERS,
LUMAX AUTOMOTIVE SYSTEMS LIMITED,
NEW DELHI.

1. We have audited the attached Balance Sheet of LUMAX AUTOMOTIVE SYSTEMS LIMITED, as at 31st March, 2011 and the annexed Profit & Loss Account and Cash Flow Statement for the year ended on that date in which are incorporated accounts audited by us and branch accounts audited by another auditor. The reports submitted by the branch auditor have been considered by us in the preparation of this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. We report subject to notes appearing in schedule 25, particularly note No.21 regarding Significant Accounting Policies as under:
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments, in the Annexure referred to above; we report that:-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from examination of those books;
 - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the balance sheet, profit and loss account and cash flow statement comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; subject to our observations that
 - (i) A liability as per actuarial valuation on account of earned leaves due to the employees including of earlier years amounting to Rs. 40.96 Lacs has not been provided in the accounting statements, which is contrary to AS-15 on Employees Benefits (Revised 2005)(refer note in Para 2 (ii) of schedule 25),
 - (ii) The company has not provided gratuity liability as per actuarial valuation of LIC for the financial years 2008-09 to 2010-11 amounting to Rs.1,46,45,842/-.
 - (iii) Inventories are valued at cost inclusive of taxes and duties which is contrary to the accounting standard AS-2(valuation of inventories), wherein the inventories should be valued at lower of the cost or net realizable value and exclusive of taxes paid which are subsequently recoverable from the taxation authorities,
 - (iv) No Provision has been made for interest in respect of delayed/ non payment to suppliers/ service providers which are registered under the provisions of The Micro, Small or Medium Enterprises Development Act, 2006 as well as in respect of delayed payments/ outstanding payments in respect various statutory dues such as provident fund, employees' state insurance, income tax, sales tax, excise duty, cess and other statutory dues,

- (v) The company is carrying forward old inventories for the past several years and is valuing the same at cost. In our opinion the old inventories which is unusable for manufacturing purpose and is in obsolete nature should have been valued at realizable value and provision for loss in value should have been provided by the company, and
 - (vi) The company has not made any provision for doubtful debts amounting to Rs.36,633,125/- which are considered doubtful of recovery. In our opinion most of the doubtful debts are bad in nature and company should have made the provision for the same.
- e) On the basis of written representations received from the directors as on 31st March 2011, and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required subject to our observations in para. 4(d) above and give a true and fair view:
 - a) In the case of the balance sheet, of the State of the Company's affairs as at 31st March 2011;
 - b) In the case of the profit and loss account, of **Profit** for the year ended on that date; and
 - c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

FOR R.JAIN & SANJAY ASSOCIATES,
FIRM REGISTRATION NO.012377N
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI
DATE: 27th AUGUST, 2011

CA-SANJAY JAIN
(PARTNER)
MEMBERSHIP NO: - 88027

AUDITORS' CERTIFICATE AS PER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of
Lumax Automotive Systems Limited.

We have examined the compliance of conditions of Corporate Governance by Lumax Automotive Systems Limited for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R. Jain and Sanjay Associates
Chartered Accountants

Sanjay Jain
Partner

Place: New Delhi
Date: 27/08/2011

Annexure referred to in Paragraph 3 of our report of even date on the accounts of Lumax Automotive Systems Limited for the year ended 31st March, 2011.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. All the fixed assets have not been physically verified by the Management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. We are informed that no material discrepancies were noticed on verification.
- (b) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
2. (a) The Management has conducted physical verification of inventory at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Act.
- (b) The company has taken interest bearing unsecured loans from Directors and companies covered in the register maintained u/s 301 of the Act. The number of the parties and maximum amounts involved during the year were seven and Rs.72,073,414/- and the year end balance of loans taken from such parties was Rs.30,920,224/-. The rate of interest and other terms and conditions of the loans taken are not prima facie prejudicial to the interest of the Company. There is no stipulation in respect of repayment of principal amounts and interest thereon.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of examination of the books and records of the Company, and according to the information and explanation given to us, as per the checking carried out in accordance with the auditing standards generally accepted in India, neither we have observed nor we have been reported for any continuing failure to correct major weaknesses in internal control systems.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained u/s 301 of the Act.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Act.
7. The Company has an internal audit system, which in our opinion, is commensurate with its size of the Company and the nature of its business.
8. 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 u/s 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the records examined by us, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess have not been regularly deposited with the appropriate authorities and *there have been delays in large number of cases.*
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, excise duty, cess and *other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable are Rs. 2,62,80,200/-.*
10. The company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institution. There were no dues to debenture holders during the year.
12. According to the information and explanation given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit-fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003(As Amended) are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. The other provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003, (As amended) are not applicable to the company.
15. According to the information and explanations given to us the Company has not given guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained.
17. Based on examination of documents, records and fund flow statement made available to us and on the basis of information and explanations given to us, the Company has not used funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained u/s 301 of the Companies Act, 1956.
19. The Company has neither issued nor had any outstanding debenture during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting a true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit nor we have been informed of such cases by the management.

**FOR R.JAIN & SANJAY ASSOCIATES,
FIRM REGISTRATION NO.012377N,
CHARTERED ACCOUNTANTS**

PLACE: NEW DELHI
DATE: 27th AUGUST, 2011

**CA-SANJAY JAIN
(PARTNER)
MEMBERSHIP NO: - 88027**

Lumax Automotive Systems Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31.03.2011		As at 31.03.2010	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
1 SOURCES OF FUNDS					
(i) Shareholders Funds:					
Share Capital	1	74,041,060		74,041,060	
Reserves & Surplus	2	308,249,687	382,290,747	298,530,665	372,571,725
(ii) Loan Funds:					
Secured Loans	3	368,770,120		316,814,624	
Unsecured Loans	4	177,037,002	545,807,122	226,912,683	543,727,307
(iii) Deferred Tax liability (Net)			25,529,157		25,421,177
Total			953,627,026		941,720,209
2 APPLICATION OF FUNDS					
(i) Fixed Assets:	5				
Gross Block		1,005,568,397		972,526,573	
Less: Depreciation to date		396,775,742		353,448,107	
Net Block		608,792,655		619,078,466	
Add: Capital work- in - progress		13,514,913	622,307,568	22,991,087	642,069,553
(ii) Investments:	6		1,462,382		34,662,382
(iii) Current Assets, Loans & Advances:					
Inventories	7	308,631,826		281,513,960	
Sundry Debtors	8	287,490,297		260,225,357	
Cash and Bank Balances	9	2,994,424		29,289,752	
Loans & Advances	10	52,010,641		65,647,714	
		651,127,188		636,676,784	
Less :Current Liabilities and Provisions					
Current Liabilities	11	350,385,882		392,539,356	
Provisions	12	10,688,424		7,988,424	
		361,074,306		400,527,780	
Net Current Assets			290,052,882		236,149,004
(iv) Miscellaneous Expenditure :	13		39,804,194		28,839,270
(To the extent not written off or adjusted)					
Total			953,627,026		941,720,209
NOTES ON ACCOUNTS	25				

