



LUMAX
AUTOMOTIVE PARTS

12th

ANNUAL REPORT 2011-2012

LUMAX AUTOMOTIVE SYSTEMS LIMITED



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
Mr. Rajendra Prasad Agrawal

AUDITORS

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

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Ms. Monika Gupta

BANKERS

Syndicate Bank
IDBI Bank Ltd.

REGISTERED OFFICE

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

CORPORATE OFFICE

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

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

WORKS

- Plot No.46, Sector-3, IMT, Manesar, Gurgaon (Haryana)
- 10, Indraprastha Estate, 12/2, Mathura Road, Faridabad (Haryana)
- Plot No.78, Sector-6, Faridabad (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 12th Annual General Meeting of the members of Lumax Automotive Systems Limited will be held on Monday, the 24th day of September 2012 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 of the Company for the financial year ended March 31, 2012 and the Balance Sheet as at that date together with the Reports of Auditors and Directors 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. Prem Das Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. R. Jain & Sanjay Associates, Chartered Accountants, New Delhi, the retiring Auditors of the Company, as the Statutory Auditors of the Company having firm registration no.012377N on remuneration as may be fixed by the Board of Directors.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:-
“**RESOLVED THAT** Mr. Rajendra Prasad Agrawal, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 257 proposing his candidature for the office of the director, be and is hereby appointed as a director of the Company, who will be liable to retire by rotation.”
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:-
“**RESOLVED THAT** in modification of the earlier resolution passed in this regard and pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and subject to the approval of Central Government, if necessary, and such other approvals as may be required, the consent of the Company be and is hereby accorded to the payment of the remuneration set out in the explanatory statement herein, effective from April 1, 2012, to Mr. Nitin Jain, Managing Director, for the remaining period of his appointment i.e. up to May 23, 2016, on terms and conditions, as set out in explanatory statement herein and as approved by the Board of Directors.
RESOLVED FURTHER THAT the remuneration payable to Mr. Nitin Jain as Managing Director by way of salary, ex-gratia payment or commission, perquisites and other allowances, shall not exceed the remuneration set out in the explanatory statement herein or as may be approved by the Central Government.
RESOLVED FURTHER THAT notwithstanding anything herein above stated, where in any financial year during the currency of his tenure as Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay the

remuneration by way of salary and perquisites as set out in the explanatory statement herein as minimum remuneration subject to the approval of the Central Government and such other recommendations, approvals, sanctions, if and when necessary. **RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 or replacement of the present Companies Act, 1956 by a new Statute, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, ex-gratia payment or commission, perquisites, allowances, etc. within such prescribed limit or ceiling as may be stipulated therein be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting, if so permitted by the shareholders and under the provisions of the Act.

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.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:-
“**RESOLVED THAT** in supersession of the earlier resolution passed in this regard and pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and subject to the approval of Central Government, if necessary, and such other approvals as may be required, the consent of the Company be and is hereby accorded to the payment of the remuneration set out in the explanatory statement herein, effective from April 1, 2012, to Mr. Milan Jain, Whole-time-director designated as Executive Director, for the remaining period of his appointment i.e. up to August 30, 2015, on terms and conditions, as set out in explanatory statement herein and as approved by the Board of Directors.
RESOLVED FURTHER THAT the remuneration payable to Mr. Milan Jain as Whole-time-director designated as Executive Director by way of salary, ex-gratia payment or commission, perquisites and other allowances, shall not exceed the remuneration set out in the explanatory statement herein or as may be approved by the Central Government.
RESOLVED FURTHER THAT notwithstanding anything herein above stated, where in any financial year during the currency of his tenure as Executive Director, the Company has no profits or its profits are inadequate, the Company shall pay the remuneration by way of salary and perquisites as set out in the explanatory statement herein as minimum remuneration subject to the approval of the Central Government and such other recommendations, approvals, sanctions, if and when necessary. **RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 or replacement of the present Companies Act, 1956 by a new Statute, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, ex-gratia payment or commission, perquisites, allowances, etc. within such prescribed limit or ceiling as may be stipulated therein be suitably amended

to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting, if so permitted by the shareholders and under the provisions of the Act.

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 14, 2012 to September 24, 2012(both days inclusive).
3. Members/Proxies are requested to bring the attendance slips duly filled in for attending the meeting and also their copy of annual report.
4. 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: 10/08/2012

**Monika Gupta
Vice President (Legal) &
Company Secretary**

ANNEXURE TO THE NOTICE

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

Item No. 5:

Mr. Rajendra Prasad Agrawal was appointed as Additional Director (Non-executive and Independent) of the Company with effect from May 26, 2012 to hold office up to the conclusion of this Annual General Meeting. Mr. Rajendra Prasad Agrawal aged about 60 years, is graduate. He has over 35 years of rich experience in the business of steel trading and also provides the consultancy services in D.P.S. Megacity Kolkata.

The Company has received Notices under Section 257 of the Act from Mr. Rajendra Prasad Agrawal signifying his intention to propose his appointment as a Director of the Company along with the requisite deposit of Rupees five hundred.

The Board commends the resolutions set out at Item No. 5 of the notice for your approval.

None of the Directors, except himself are interested in the resolution.