Schedule 1 to 13 and Notes on Accounts in Schedule 25 form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date for **R.JAIN & SANJAY ASSOCIATES**
Firm Registration No. - 012377N
 CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD

(CA-SANJAY JAIN)
 PARTNER
 MEMBERSHIP NO: 88027
 PLACE: NEW DELHI
 DATED: 27TH AUGUST 2011

(A.K. GOEL)
 CHIEF FINANCIAL OFFICER

(MONIKA GUPTA)
 COMPANY SECRETARY

(U.K.JAIN)
 CHARIMAN

(NITIN JAIN)
 MANAGING DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	For the Year ended 31.03.2011		For the year ended 31.03.2010	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
1 INCOME					
Sales	14	1,111,688,708		1,004,772,562	
Other Income	15	598,375		658,014	
Accretion in Stock	16	12,160,044		6,263,720	
			1,124,447,127		1,011,694,296
2 EXPENDITURE					
Raw Material Consumed	17	632,401,090		568,796,140	
Cost of Purchases of Traded Goods		34,996,920		3,641,108	
Manufacturing & Operating Expenses	18	203,781,355		211,340,679	
Personnel Expenses	19	72,289,481		65,774,088	
Administrative Expenses	20	29,788,519		30,914,985	
Selling & Forwarding Expenses	21	22,392,067		39,649,131	
Interest & Finance Charges	22	77,127,893		66,713,707	
Depreciation		43,715,491		56,808,088	
Loss on sale of fixed assets		-	1,116,492,816	4,283,758	1,047,921,684
3 PROFIT / (LOSS) BEFORE TAX, EXCEPTIONAL & PRIOR PERIOD ITEMS			7,954,311		(36,227,387)
EXCEPTIONAL ITEMS	23		6,640,000		-
PRIOR PERIOD ITEMS	24		(1,929,924)		(1,491,372)
4 PROFIT / (LOSS) BEFORE TAXATION			12,664,387		(37,718,760)
Less: Provision for Taxation					
In respect of earlier year(s)		137,384		2,838,161	
For Current year		2,700,000		-	
For Deferred Tax (Assets)/Liability		107,980		(5,564,330)	
For Fringe Benefit Tax		-	2,945,364	-	(2,726,169)
NET PROFIT / (LOSS) AFTER TAX			9,719,023		(34,992,591)
Add: Balance Brought forward from previous year			20,416,481		55,073,654
Transferred from Revaluation Reserve			335,418		335,418
P BALANCE CARRIED FORWARD			30,470,921		20,416,481
Earning per share					
Basic & Diluted {Nominal value of shares of Rs. 10 (previous year: Rs. 10)}			1.31		(4.73)
NOTES ON ACCOUNTS	25				

Schedule 14 to 24 and Notes on Accounts in Schedule 25 form an integral part of the Profit & Loss Account

This is the Balance Sheet referred to in our report of even date for **R.JAIN & SANJAY ASSOCIATES**

Firm Registration No. - 012377N
CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD

(CA-SANJAY JAIN)
PARTNER
MEMBERSHIP NO: 88027
PLACE: NEW DELHI
DATED: 27TH AUGUST 2011

(A.K. GOEL)
CHIEF FINANCIAL OFFICER

(MONIKA GUPTA)
COMPANY SECRETARY

(U.K.JAIN)
CHARIMAN

(NITIN JAIN)
MANAGING DIRECTOR

Lumax Automotive Systems Ltd.

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31.03.2011 (Rs.)		As at 31.03.2010 (Rs.)	
SCHEDULE-1				
SHARE CAPITAL				
1	Authorised:			
	120,00,000 (120,00,000) Equity Shares of Rs. 10/- each		120,000,000	120,000,000
		120,000,000		120,000,000
2	i) Issued and Subscribed:			
	74,04,106 (74,04,106) Equity Shares of Rs. 10/- each		74,041,060	74,041,060
		74,041,060		74,041,060
	ii) Called & Paid-up :			
	74,04,106 (74,04,106) Equity Shares of Rs. 10/- each Out of the above (i) 41,73,866 equity shares of Rs. 10/- each were allotted in financial year 2003-04 as fully paid-up without payment being received in cash and issued pursuant to scheme of demerger of Lumax Industries Ltd. with the company		74,041,060	74,041,060
	(ii) 31,79,990(31,79,990) equity shares of Rs.10/- each were allotted in financial year 2005-06 as fully paid up without payment being received in cash and issued pursuant to scheme of amalgamation of Toshi Auto Industries Pvt Ltd. and Metal Pressing Industries Pvt. Ltd.			
		74,041,060		74,041,060
	As at 01.04.2010 (Rs.)		Additions/ (Deductions) (Rs.)	As at 31.03.2011 (Rs.)
SCHEDULE-2				
RESERVES & SURPLUS				
i)	Capital Reserve	20,003,000		20,003,000
ii)	Capital Revaluation Reserve*	227,878,837	(335,418)	227,543,419
iii)	General Reserve	30,232,347	-	30,232,347
		278,114,184		277,778,766
iv)	Profit & Loss Account	20,416,481	10,054,441	30,470,921
		298,530,665		308,249,687

* The additional depreciation relatable to revaluation of fixed assets has been adjusted against revaluation reserve by transferring to profit & loss account

**SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011**

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE-3 SECURED LOANS		
i) Term Loans		
a) ICICI Bank /HDFC Bank/Dhanlaxmi Bank /Citi Corporation Maruti Udyog Ltd. (Secured against Cars)	9,347,183	4,511,518
b) HSIIDC (Secured against Plant & Machinery at Gurgaon & Manesar and Equitable mortgage of factory Lands & Buildings situated at Gurgaon & Manesar, Residential Plot at Manesar & on specific machine of Pune Unit-II)	95,404,613	112,786,169
c) Syndicate Bank (Medium Term Loans for working capital- Hypothecation of stocks, book debts, Plant & Machinery, furniture and equipmet of unit at Sector-6 Faridabad, Aurangabad, Chinchwad Pune, Pimpri Pune and Manesar and Equitable mortgage of factory lands and buildings situated at Sector-6 Faridabad, Aurangabad, Chinchwad Pune Pimpri Pune and second charge of factory land & building of Gurgaon and Manesar)	35,802,051	49,447,623
d) IDBI Bank (Long Term Loan secured against first charge on the land and building of the promotor located at Faridabad and equitable mortgage of factory land and building located at Manesar & Gurgaon (third charge).	28,170,143	24,508,055
e) Tata Capital Ltd (Secured against land and building situated at Daultabad, Gurgaon and Land, building and Machinery of Pune Unit-II) (The loans are personally guaranteed by Mr U.K. Jain, Mr. Nitin Jain and Mrs. Kamlesh Jain, the directors/promoters of the company) (Repayable within a year Rs. 647.16 Lacs (Rs. 547.17 Lacs)	14,101,795	20,580,274
	182,825,785	211,833,639
ii) Working Capital Loans		
a) Syndicate Bank (Working capital limit are secured by way of Hypothecation of stocks, book debts, Plant & Machinery, furniture and equipmet of unit at Sector-6 Faridabad, Aurangabad, Chinchwad Pune, Pimpri Pune and Manesar and Equitable mortgage of factory lands and buildings situated at Sector-6 Faridabad, Aurangabad, Chinchwad Pune Pimpri Pune and second charge of factory land & building of Gurgaon and Manesar)	115,492,654	93,476,218
b) IDBI Bank (Working Capital Loan secured against first paripasu charge along with syndicate bank on current assets of the company. (The loans are personally guaranteed by Mr. U.K.Jain, Mr. Nitin Jain and Mrs. Kamlesh Jain, the directors/promoters of the company)	70,451,681	11,504,767
	185,944,335	104,980,985
	368,770,120	316,814,624
SCHEDULE-4 UNSECURED LOANS		
a) Advances from Customers (interest free)	7,335,825	19,108,350
b) Liability for Sales Tax Deferment (interest free) (Refer Note No. 2(iii) of Notes on Accounts)	8,959,858	9,257,295
c) Inter corporate deposits (with interest)	8,140,055	7,523,154
d) Others including Directors & their Relatives (with interest)	152,601,264	191,023,884
	177,037,002	226,912,683

SCHEDULE-5

FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.10	Additions Made	Sales / Adjustments	Total as at 31.03.11	Up to 31.03.10	For the year	Adjustments	Total	Value as at 31.03.11	Value as at 31.03.10
TANGIBLE ASSETS:										
1) LAND (FREE HOLD)	205,015,884	-	-	205,015,884	-	-	-	-	205,015,884	205,015,884
2) LAND (LEASE HOLD)	28,984,387	-	-	28,984,387	-	-	-	-	28,984,387	28,984,387
3) BUILDINGS	146,409,212	-	-	146,409,212	20,816,230	4,829,025	-	25,645,255	120,763,957	125,592,982
4) PLANT & MACHINERY	331,776,376	2,684,099	(442,000)	334,018,475	136,925,581	21,495,745	(117,222)	158,304,104	175,714,371	194,850,796
5) PLASTIC MOULDS	186,305,450	18,000,000	-	204,305,450	164,151,496	11,932,591	-	176,084,087	28,221,363	22,153,954
6) DATA PROCESSING	6,923,205	2,580,040	(516,360)	8,986,885	4,918,973	1,080,822	(270,636)	5,729,160	3,257,726	2,004,232
7) FURNITURE & ELECT. FANS	20,045,126	135,654	-	20,180,780	7,756,655	1,201,840	-	8,958,494	11,222,285	12,288,470
8) OFFICE & ELECTRIC APPLIANCES	19,324,635	888,343	-	20,212,978	10,574,965	1,207,851	-	11,782,816	8,430,163	8,749,670
9) VEHICLES	27,610,568	9,712,048	-	37,322,616	8,267,324	1,962,350	-	10,229,674	27,092,941	19,343,244
INTANGIBLE ASSETS:										
10) M & M RESORTS LTD. (TIME SHARING RIGHT)	131,730	-	-	131,730	36,883	5,269	-	42,152	89,578	94,847
TOTAL	972,526,573	34,000,184	(958,360)	1,005,568,397	353,448,107	43,715,492	(387,858)	396,775,742	608,792,655	619,078,466
PREVIOUS YEAR TOTAL	971,073,215	13,807,266	(12,353,907)	972,526,573	301,210,166	56,808,088	(4,570,149)	353,448,107	619,078,466	-


SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31.03.2011		As at 31.03.2010	
	No. of shares	(Rs.)	No. of shares	(Rs.)
SCHEDULE-6				
INVESTMENTS (LONG TERM- AT COST)				
i) Trade				
a) Equity shares of Deepak Auto Ltd. Of Rs. 10/- each, fully paid-up (unquoted)	274,590	1,352,900	274,590	1,352,900
b) Equity shares of Lumax Industries Ltd. Of Rs. 10/- each, fully paid-up (quoted)	1,080	80,250	1,080	80,250
c) * Equity shares in subsidiary company- Lumax Automotive Components Systems (P) Ltd.- formerly Known as Lumax Magna Donnelly Automotive Mirrors P Ltd. Rs. 10/- each, fully paid-up (unquoted) * sold 3320000 Equity Shares for Rs. 3,98,40,000/- during the year	-	-	3,320,000	33,200,000
ii) Others- Quoted				
a) Equity Shares of Reliance Industries Ltd. of Rs 10/- each, fully paid up (Bonus of 200 Equity Shares received during the year)	400	29,232	200	29,232
b) Equity shares of Reliance Infrastructure Ltd of Rs. 10/- each, fully paid-up	15		15	
c) Equity shares of Reliance Capital Ltd of Rs. 10/- each, fully paid-up	10		10	
d) Equity Shares of Reliance Communication Ltd. Of Rs. 5/- each, fully paid-up	200		200	
e) Equity Shares of Reliance Natural Resources Ltd of Rs. 10/- each, fully paid-up	-		200	
f) Equity Shares of Reliance Power Ltd of Rs. 10/- each, fully paid-up on account of Merger with Reliance Natural Resources Ltd.	50		-	
		1,462,382		34,662,382
(Mkt value of quoted investments Rs. 849,494/- (Rs.685,581/-) (Aggregate book value of quoted investments Rs. 109482 (Rs.109482) (Aggregate book value of unquoted investments Rs.1352900 (Rs.34552900)				
	As at 31.03.2011		As at 31.03.2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
SCHEDULE-7				
INVENTORIES				
[As taken, valued and certified by the Management]				
Raw Material	193,180,781		174,493,387	
Finished Goods	14,390,128		11,187,983	
Semi- Finished Goods	97,503,045		88,521,446	
Store & Packing Material	3,403,411		5,297,132	
Scrap Material	154,462		178,162	
Stock in Transit	-		1,835,850	
		308,631,826		281,513,960
SCHEDULE-8				
SUNDRY DEBTORS (Unsecured)				
Debtors outstanding for more than six months				
Considered good & as certified by the Management	37,886,086		77,727,006	
- Considered Doubtful not provided for	36,633,125		-	
- Other Debtors (Considered good)	212,971,085		182,498,351	
		287,490,297		260,225,357
SCHEDULE-9				
CASH AND BANK BALANCES				
Cash in hand	1,426,815		275,660	
Balances in banks Current Accounts	933,391		28,417,551	
Fixed Deposits (Margin Money)	634,218		596,541	
		2,994,424		29,289,752

Lumax Automotive Systems Ltd.

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31.03.2011		As at 31.03.2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
SCHEDULE-10				
LOANS AND ADVANCES				
[Unsecured - considered good unless otherwise stated]				
i) Advances recoverable in Cash or in kind or for value to be received		45,915,530		59,597,604
ii) Security Deposits		6,095,111		6,050,111
		52,010,641		65,647,715
SCHEDULE-11				
LIABILITIES				
a) Trade creditors	257,833,044		310,777,641	
b) Unclaimed Dividend	359,942		361,307	
c) Liabilities for Expenses	92,192,895		81,400,408	
		350,385,882		392,539,356
SCHEDULE-12				
PROVISIONS				
a) For Taxation	7,338,424		4,738,424	
b) For Fringe Benefit Tax	3,250,000		3,250,000	
		10,688,424		7,988,424
		361,074,306		400,527,780
SCHEDULE-13				
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
i) Preliminary Expenses (Share issue and registration expenses - Last balance)		3,469,083		3,469,083
ii) Deferred Revenue Expenditure				
a) Deferred VRS Expenditure				
Last Balance	23,798,386		19,616,632	
Add: Expenditure incurred during the year	23,735,567		12,506,645	
	47,533,953		32,123,277	
Less: Written off during the year	12,770,643	34,763,310	8,324,891	23,798,386
b) New Project (Bike): - Last balance		1,571,801		1,571,801
		39,804,194		28,839,270

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2011**

	For the year ended 31.03.2011		For the year ended 31.03.2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
SCHEDULE-14 SALES				
Gross Sales		1,235,645,721		1,101,747,134
Less: Excise Duty		123,957,013		96,974,572
		1,111,688,708		1,004,772,562
SCHEDULE-15 OTHER INCOME				
Interest - (Tds : Rs. 8,016) Previous year Rs. 3,370	56,607			43,465
Dividend	418,032			415,895
Profit on Sales Fixed Assets	90,222			-
Miscellaneous Income	33,514	598,375		198,654
		598,375		658,014
SCHEDULE-16 ACCRETION/(DECRETION IN STOCK)				
i) <u>Closing Stock</u>				
Finished Goods	14,390,128		11,187,983	
Semi- Finished Goods	97,503,045		88,521,446	
Scrap Materials	154,462	112,047,635	178,162	99,887,591
ii) <u>Opening Stock</u>				
Finished Goods	11,187,983		9,466,735	
Semi- Finished Goods	88,521,446		83,969,891	
Scrap Materials	178,162	99,887,591	187,245	93,623,871
Net accretion in stock (i-ii)		12,160,044		6,263,720
SCHEDULE-17 RAW MATERIAL CONSUMED				
Opening Stock	174,493,387		123,849,115	
Add: Purchases	653,971,216	828,464,603	625,269,463	749,118,578
Less: i) Closing Stock	193,180,781		174,493,387	
ii) Sale of Scrap Materials	2,882,732	196,063,513	5,829,051	180,322,438
		632,401,090		568,796,140
SCHEDULE-18 MANUFACTURING AND OPERATING EXPENSES				
Wages and Salaries	104,688,044			111,339,151
Light, Power & Fuel	53,482,007			53,160,067
Packing Material Consumed	14,403,996			17,635,159
Consumable Stores	7,790,966			6,373,293
Repairs of Machinery	8,213,473			6,738,048
Other Manufacturing Expenses	15,202,869			16,094,961
		203,781,355		211,340,679

Lumax Automotive Systems Ltd.