Item No. 6 & 7:

At the Annual General Meeting of the Company, held on September 28, 2011, Mr. Nitin Jain was appointed as the Managing Director of the Company, with effect from May 24, 2011, for a period of five years and At the Annual General Meeting of the Company, held on September 30, 2010, Mr. Milan Jain was re-appointed as Whole-time-director designated as Executive Director of the Company, with effect from August 31, 2010, for a period of five years.

In view of the contributions made by Mr. Nitin Jain and Mr. Milan Jain and their extensive knowledge of Company’s operations and rich experience and expertise in managing the affairs of the

Company; and in view of remuneration paid to professionals of similar experience, work profile and responsibility in the industry, the Board on the recommendation of the Remuneration Committee, has, subject to the approval of Members and the Central Government, revised the remuneration to be paid to Mr. Nitin Jain, Managing Director and Mr. Milan Jain, Executive Director, effective from April 1, 2012, for the remaining period of their term as Managing Director and Executive Director i.e. up to May 23, 2016 and August 30, 2015 respectively on the terms and conditions as set out in the explanatory statement herein. The revision is subject to the approval of members of the Company by way of a special resolution and approval from the Central Government, if necessary. In the event of loss or inadequacy of profits of the Company in any financial year(s), during the currency of tenure of Mr. Nitin Jain, Managing Director and Mr. Milan Jain, Executive Director, the remuneration as mentioned herein, shall be paid to them, as minimum remuneration, subject to the approval of Central Government, if necessary.

The revised remuneration to be paid to Mr. Nitin Jain, Managing Director and Mr. Milan Jain, Executive Director of the Company is subject to the approval by the Company in a General Meeting and the Central Government, if necessary, in accordance with the relevant provisions of the Companies Act, 1956 read with Schedule XIII to the said Act. The resolution set out in the notice is intended for this purpose.

The particulars required to be disclosed in the explanatory statement in accordance with provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956, are enclosed in a separate statement and forms a part of this notice.

The Board recommends the special resolution set forth at item no. 5 and 6 of the Notice for approval of the members.

None of the Directors of the Company, except Mr. Nitin Jain, Mr. Milan Jain and Mr. U.K. Jain, Non-Executive Director, is in any way concerned or interested in this resolution.

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

Salary

Salary(basic) per month:

Rs. 2,00,000/- (Two Lakhs to each of Director) in a time scale of Rs. 2,00,000/- - Rs. 4,00,000/-. Annual Increment shall be payable on 1st April of each year (starting from April, 2013) as may be decided by the Board of Directors or Remuneration Committee of Directors and will be merit based.

Perquisites and Allowances:

Special Allowance

Monthly Special Allowance of 20% of the Salary (basic) applicable for the relevant period.

Leave Travel Allowance

The yearly payment in the form of allowance shall be equivalent to one month’s salary (basic).

House Rent Allowance

Monthly House Rent Allowance of 60% of the Salary (basic) applicable for the relevant period.

Medical Reimbursement

Expenditure incurred by them and their family, subject to a ceiling of Rs. 50,000/- (Fifty Thousand) per annum.

Club Fees

Actual fees for a maximum of two clubs, subject to a maximum

of Rs. 50,000/- (Fifty Thousand) per annum. This will not include Admission fees and Life Membership fees.

Hospitalization Insurance Scheme

As per the scheme of the company, Hospitalization Insurance coverage shall be provided to them and dependent family members.

Provident Fund and Gratuity

Contribution to Provident Fund and Gratuity will be as per the Rules/Scheme of the Company.

Leave Encashment Provision

Leave as per the Rules of the company. Encashment of unutilized leaves at the end of the tenure at specified intervals will be as per Scheme of the Company.

Provision of car and other

Provision for one car along with driver for use in relation to Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Commission pay

In addition to the above, they shall be entitled for a commission @ 1% on the Net Sales of the Company each year.

The above may be regarded as an abstract of the terms and conditions and memorandum of concern or interest for the purpose of Section 302 of the Companies Act, 1956 and the requirements of the said Act may be deemed to have been sufficiently complied with.

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

STATEMENT, PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 WITH RESPECT TO ITEM NO.5 AND 6 OF THE NOTICE:

I. General Information:

1. *Nature of Industry:*
The Company is engaged in manufacturing of auto ancillary components.
2. *Date of Commencement of Commercial Production:*
March 31, 1999
3. *In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.*
Not Applicable
4. *Financial performance based in given indicators:*

(Rs. in million)

Particulars	2011-12	2010-11	2009-10
Gross sales	1240.65	1238.53	1101.74
Profit Before tax	38.14	14.59	(37.71)
Profit After tax	31.95	11.64	(34.99)
Net Worth	344.93	342.49	343.73
Dividend On Equity (%)	nil	nil	nil

5. *Export performance and net Foreign exchange collaborations:*
Nil
6. *Foreign investments or collaborators, if any:*
Nil

II. INFORMATION ABOUT THE APPOINTEES:

A. Mr. Nitin Jain

1. *Background details:*

Name - Mr. Nitin Jain
Qualification - MBA
Age - 36 years

2. *Past remuneration:*

The details of past remuneration are given below:
Particulars : Remuneration paid during Financial Year 2010-11
Salary : Rs.16,38,592.00*

*includes allowances, perquisites and contribution towards provident fund.