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	For the year ended 31.03.2011 (Rs.)	For the year ended 31.03.2010 (Rs.)
SCHEDULE-19		
PERSONNEL EXPENSES		
Salaries & Allowances	49,362,877	45,435,397
Managerial Remuneration	4,629,703	2,947,500
Welfare (Staff and Labour)	11,768,907	9,955,653
Cont. to ESI/PF/Gratuity	6,527,994	7,435,538
	72,289,481	65,774,088
SCHEDULE-20		
ADMINISTRATIVE EXPENSE		
Printing & Stationery	1,038,744	1,323,479
Vehicle Maintenance	5,392,066	4,384,532
Rent, Rates and Taxes	1,974,446	4,337,651
Postage & Telephones	3,373,628	4,471,959
Legal & Consultancy Expenses	2,441,264	3,171,120
Auditors Fee and Remuneration	1,185,177	1,139,399
Research & Development Expenses	9,434	655,404
Travelling & Conveyance expenses	8,899,524	6,906,868
Gen. Repairs & Maintenance	1,834,455	2,712,116
Misc. Expenses	2,101,454	1,786,096
Bldg. Repairs & Maintenance	584,478	26,361
Royalty	953,849	-
	29,788,519	30,914,985
SCHEDULE-21		
SELLING AND FORWARDING EXPENSES		
Packing and Forwarding	15,749,693	24,191,833
Advertisement and Publicity	74,447	33,060
Sales Promotion	2,016,193	2,611,892
Service Charges	-	194,915
Bad Debts Written Off	983,503	1,566,581
Discount & Rebate	3,335,930	10,739,089
Commission	232,301	311,761
	22,392,067	39,649,131
SCHEDULE-22		
INTEREST AND FINANCE CHARGES		
Intt. to Banks and Financial Institutions	47,145,781	41,826,886
Intt. on Advances / Unsecured Loans	6,714,154	4,461,354
Intt. (Others)	2,996,372	3,420,167
Bank Charges& Bill Discounting Charges	20,271,586	17,005,300
	77,127,893	66,713,707
SCHEDULE-23		
EXCEPTIONAL ITEMS		
Profit on Sales of Investment	6,640,000	-
	6,640,000	-
SCHEDULE-24		
PRIOR PERIOD ITEMS		
Sales Promotion	174,643	-
Electricity Expenses	1,342,966	-
Misc Manufacturing Expenses	64,441	-
Vehicle Expenses	347,874	-
Interest	-	281,208
Salary & Allowances	-	1,210,164
	1,929,924	1,491,372

SCHEDULE-25 NOTES ON ACCOUNTS

1) General

The financial statements have been prepared to comply in all material respects in accordance with the notified Accounting Standards issued under Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956.

- 2) i) The Company has set-up its own gratuity fund which is covered under the group gratuity scheme with Life Insurance Corporation of India. Premium Liability in respect of gratuity payable to LIC for the three financial years ended on 31-03-09, 31-03-10 & 31-03-11 amounting to Rs. 14,645,842/- have not been provided in books of the company. The gratuity liability of the company as per LIC actuarial valuation as on 31-03-2011 is Rs. 34,453,437/- against which the LIC fund value is only Rs. 12,700,384/-.
- ii) Liability in respect of earned leave due to the employees as on 31/03/2011 as per actuarial valuation amounts to Rs.50.79 Lacs (Rs.72.90 Lacs) and out of which Rs 40.96 Lacs (Rs.63.07 Lacs) has not been provided in the books of the company. During the year company had paid earned leave expenses of Rs. 78,99,585/- to employees of the company who have resigned / retrenched by the company. The payment is charged to the profit & loss account of the current financial year 2010-11.
- iii) Under the scheme of demerger with Lumax Industries Ltd. sale-tax deferment liability in respect of rear view mirror division was transferred to the Company. However the approval and certificate for transfer of deferment of sale tax liability in the name of the Company from State Authority is awaited. The sale-tax deferred liability amounting to Rs 8,959,858/- (Rs. 9,257,295/-) have been included in unsecured loans.
- 3) i) **Other contingent liabilities not provided for :**
- Bonds given to Government Agencies & Counter Guarantees given to banks on behalf of the company Rs.12.40Lacs (Rs.12.40 Lacs)
 - Letter of credit outstanding Rs.447.30 Lacs (Rs.266.20 Lacs).
 - Bank guarantees given in favour of Government agencies Rs. 8.22 Lacs(Rs. 8.22 Lacs)
 - Liabilities towards disputed ESI Rs.NIL (Rs.NIL).
 - Liabilities towards disputed Labour cases not ascertained
- ii) **Outstanding capital commitments.**
Estimated amount of contracts remaining to be executed on capital accounts-Rs. 8.22 Lacs (Rs.4.45 Lacs)
- 4) i) Computation of net profit in accordance with section 198 of The Companies Act, 1956.

	2010-2011	2009-2010
Profit/(Loss) before Tax	12,664,387	(37,718,760)
Add / (Less)		
Director's Remuneration	4,629,703	3,015,900
(Profit) / Loss on sale of fixed assets	(90,222)	4,283,758
(Profit) / Loss on sale of Investment	(6,640,000)	-
Net profit u/s 198 of The Companies Act,1956.	10,563,868	(30,419,102)
11% of net profit as computed above*	11,62,025	-

Note: * Remuneration to Directors' has been paid under the provisions of Schedule XIII read with section 269, of the Companies Act, 1956.

ii) Managerial Remuneration (Other than Directors' Sitting Fee) :

(Rs.)

Particulars	2010-2011	2009-2010
Salaries	3,575,000	2,640,000
Contribution to PF	337,856	307,500
Value of perquisites	835,647	68,400
Total	4,748,503	3,015,900

5) Auditors' fee and Remuneration

(Rs.)

Particulars	2010-2011	2009-2010
Audit Fee	702,500	843,000
Taxation	255,000	190,000
Certification fee, service tax, Reimbursement of expenses, Limited Review & others	227,677	106,399
	1,185,177	1,139,399

6) i) Particulars of Licensed and Installed Capacity :

Class of Goods Manufactured	Licensed (*) Capacity (Nos.)	Installed(*) Capacity (Nos.)
Oil/Air Filters, Cleaners and Elements	N.A.	3,900,000 (3,900,000)
Rear View Mirrors	N.A.	4,800,000 (4,800,000)
Plastic moulded auto components	N.A.	22,500,000 (22,500,000)

(*) As certified by the management which has been determined on the basis of past production records and is an estimate which may change on account of changes in product mix. The same has been accepted by the Auditors, being a technical matter, without verification.