3. *Recognition or awards:*

Nil

4. *Job profile and suitability:*

Mr. Nitin Jain, Managing Director, has been with LUMAX since 1996 and is responsible for the Human Resources, Administration and Operations of the Company. Being the Managing Executive Director, he is overall in-charge of the affairs of the Company, subject to superintendence, control and direction of the Board of Directors and accordingly, the day to day management and administration is vested in him. Taking into account, Mr. Nitin Jain's qualifications and prior experience and the responsibilities placed on him as Managing Director of the Company, and in view of his contribution to the Company since his appointment, the Board considers the revision in Mr. Nitin Jain's remuneration to be in the best interests of the Company. The Board is confident that Mr. Nitin Jain's management capabilities will enable the Company progress further.

5. *Remuneration proposed:*

The details of remuneration are given in the explanatory statement to the notice.

6. *Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:*

The remuneration is comparable to companies of similar size, for the profile of the position and person.

7. *Pecuniary relationship directly/indirectly with the company or managerial personnel if any:*

Mr. Nitin Jain has no pecuniary relationship directly or indirectly with the company other than his remuneration in the capacity of a Managing Director and the shares held by him in the Company. Mr. Nitin Jain is related with Mr. Milan Jain, Executive Director of the Company as his Brother and with Mr. U.K. Jain, Chairman and Director of the Company as his son.

B. Mr. Milan Jain

1. *Background details:*

Name - Mr. Milan Jain
Qualification - BBA
Age - 31 years

2. *Past remuneration:*

The details of past remuneration are given below:
Particulars : Remuneration paid during Financial Year 2010-11
Salary : Rs.14, 44,680.00*

*includes allowances, perquisites and contribution towards provident fund.

3. *Recognition or awards:*

Nil

4. *Job profile and suitability:*

The executive director shall perform such duties and services

and exercise such powers as shall from time to time be entrusted to him by the board. Mr. Milan Jain has been serving the company for more than 8 years and as a senior Management Team brought about the transformation of the company. The Company under his leadership became an Auto Parts Business focused entity and he is suitable for the current position.

5. *Remuneration proposed:*

The details of remuneration are given in the explanatory statement to the notice.

6. *Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:*

The remuneration is comparable to companies of similar size, for the profile of the position and person.

7. *Pecuniary relationship directly/indirectly with the company or managerial personnel if any:*

Mr. Milan Jain has no pecuniary relationship directly or indirectly with the company other than his remuneration in the capacity of a Whole Time Director and the shares held by him in the Company. Mr. Milan Jain is related with Mr. Nitin Jain, Managing Director of the Company as his Brother and with Mr. U.K. Jain, Chairman and Director as his son.

III. Other Information:

1. *Reasons of loss or inadequate profits:*

Large upfront investments in facilities and equipment, apart from manpower, manufacturing and quality, by the Company for acquiring the new business affect its profitability. In the recent years and currently there is burning issue in the country of inflation due to which the interest rate of loan has been raised and purchasing power of the consumers has been reduced and as a result market of Automobile has also not been untouched and market came down. As Euro crisis and other country's economy slowdown the automobile sector has been reduced in terms of selling and as a result the production has also been reduced.

2. *Steps taken or proposed to be taken for improvement:*

The Company's profitability in the Automobile business continues to be governed by regulatory risks. Recognising the above the Company has embarked on a forward integration programme envisaging increased production of Auto parts. The Company's apex plan focuses in increasing capacities in its business to manufacture the

Auto parts.

3. *Expected increase in productivity and profits in measurable terms:*

The Company has taken initiatives to improve the position of LUMAX and start recording huge profits in the next few years

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

Place: New Delhi

Date: 10/08/2012

**Monika Gupta
Vice President (Legal) &
Company Secretary**

IMPORTANT COMMUNICATION TO MEMBERS

The Company welcomes the "Green Initiatives" being promoted by the Ministry of Corporate Affairs (MCA), to encourage e-enabled regulatory compliances, in its efforts to conserve consumption of paper and preserve the environment. In furtherance of this important initiative, the MCA, has permitted companies to provide its Members documents, including the Annual Report, by electronic mode.

In support of MCA's endeavours in this direction, commencing this year, and in future, the Company will be sending its Annual Report as well as other correspondence by e-mail, to those Members whose e-mail addresses are registered with the Company/their depository participants.

Last year, the Company had communicated with its Members, for registering their e-mail addresses with the Company, which has resulted in a sizeable database of e-mail addresses. Also, many of the Members have registered their e-mail addresses with their Depository Participants who have provided the same to the Company. Members who have not registered their e-mail addresses, so far, are once again requested to please register their e-mail addresses, in respect of electronic holdings with their Depository Participants.

Members who hold shares in physical form are requested to please complete the enclosed Contact Details Updation form and register the same with our R&T Agent, Skyline Financial Services Pvt. Ltd.

In case any Member to whom an electronic copy of the Annual Report has been sent, desires to receive a physical copy, the Company will be happy to provide the same on their request.

Details of the directors seeking re-appointment/appointment in annual general meeting scheduled on September 24, 2012.

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. Vinay Panchmiya	26/08/1951	18/05/2004	B.Sc	Wide experience in trading business of furniture and garments	Nil	Nil
Mr. Prem Das Gandhi	04/03/1938	28/04/2008	M.A.	Wide experience in trading business of computers, office products and Pharmaceuticals	Nil	Nil
Mr. Rajendra Prasad Agarwal	02/10/1951	26/05/2012	B.Sc	Wide experience in trading business of steel and also provide consultancy in DPS Megacity Kolkata	Nil	Nil

DIRECTORS' REPORT

To the members of
LUMAX AUTOMOTIVE SYSTEMS LIMITED
Your Directors have pleasure in presenting the 12th Annual Report together with audited accounts of the Company for the year ended 31st March 2012.

Financial Results:

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

	Rs in million	
	2011-2012	2010-2011
SALES (excluding excise duty)	1120.33	1114.57
Profit (before interest, dep., exceptional item & tax)	138.23	141.48
Exceptional item	(22.26)	6.04
Interest	86.39	77.13
Depreciation	35.97	43.72
Tax provision	6.18	2.94
Profit/Loss after tax	31.95	11.65

Dividend:

After considering the long-term perspective of the finance need, your Director's has decided to reinvest the profits in the Company. Hence no dividend is recommended for this financial year by the Board.

Operations:

Your Company's total turnover during the year under review was Rs.1120.33 million as compared to Rs. 1114.57 million during the previous year, showing a rise of Rs. 5.76 million.

Directors:

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

Mr. Rajendra Prasad Agarwal has been appointed as an Independent Director on May 26, 2012. Notice along with the Deposit of Rs. 500/- (Rs. Five Hundred Only) as required under section 257 of the Companies Act, 1956 has been received by the Company from Mr. Rajendra Prasad Agarwal signifying his candidature for the office of the director of the Company liable to retire by rotation.

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 agreement with the stock exchanges, are annexed elsewhere in this report.

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 within 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 the 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 have been taken wherever needed. During the period the Company has made additions in the machinery to the extent of Rs. 3.59 Crore.

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.7 and 8.

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:

- i) 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) ;
- ii) 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;
- iii) 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
- iv) 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, investors and financial institutions for their continued support and co-operation.

For & On behalf of the Board of Directors

Place: New Delhi	U. K. Jain	Nitin Jain
Date: 10/08/2012	Chairman	Managing Director

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, one executive director and one non-executive director. 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 April 27, 2011, May 14, 2011, May 23, 2011, July 16, 2011, August 1, 2011, August 11, 2011, August 27, 2011, November 14, 2011, December 26, 2011, and February 14, 2012. 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	Non-Executive Chairman, Promoter	10	No	-	-	-	Related as father to Mr. Nitin Jain & Mr. Milan Jain
Nitin Jain	Executive, Promoter	10	Yes	-	-	-	Related as son to Mr. U.K. Jain
Milan Jain	Executive, Promoter	10	Yes	-	-	-	Related as son to Mr. U.K. Jain
Vinay Panchmiya	Non-Executive, Independent	10	Yes	-	-	-	Not related to any Director
Prem Das Gandhi	Non-Executive, Independent	10	Yes	-	-	-	Not related to any Director
Parmod Kumar Gupta*	Non-Executive, Promoter	3	No	-	-	-	Not related to any Director

* Mr. Parmod Kumar Gupta resigned from the board on July 11, 2011.

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.

Lumax Automotive Systems Ltd.

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. Parmod Kumar Gupta- Member	5	1

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 14, 2011, August 11, 2011, August 27, 2011, November 14, 2011 and February 14, 2012.

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 27, 2011.

Composition of the Remuneration Committee: -

Name of the Directors	Meetings held	Meeting attended
Mr. Parmod Kumar Gupta- Chairman	1	0
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, Non-Executive Director*	2,09,032	-	2,09,032
Mr. Nitin Jain, Managing Director	8,92,000	4,68,000	13,60,000
Mr. Milan Jain, Executive Director	7,80,000	4,20,000	12,00,000

*Mr. U.K. Jain has resigned from the position of Managing Director on May 23, 2011. None of the Non-Executive Directors is drawing any remuneration.

Mr. U.K. Jain, Non-Executive Director holding 3523704 equity shares of the Company on March 31, 2012.

The Company has no Stock Option Scheme and hence, no Stock Options are granted to Non-Executive Directors.

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, One Shareholders' Committee meeting was held on August 27, 2011.

Composition of the Shareholders' Committee: -

Members	Meetings held	Meeting attended
Mr. Prem Das Gandhi- Chairman	1	1
Mr. U.K. Jain	1	1
Mr. Nitin Jain	1	1

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
2010-11	28/09/2011	10.00 A.M.	The Executive Club, New Delhi	N.A.
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.

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 does not have a separate whistle blower policy. However, the code of conduct of the Company reflects the mechanism by which the employees may report to the management their concerns about unethical behaviours, actual or suspected frauds or violation of the Company's code of conduct or ethics policies.
- During the year under review, there are no materially significant related party transactions which have a potential conflict with the interests of the Company at large.
- The Company has laid down a code of conduct for prevention of Insider Trading in the shares of the Company in accordance with SEBI (Prohibition of Insider Trading) Regulation, 1992.
- 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. Please see the para on Remuneration Committee for details.**

Means of Communication

- The Company publishes un-audited Quarterly financial results normally in "Financial Express" (English) and "Jansatta" (Hindi) Newspapers. The results are displayed on the website of the Company at www.lumaxauto.com.
- Management discussion and analysis forms the part of the Annual Report.
- All material information about the Company is promptly sent through facsimile to the stock exchanges where the shares of the Company are listed.