Lumax Automotive Systems Ltd.

ii) Particulars pertaining to finished goods:

Class of Goods Manufactured	Opening Stock		Production	Purchase	Turnover		Closing Stock	
	Qty. (Nos)	VALUE (Rs.)			Qty. (Nos)	Qty. (Nos)	VALUE (Rs.)	Qty. (Nos)
Oil/Air Filters, Cleaners & Elements	17,154 (31,608)	5,300,130 (3,972,765)	3,527,650 (3,174,275)	Nil (103,468)	3,485,367 (3,292,197)	632,837,218 (401,493,888)	59,437 (17,154)	9,660,919 (5,300,130)
Rear view Mirrors	15,749 (19,519)	2,017,079 (2,093,412)	395,676 (1,185,260)	302,538 (23,475)	703,595 (1,212,505)	75,268,268 (84,481,333)	10,368 (15,749)	896,521 (2,017,079)
Plastic Moulded Auto Components (See Note 3 below)	64,869 (130,068)	3,300,793 (3,210,232)	15,089,325 (16,341,725)	Nil (30,284)	14,986,069 (14,441,880)	352,693,602 (433,289,453)	168,125 (64,869)	3,815,484 (3,300,793)
Others (See Notes 1 & 2 below)		569,981 (190,326)				50,889,620 (85,507,888)		17,204 (569,981)
Total		11,187,983 (9,466,735)				1,111,688,708 (1,004,772,562)		14,390,128 (11,187,983)

Notes:

1. Comprise of large number of items such as components and parts of Air Cleaners/Filters, thereof such quantitative details have not been shown.
2. Total Turnover includes Job Work amounting to Rs. 1,016,121/- (Rs. 256,440/-)
3. Plastic moulded auto components used in house 2,344,523 (3,062,733) are excluded from production figure.
4. As compiled and certified by the Management.

7) Details of Raw Materials consumed :

Name of Items	Unit	Qty.	Value (Rs.)
Steel Sheet	M.TONES	450 (796)	19,459,922 (29,364,107)
Plastic Powder	M.TONES	2,437 (2,738)	156,595,745 (167,310,862)
Filter Paper	M.TONES/PCS.	58/3445565 (147/3002538)	161,962,202 (121,586,983)
Others			294,383,221 (250,534,189)
			632,401,090 (568,796,140)

Note: As compiled and certified by the Management

8) Value and percentage of Raw Materials and Stores Consumed :

Particulars	Raw Materials		Consumable Stores	
	%	Value(Rs.)	%	Value(Rs.)
Indigenous	81.57 (80.82)	515,759,563 (459,687,312)	100 (100)	7,790,966 (6,373,293)
Imported	18.43 (19.18)	116,641,527 (109,108,828)	Nil (Nil)	Nil (Nil)
		632,401,090 (568,796,140)		7,790,966 (6,373,293)

9) Expenditure/Payments in Foreign Currency :

Particulars	2010-2011 (Rs.)	2009-2010 (Rs.)
Raw Materials (CIF Value)	108,351,791/-	97,126,588/-
Foreign Travels	3,132,874/-	1,914,088/-
Royalty	953,849/-	Nil
	112,438,514/-	99,040,676/-

- 10) Earning in Foreign Currency:
Export Sale- Rs. 1,014,792/- (Rs. 4,290,632/-)
- 11) Based on the information available with the company, no suppliers/ service providers have informed/ confirmed of being registered as Micro, Small or Medium enterprises as at 31st March 2011 in terms of the provisions of "The Micro, Small, and Medium enterprises Development Act, 2006.
- 12) In terms of Note to Part II of Schedule VI of the Companies Act, 1956 quantity-wise disclosure have been only/ restricted to those items/ articles, which individually account for 10% or more of the total raw materials consumed/ turnover.
- 13) The business of the company falls within one primary business segment, namely automotive components, therefore, the requirement of disclosure as per AS-17 regarding "Segment Reporting" does not apply. The Company is primarily engaged in the business of Auto Components which are governed by the same set of risk & returns and hence there is only one segment. The said treatment is in accordance with the guiding principle enunciated in the Accounting Standard on segment reporting (AS-17).
- 14) Particulars of Companies/firms disclosed to comply with AS-18 on "Related Party Disclosure" in which the directors of the company exercise control over the composition of the Board of the directors/governing body are given here below. However, these do not have a potential conflict with the interest of the Company at large nor do they control or exercise significant influence over the interest of Lumax Automotive Systems Limited.
- i) Names of Related Parties with whom Transactions were carried out during the year:-

Key Management Personnel	Relatives/Enterprises of Relatives of Key Management Personnel	Associates/Enterprises controlled by Key Management Personnel
Mr. U.K. Jain Mr. Milan Jain Mr. Nitin Jain	Nytex Auto Industries Smt. Kamlesh Jain Lumax Industries Ltd Deepak Auto Pvt. Ltd.	Toray Auto Industries (P) Ltd. Lumax Automotive Component Systems Pvt. Ltd. Lucky Capital (P) Ltd. Nine Land Developers Pvt. Ltd. Lumax Automotive Care Ltd.

ii) Detail of Related Parties Transactions:-

S. No.	Account Head/Particulars	Key Management	Relatives/Enterprises of Relatives of Key Management Personnel	Associates/Enterprises Controlled By Key Management Personnel	Total Current Year	Total Previous Year
1	Dividend Income	—	415,125	—	415,125	—
2	Components/ Plastic Powder – Sale	—	—	23,207,220	23,207,220	20,692,140
3	Components/R.M. – Purchase	—	—	—	—	420,765
4	Managerial Remuneration	4,748,503	—	—	4,748,503	3,015,900
5	Interest on unsecured loans	4,181,349	1,709,933	822,872	6,714,154	3,949,043
6	Rent	240,000	774,000	—	1,014,000	1,802,065
7	Salaries & allowances	—	—	—	—	640,720
8	Purchase – Machinery	—	—	—	—	253282

- 15) 1) On March 31, 2011, Lumax Automotive Components Systems Private Limited (Formerly known as Lumax Magana Donnelly Automotive Mirrors Private Limited) is not the subsidiary company of Lumax Automotive Systems Ltd, as the company has sold its investment in its subsidiary company on March 28, 2011.
- 2) Accounting Standard- 27 is not applicable to the company during the year as the joint venture agreement was terminated on December 6, 2010 vide Shares Sale Purchase Agreement with the foreign partner. The information relating to the joint venture company of the previous year is as given below.