General information to shareholders:

- **Date and Venue of the AGM** : 24th September 2012 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** : 14th Sept. to 24th Sept. 2012 (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.
- **Unclaimed Suspense Account**
As per clause 5A (II) of the listing agreement amended by Securities and Exchange Board of India (SEBI) vide their circular No. CIR/CFD/DIL/10/2010, the Company has opened an Unclaimed Suspense Account relating to unclaimed shares with the Depository participant Elite Wealth Advisors Ltd. Having the DPID / CLID IN301670/10286695 in the Name of Lumax Automotive Systems Ltd- Unclaimed Suspense Account at S-8, Second Floor, DDA Shopping Complex, Mayur Vihar, Phase-I, New Delhi-11009. The company has transferred 41965 equity shares belongs to 1344 shareholders in unclaimed suspense account.
- **Unclaimed dividend when due for transfer to Investors' Education & Protection Fund (IEPF) is given below:**

Financial Year	Type of Dividend	Date of declaration of dividend	Due date of transfer
2004-2005	Final Dividend	01-08-2005	12-08-2012
2005-2006	Final Dividend	25-09-2006	10-10-2013
2006-2007	Final Dividend	25-09-2006	10-10-2014

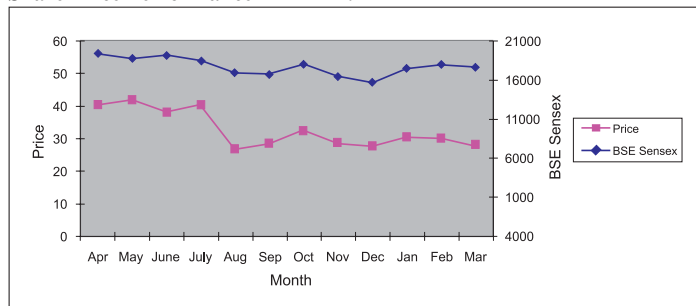
Members who have not encashed their Dividend for above mentioned financial years are therefore, requested to make their claims to the Company immediately.

Lumax Automotive Systems Ltd.

● **Stock Market Data**

Stock Exchange	Bombay Stock Exchange		National Stock Exchange	
	Month	High (Rs.)	Low (Rs.)	High (Rs.)
Mar-12	32.50	24.10	32.55	24.75
Feb-12	34.75	28.00	32.75	26.15
Jan-12	32.70	26.90	31.50	26.10
Dec-11	30.55	24.55	30.75	25.00
Nov-11	39.60	26.75	38.80	26.50
Oct-11	32.95	25.10	31.90	26.20
Sep-11	33.00	25.05	32.90	25.00
Aug-11	41.00	24.90	40.95	24.20
Jul-11	42.50	37.05	41.75	38.10
Jun-11	42.80	36.25	42.80	35.20
May-11	43.05	37.30	41.90	37.10
Apr-11	52.00	35.00	51.75	35.00

● **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 : 26812682-83-84, 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, 2012

No. of Shares	No. of Shareholders		Total Shares	%
	Number	%		
Up to 500	17640	97.98	752439	10.16
501 – 1000	205	1.14	159498	2.15
1001 – 2000	80	0.44	116124	1.57
2001 – 3000	18	0.10	45648	0.62
3001 – 4000	15	0.08	50425	0.68
4001 – 5000	10	0.06	44777	0.60
5001 – 10000	11	0.06	74149	1.00
10001 and above	24	0.13	6161046	83.21
Total	18003	100.00	7404106.00	100.00

- **Shareholding pattern** : As on 31st March, 2012

Category	No. of shares held	(%) of shareholding
Promoters/Group Companies	5356599	72.35
Mutual Funds & UTI	1240	0.02
Banks/Financial Institutions	485	0.01
FII's	110	0.00
Private Corporate Bodies	573082	7.74
Indian Public	1465594	19.80
NRI's/OCBs	6996	0.09
Any other (clearing member)	0	0.00
Total	7404106	100

- **Dematerialization of shares and liquidity:**

As on 31st March 2012, 95.32% 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.46, Sector-3, IMT, Manesar, Gurgaon
- 10, Indraprastha Estate, 12/2, Mathura Road, Faridabad
- Plot No. 78, Sector-6, 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-mai : 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
cs@lumaxauto.com

E-mail id for investor grievances:

CERTIFICATE RELATING TO COMPLIANCE WITH THE PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT(S) IN RELATION TO THE CODE OF CONDUCT FOR DIRECTORS/SENIOR MANAGEMENT

This is to certify that as per clause 49 of the Listing Agreement:

1. The code of conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The code of conduct has been posted on the website of the Company.
3. The Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year 2011-12.

For Lumax Automotive Systems Limited

Nitin Jain
Managing Director

Place: New Delhi
Date: 10/08/2012

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, 2012 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 further 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 & Sanjay Associates
Chartered Accountants
Firm Registration No. - 012377N

Sanjay Jain
Partner
Membership no. 88027

Place: New Delhi
Date: 10/08/2012

MANAGEMENT DISCUSSION & ANALYSIS

The Management of Lumax Automotive Systems Limited is pleased to present its analysis report covering its performance and outlook. The report contains expectations of the Company's businesses based on current environment. Many unforeseen and uncontrollable external factors could alter these expectations.