Name of the Joint Venture Company	Country of Incorporation	Proportion of Ownership Interest	Description of Interest
Lumax Automotive Components Systems Private Limited (Formerly known as Lumax Magana Donnelly Automotive Mirrors Private Limited)	India	73.78% (Allotted on 11/01/2007)	JV was established principally to develop (but not to design), manufacture, assemble and to sell automotive mirrors of passenger vehicles and inner door handles

The company's share in the aggregate amounts of each of the assets, liabilities, incomes, expenses, capital commitments and contingent liabilities as at/for the year ended 31st March, 2010 are as under :

Proportion of Company's interest in Joint Venture

	2009-10 (Rs.)
Assets	71,574,507
Liabilities	32,544,130
Income	100,501,736
Expenses	89,412,800
Capital Commitments	NIL

Notes: a) The above details represent proportionate amount of the Company's share in the Joint Venture as on 31-03-2010

16) Impairment of Assets

As stipulated in AS-28, the company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business. There is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

17) i) Taxation

The company is liable to pay the income tax for the year u/s 115JB (Book Profit) of the Income Tax Act and necessary provision for the same has been made.

ii) Deferred Tax liabilities/ Assets

The major components of Deferred Tax Assets and liabilities are given below:

Deferred Tax Assets:	(Amount in Rs)	
	31-03-2011	31-03-2010
-Expenses deductible on payment basis and unabsorbed business Losses, Depreciation & Long Term Capital Loss on Investment	28,984,9226	20,017,000
Deferred Tax Liabilities :		
-Difference between book and tax depreciation	42,966,581	37,349,107
Deferred VRS Expenditure claimed as Revenue expenditure under Income Tax Act	11,547,502	8,089,070
	<u>54,514,083</u>	<u>45,438,177</u>
Deferred tax liability as on 31/03/2011	25,529,157	25,421,177
Less: Deferred tax liability as on 31/03/2010	25,421,177	30,985,507
Deferred Tax liability/(Assets) for the year	<u>107,980</u>	<u>(5,564,330)</u>

18) i) Expenditure incurred towards compensation payments to employees on retirement / resignation are amortized in equal installment over five years as VRS scheme

ii) Expenditure incurred on new project (Bike) has been capitalized and will be amortised in the year of the implementation of the project/ production.

iii) Public issue expenses shall be written off in five equal installments from the financial year in which shares will be issued.

19) Miscellaneous

Sundry creditors, sundry debtors and loans and advances and rebates claimed include certain items for which confirmations are yet to be received and include certain long outstanding balances which are considered payable/ realisable as the case may be.

2010-11 2009-10

20) Earning Per Share (EPS):

Net (loss)/profit as per Profit & Loss A/c after taxation	9,719,023	(34,992,590)
Number of Equity Shares of Rs.10/- each at the beginning of the year	7,404,106	7,404,106
Total no. of Equity Shares	<u>7,404,106</u>	<u>7,404,106</u>
Weighted average number of Equity shares of Rs.10/- each at the end of the year for Calculation of basic and diluted EPS	7,404,106	7,404,106
Face value of equity share (Rs. Per share)	10	10
Basic & Diluted Earnings (in Rupees per Share)	1.31	(4.73)

21) ACCOUNTING POLICIES :

i) Method of Depreciation, Depletion & Amortization:

a) Depreciation of Fixed Tangible Assets has been computed on straight line basis on cost/enhanced cost in accordance with Schedule-XIV read with Section 205(2)(b) of the Companies Act, 1956 except in cases "where the assets have been identified/ retired from active use and where the assets are reduced to the estimated realizable value in the year of its retirement". However depreciation on plastic bins has been provided at 25%, keeping in view, the life of expectancy of the bins. The incremental depreciation on enhanced cost on account of revaluation is adjusted against revaluation reserve.

b) Cost of Leasehold Land is not being amortized over the period of lease and shall be amortised on termination/ renewal of lease agreements.

c) Intangible Assets-Amortisation of intangible assets is provided on straight-line method to allocate depreciable amount of an asset over its usual life.

ii) Conversion of Foreign Currency items:

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transactions and in case of purchase of materials and sales of goods, the exchange gains/losses on settlement during the year, are adjusted to respective accounts. In cases where the amount is not received/paid up to the Balance Sheet date, the conversion of foreign currency items have been accounted for at the rates prevailing as at the year end and material variance has been recognized in the Accounts.

iii) Valuation of Inventories:

Raw Materials, Components, Stores and Packing Materials are valued at Cost including taxes. Semi-finished goods valued at Estimated Cost including taxes. Finished goods are valued at cost inclusive of excise duty for which provision has been made. Custom duty on material lying in bonded warehouse is included in cost when it is actually paid/ incurred at the time of removal from the warehouse and this treatment has no impact on the profits of the Company.

iv) Research & Development:

The revenue expenditure on research & development is expensed out under the relevant head of accounts in the year in which it is incurred. However, expenditure which results in creation of capital tangible assets is treated in the same way as expenditure on other fixed assets.

v) Valuation of Fixed Assets:

The Fixed Assets of the Company are recorded at their historical cost of acquisition except otherwise stated (some of the assets are recorded at revalued amounts) including installation & commissioning expenses as reduced by accumulated depreciation to date. Fixed assets identified under asset rationalization programs are revalued from time to time and the deficit if any on account of the revaluation is recognised in the profit & loss statement of the relevant year.

vi) Investments

Investments are stated at cost. Dividend income is accounted for in the year in which it is received.

vii) Treatment of Contingent Liabilities:

Liabilities of a contingent nature are accounted for only on actual occurrence/final settlement of the liabilities.

viii) Retirement Benefits to Employees:

The company's contributions to schemes such as Provident Fund & Family Pension Fund are charged to Profit & Loss Account as and when accrued. The company also provides for retirement/post

retirement benefits in the form of Gratuity to all employees under scheme with the LIC wherein, liability towards the premium of the policy, based on actuarial valuation is charged to the Profit & Loss Account. However Liability in respect of gratuity for the three financial years ended on 31-03-09, 31-03-10 & 31-03-11 amounting to Rs. 14,645,842/- have not been provided in books of the company. The gratuity liability of the company as per LIC actuarial valuation as on 31-03-2011 is Rs. 34,453,437/- against which the LIC fund value is only Rs. 12,700,384/-. Also provision for leave encashment amounting to Rs. 40.96 Lacs (Rs.63.07 Lacs) is not made since the liability is of a fluctuating nature from year to year and is accounted for only at the time of retirement of the employees. (Read along with note No. 2(ii))

- ix) Expenditure on New projects and Substantial Expansion:
Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction Period is capitalized as part of construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Income earned, if any, during construction period is deducted from the total of the indirect expenditure.

x) Revenue Recognition:
Revenue in respect of insurance/other claims and rate differences etc. is recognized only when it is reasonably certain that the ultimate collection will be made.