Industry Overview

According to the auto industry experts, the Financial Year 2011-12 was a landmark year both in positive and negative manner. In the positive manner it registered growth in sales in various segment of the auto industry while on the other hand due to hike in the interest rates and other factors, demand of cars fell for the first time in three years last July. As experts say, with the indicators from the RBI that interest rates may come down and the overall GDP expected to be around 7.5% to 8%, the prospects of the auto industry is good for ongoing fiscal. According to society of Indian Automobile Manufacturers (SIAM), overall domestic sales grown by 12.24%, while passenger vehicles segment grew by 4.66%, Commercial vehicle segment registered a growth of 18.20% while light commercial vehicles and heavy commercial vehicles saw a growth of 27.36% & 7.94% respectively. According to the various factors affected in 2011-12, it is expected that the growth in 2012-13 would be around 12% to 13%. The focus of the company during the year was on modernization of its units and increasing the production capacity and diversify the new customers base.

Opportunities & Threats

a) Opportunities

India is a hot spot for automobiles and auto-components. As the auto sector in India is set to continue its growth trajectory for next 5 years and India is an increasingly favourite destination for global majors looking at emerging market. India is looked upon an automotive hub, led by small cars & auto components domain. During the year the Industry has registered a growth in the export of 25.44 % and Free Trade Agreement with various countries allowed the Indian Companies to directly export in the European Countries, ASEAN, BRIC & USA for OEMs as well as aftermarket. While on the other hand Industry has undergone numerous developments and investments recently that have substantially impacted the market dynamics and various supportive policies of the government shows the opportunities to the Indian Auto Companies to growth in their respective segments.

b) Threats/Challenges

As there are some supportive policies of the government for the auto industries but the budget raised factory gate duty on cars from April 1, pushing up prices. Consistent fuel hikes, rising auto interest rates, industry's lackluster performance are the key factors which have to be faced by the company.

Future Outlook

The emerging scenario in India's small car industry holds promise and excitement. But the unfavourable policies of the government in terms of hiking the excise duty on the diesel cars, rising petrol prices and the RBI decision not to cut key policy rates have disappointed the auto companies in India. Government needs to take positive policy measures to make petrol cars more attractive, viable and acceptable to the consumers, rather than penalize diesel cars through even higher taxes and making them more expensive to the point of unviability.

Risk & Concerns

The Auto Policy has spelt out the direction of growth for the auto

sector in India and addresses most concerns of the automobile sector, including-

- Promotion of R&D in the automotive sector to ensure continuous technology up gradation, building better designing capacities to remain competitive.
- Impetus to Alternative Fuel Vehicles through appropriate long term fiscal structure to facilitate their acceptance.
- Emphasis on low emission fuel auto technologies and availability of appropriate auto fuels and encouragement to construction of safer bus/truck bodies - subjecting unorganized sector also to 16% excise duty on body building activity as in case of OEMs

The policy has rightly recognized the need for modernizing the parc profile of vehicles to arrest degradation of air quality. The terminal life policy for commercial vehicles and move toward international taxing policies linked to age of vehicles, are steps in the right direction.

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

The 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.

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, 2012 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 at Note 29, particularly note No.16 of the said note 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) *As mentioned / stated in Note-14 of balance sheet and 16 (iii) accounting policies of note no 29 regarding notes to accounts, the company has valued the inventories at cost/ estimated cost inclusive of taxes and duties instead of at Cost or realizable value whichever is lower and exclusive of taxes paid, which is not in compliance with Accounting Standard to valuation of inventories prescribe in the companies (Accounting Standards) Rules 2006. In our opinion the old inventories which are unusable for manufacturing purposes and are in obsolete nature should have been valued at realizable value and provision for loss in value should have been provided by the company.*
 - (ii) *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,*

- (iii) *The company has not made any provision for doubtful debts amounting to Rs.6,98,92,459/- 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.*
- (iv) *As mentioned in note 15 of the notes to accounts no 29 regarding the balances of some of the sundry creditors and debtors, loans and advances and rebate claims are subject to confirmation/reconciliation and subsequent adjustments if any. As such we are unable to express any opinion as to the effect their of on the financial statements for the year.*
- e) On the basis of written representations received from the directors as on 31st March 2012, and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March 2012 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 2012;
 - 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 : 10/08/2012

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

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, 2012.

- i. (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.
- ii. (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.
- iii. (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.

Lumax Automotive Systems Ltd.

- (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.3,20,48,159/- and the year end balance of loans taken from such parties was Rs.2,26,86,694/-. 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.
- iv. 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.
- v. (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.
- vi. 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.
- vii. 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.
- viii. 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.
- ix. (a) According to the records examined by us, undisputed statutorily 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. 4,21,39,832/-*
- (c) According to the information and explanations given to us and the records of the company examine by us, the particulars of dues of Income Tax, Sales Tax, Wealth Tax, Services Tax, Customs duty and Excise Duty as at 31-03-2012, which have not been deposited on account of the dispute are as follows :

S.No	Name of the Statute	Nature of Dues	Amount	Period to which relate	Forum where the dispute is pending
1.	Income Tax Act, 1961	Income Tax	52,37,331	F.Y. 2008-09	Commissioner Income Tax (Appeals) New Delhi
2	Income Tax Act, 1961	Income Tax	5,48,585	F.Y 2006-07	Review petition pending with A.O.

- x. The company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi. 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 as at the balance sheet date. There were no dues to debenture holders during the year.
- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. 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.
- xvii. 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.
- xviii. 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.
- xix. The Company has neither issued nor had any outstanding debenture during the year.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. 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 : 10/08/2012

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

**BALANCE SHEET AS AT 31ST MARCH, 2012**

(Amount in Rs.)