xi) Leases
In respect of operating lease, rentals and all other expenses are treated as revenue expenditure with reference to the term(s) of the lease(s)

xii) Taxation:
Tax liability of the company is estimated considering the provisions of the Income Tax Act, 1961. Deferred tax is recognised subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

- 22) Previous year figures have been regrouped wherever necessary to confirm to current year classification.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	99103	State Code	55
Balance Sheet Date	31.03.11		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	953627	Total Assets	953627
Sources of Funds :		Application of Funds :	
Paid-up Capital	74041	Net Fixed Assets	622308
Reserves & Surplus	308250	Investment	1462
Secured Loans	368770	Net Current Assets	290053
Unsecured Loans	177037	Misc. Expenditures	39804
		Accumulated losses	

Deferred Tax Liability 25529

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover & Other Income	1118927	Total Expenditure	1106263
Profit/ Loss Before Tax	(12664)	Profit/(Loss) after Tax	9719
Earning per share Rs.	(1.31)	Dividend rate	-

V. GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	8421.10	
Product Description	:	Oil/Air Filters and Cleaners
Item Code No. (ITC Code)	7006.10	
Product Description	:	Rear - View Mirrors for Vehicles
Item Code No. (ITC Code)	374935009	
Product Description	:	Plastic Moduled auto components

Annexure to our report of even date

for R.Jain & Sanjay Associates
Firm Registration No. - 012377N
CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD

(CA-SANJAY JAIN)
PARTNER
MEMBERSHIP NO.88027

(A.K. GOEL)
CHIEF FINANCIAL OFFICER

(MONIKA GUPTA)
COMPANY SECRETARY

(U.K.JAIN)
CHAIRMAN

(NITIN JAIN)
MANAGING DIRECTOR

PLACE: NEW DELHI
DATED: 27TH AUGUST 2011

Lumax Automotive Systems Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	2010-2011		2009-2010	
A. Cash Flow From Operating Activities				
Profit before Tax	12,664,387		(37,718,760)	
Adjustments for :				
Depreciation	43,715,491		56,808,088	
Interest Expenses	77,127,893		66,713,707	
Amortisation of Deferred Revenue expenditure	12,770,643		8,324,891	
(Profit)/ Loss on sale of fixed assets	(90,222)		4,283,758	
(Profit)/ Loss on sale of fixed investment	(6,640,000)		-	
Operating profit before working capital changes	139,548,192		98,411,684	
Adjustments for :				
Trade Receivables	(27,264,939)		(41,984,876)	
Inventories	(27,117,866)		(53,593,774)	
Loans and Advances	13,637,074		(19,379,547)	
Trade and Other payables	(42,153,474)		47,819,320	
Direct Tax paid	(137,384)		-	
Net cash generated from Operating Activities	56,511,602	56,511,602	31,272,807	31,272,807
B. Cash Flow from Investing Activities				
Purchase of Fixed assets	(24,524,011)		(20,245,422)	
Adjustment/sale of Fixed Assets	660,724		3,500,000	
Receipt on sales of investment	39,840,000		-	
VRS expenses incurred	(23,735,567)		(12,506,645)	
Net Cash used in Investing Activities		(7,758,854)		(29,252,067)
C. Cash flow from Financing activities				
Receipt of Long Term Borrowings	8,497,753		24,508,055	
Receipt of Working Capital Loans	81,580,251		11,504,767	
Receipt of short Term borrowings	-		140,939,542	
Repayment of Long Term borrowings	(37,505,607)		(39,577,537)	
Repayment of Working Capital Loans	-		(43,651,358)	
Repayment of short term borrowings	(50,492,581)		-	
Interest Paid	(77,127,894)		(66,713,707)	
Income Tax Paid	-		(4,686,007)	
Net Cash used in Financing Activities		(75,048,078)		22,323,755
D. Net (Decreases)/ Increase in cash		(26,295,329)		24,344,495
Cash and Cash equivalent as on 31.03.2010		29,289,753		4,945,258
Cash and Cash equivalent as on 31.03.2011		(2,994,424)		29,289,753

Notes: 1. The Cash Flow statement has been prepared under the indirect method as set out in accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Negative figures have been shown in brackets

Annexure to our report of even date
for R.Jain & Sanjay Associates
Firm Registration No. - 012377N
CHARTERED ACCOUNTANTS

ON BEHALF OF THE BOARD

(CA-SANJAY JAIN)
PARTNER
MEMBERSHIP NO.88027

(A.K. GOEL)
CHIEF FINANCIAL OFFICER

(MONIKA GUPTA)
COMPANY SECRETARY

(U.K.JAIN)
CHAIRMAN

(NITIN JAIN)
MANAGING DIRECTOR

PLACE: NEW DELHI
DATED: 27TH AUGUST 2011



LUMAX AUTOMOTIVE SYSTEMS LIMITED

Regd. Office : 63-64, Gokhale Market, Delhi-110054

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint Shareholders may obtain additional Slip at the venue of the meeting.

DP ID*		Master Folio No.	
Client ID*		No. of Shares	

NAME OF THE SHAREHOLDER

ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 11th **ANNUAL GENERAL MEETING** of the Company held on Wednesday September 28, 2011 at 10.00 a.m. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074

Signature of Shareholder / proxy

* Applicable for investors holding shares in electronic form

Tear Page

PROXY FROM



LUMAX AUTOMOTIVE SYSTEMS LIMITED

Regd Office : 63-64, Gokhale Market, Delhi-110054

DP ID*		Master Folio No.	
Client ID*		No. of Shares	

I/Weofbeing a member/members of Lumax Automotive Systems Limited hereby appointofor failing himof.....

as my/our proxy to vote for me/us and on my/our behalf at the 11th **Annual General Meeting** of the company to be held on Wednesday, September 28, 2011 at 10.00 a.m. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074 and at any adjournment thereof.

Signed this..... day of2011

* Applicable for investors holding shares in electronic form.

Signature

Affix Re 1/- Revenue Stamp

NOTES:

- 1) The Proxy must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting.
- 2) Those members who have multiple folios with different joint holders may use copies of the Attendance Slip/Proxy.

BOOK POST

LUMAX
AUTOMOTIVE PARTS

Regd. off. : 63-64, Gokhale Market New Delhi - 110054