	Note	AS At 31st March, 2012	As At 31st March, 2011
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
(a) Share Capital	1	74,041,060	74,041,060
(b) Reserves and Surplus	2	270,896,689	308,249,687
Non-current liabilities			
(a) Long Term Borrowings	3	162,427,234	165,059,158
(b) Deferred Tax Liabilities (Net)	4	25,339,204	25,529,157
(c) Long Term Provisions	5	21,002,711	2,721,234
Current liabilities			
(a) Short Term Borrowings	6	337,216,077	288,223,271
(b) Trade Payables	7	273,486,378	257,833,044
(c) Other Current Liabilities	8	150,133,615	157,537,495
(d) Short Term Provisions	9	33,641,204	35,507,227
		<u>1,348,184,172</u>	<u>1,314,701,333</u>
<u>ASSETS</u>			
Non current assets			
(a) Fixed Assets			
(i) Tangible Assets	10	572,436,414	608,703,075
(ii) Intangible Assets	10	73,770	89,578
(iii) Capital work-in-progress		25,417,131	13,514,913
(b) Non-Current Investments	11	1,462,382	1,462,382
(c) Long Term Loans and Advances	12	20,688,899	12,626,178
(d) Other Non-Current Assets	13	91,847,279	96,401,197
Current assets			
(a) Inventories	14	323,451,287	308,631,826
(b) Trade Receivables	15	238,812,570	219,092,667
(d) Cash and Bank Balances	16	5,163,439	2,360,206
(e) Short Term Loans and Advances	17	68,831,001	51,819,310
		<u>1,348,184,172</u>	<u>1,314,701,333</u>
Notes to Accounts	29		

The Notes to Accounts 1 to 29 form an integral part of these financial statements.

As per our report of even date
For R. Jain & Sanjay Associates,
Chartered Accountants
Firm Registration No -012377N

(CA. Sanjay Jain)
Partner
Membership No. 88027

Place: New Delhi
DATED: 10/08/2012

For and on behalf of Board of Directors
Lumax Automotive Systems Limited

U.K. Jain
Chairman

A.K. Goel
Chief Financial Officer

Nitin Jain
Managing Director

Monika Gupta
Vice President (Legal) &
Company Secretary

Lumax Automotive Systems Ltd.

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

	Note	For The Year Ended 31st March, 2012	For The Year Ended 31st March, 2011
INCOME			
Revenue from Operations (Gross)	18	1,240,651,217	1,238,528,453
Less :- Excise Duty		120,322,034	123,957,013
Revenue from Operations (Net)		1,120,329,183	1,114,571,440
Other Income	19	815,450	508,154
TOTAL REVENUE		1,121,144,633	1,115,079,593
EXPENDITURE			
Cost of Raw Material & Components consumed	20	688,050,818	635,283,822
Purchases of Traded Goods		-	34,996,920
Changes in inventories of finished goods and work in progress	21	(1,631,784)	(12,160,043)
Employee Benefits Expenses	22	151,368,911	160,593,261
Financial Cost	23	86,396,138	77,127,893
Depreciation and Amortization Expenses	30	35,966,084	43,715,491
Other Expenses	24	145,121,699	154,887,518
TOTAL EXPENDITURE		1,105,271,865	1,094,444,862
Profit before exceptional and extraordinary items and tax		15,872,768	20,634,731
Exceptional Items	25	22,266,871	(6,040,421)
Profit Before extraordinary items and tax		38,139,639	14,594,310
Extraordinary Items		-	-
Profit before tax		38,139,639	14,594,310
Tax Expenses	26	6,184,165	2,945,364
Profit(Loss) for the year		31,955,474	11,648,946
Earning per equity share:(nominal value of share Rs.10/-(Rs,10/-)	28		
Basic & Diluted		4.32	1.57
Notes to Accounts	29		

The Notes to Accounts 1 to 29 form an integral part of these financial statements.

As per our report of even date
For R. Jain & Sanjay Associates,
Chartered Accountants
Firm Registration No -012377N

For and on behalf of Board of Directors
Lumax Automotive Systems Limited

(CA. Sanjay Jain)
Partner
Membership No. 88027

U.K. Jain
Chairman

Nitin Jain
Managing Director

Place: New Delhi
DATED: 10/08/2012

A.K. Goel
Chief Financial Officer

Monika Gupta
Vice President (Legal) &
Company Secretary



SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31st March, 2012	As at 31st March, 2011
Note-1:- Share capital		
Authorized		
120,00,000 (120,00,000) equity shares of Rs.10/- each	120,000,000	120,000,000
	120,000,000	120,000,000
Issued, Subscribed & Fully Paid-Up		
74,04,106(74,04,106) equity shares of Rs.10/-each	74,041,060	74,041,060

(a) No new shares where used / allotted during the year

(a) The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per equity share.

(b) Name of the Shareholder holding more than 5% equity shares in the company.

Name of Shareholders	As at 31st March, 2012		As at 31st March, 2011	
	No.of shares	% of holding	No.of shares	% of holding
Mr. U.K. Jain	3,523,704	47.59	3,523,704	47.59
	As at 31st March, 2012		As at 31st March, 2011	

Note-2:- Reserves and Surplus

Capital Reserve

Balance as per last financial statements 20,003,000 20,003,000

Capital Revaluation Reserve

Balance as per last year financial statements	227,543,419		227,878,837
Less:- Adjustment on account of fixed assets sold	(38,765,869)		-
Less: Transferred to the surplus of profit & loss account	(335,418)	188,442,132	(335,418)
			227,543,419

General Reserve

Balance as per last year financial statements 30,232,347 30,232,347

Surplus in the Statement of Profit & Loss

Balance as per last year financial statements	30,470,921		20,416,481
Add:- Amount transferred from revaluation reserves	335,418		335,418
Add:- Profit for the year	31,955,474		11,648,946
Less:- Prior Period Expenses (Note No. - 27)	(30,542,603)	32,219,210	(1,929,924)
Total Reserves & Surplus	270,896,689		308,249,687

Lumax Automotive Systems Ltd.

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31st March, 2012	As at 31st March, 2011
Note- 3 - Long term borrowings		
SECURED LOANS		
(a) Term Loans from Banks & Financial Institution		
(i) IDBI Bank Limited	41,333,300	14,836,783
<p>(Long Term Loan secured against pari-passu charges on the plant & Machinery at Gurgaon and Manesar, and pari-passu charge on metallising plant situated at Sector-06 Faridabad and Equitable mortgage of factory land & building situated at Gurgaon and Manesar. Personal Guarantee given by Mr. U.K.Jain, Mr. Nitin Jain & Mrs Kamlesh Jain. The Loan was taken in the financial year 2009-2010 & 2011-2012. The Loan is repayable in 18 Quarterly installment without interest. The company has delayed the payment of installment since January 2012, overdue interest Rs 10,72,006 as on 31-03-2012. Subsequently loan (no interest) was restructured by IDBI Bank on 20.03.2012. Now the total amount outstanding Rs. 4,33,33,300 is repayable in 13 quarterly installments starting from January 2013. Loan carries interest at BPLR minus 75 bps p.a. i.e.. 12% at present. Repayable within a year Rs.20,00,000 (1,33,33,360) has been shown under the head current maturities. Note - 8 C (i)</p>		
(ii) Syndicate Bank	-	20,000,000
<p>(Equitable mortgage on immovable property situated at Sector-06 Faridabad, Chinchwad, Pimpri (Pune) and Aurangabad unit and Hypothecation of plant & machinery except machinery hypothecated to HSIIDC on first charge and second charge on land, building and machinery situated at Gurgaon and Manesar. The loan is personally guaranteed by Mr. U.K. Jain, Mr. Nitin Jain & Mr. Milan Jain . The loan was taken during the F. Y. 2009-10 carries interest @ 14.5% p.a. at present. The loan is repayable in 12 quaterly installments. Repayable within year Rs. 2,00,00,000 (1,57,89,996) has been shown under the head current maturities. Note - 8 C (i)</p>		
(iii) HSIIDC	76,231,836	64,824,613
<p>(Secured against the first charge on industrial land and building situated at Gurgaon and Manesar and Residential Plot at Manesar and first charge on the plant and machinery which was financed by the HSIIDC. The loans are personally guaranteed by Mr. U.K. Jain, Mr. Nitin Jain & Mrs. Kamlesh Jain. The Loan numbering Six are taken in the financial years 2005-06 to 2008-09 carries different interest rates from 11.50.% to 14 % p.a. . Since the company has delayed in repayment of the installments and the loans was restructured by HSIIDC on 30.01.2012. After restructuring the loan (no interest) are repayable in equal quarterly installments of Rs 76,45,000 commencing from January 2013. Repayable within a year Rs.76,45,000 (3,05,80,000) has been shown under the head current maturities. Note - 8 C(i)</p>		
(iv) HDFC Bank/Dhanlaxmi Bank/Axis Bank/ICICI Bank	5,372,595	6,240,024

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31st March, 2012	As at 31st March, 2011
1. (HDFC Bank loan is Secured by way of hypothecation of the vehicles purchased. The loan carries interest rate @ 11.76%. The loans is repayable in 36 monthly installment of Rs. 53,345 with interest starting from in Oct. 2010. Repayable within a year Rs.3,10,270 (6,40,596) has been shown under the head current maturities.) Note - 8 C(i)		
2. (ICICI Bank loan is Secured by way of hypothecation of the vehicles purchased. The loan carries interest rate @ 10.25%. The loans is repayable in 60 monthly installment of Rs. 20872 with interest starting from in Jan. 2011. Repayable within a year Rs.1,80,954 (1,63,069) has been shown under the head current maturities.) Note - 8 C(i)		
3. (Axis Bank loan is Secured by way of hypothecation of the vehicles purchased. The loan carries interest rate @ 10.25%. The loans is repayable in 48 monthly installment of Rs. 26,200 with interest starting from in Dec. 2011. Repayable within a year Rs.2,16,330 (Nil) has been shown under the head current maturities.) Note - 8 C(i)		
4. (Dhanlaxmi Bank loan is Secured by way of hypothecation of the vehicles purchased. The loan carries interest rate @ 10.68%. The loans is repayable in 60 monthly installment of Rs. 1,32,741 with interest starting from in May. 2011. Repayable within a year Rs.10,93,556 (10,29,072) has been shown under the head current maturities.) Note - 8 C(i)		
(b) Term Loan from Other Parties		
(i) Tata Capital Limited	1,625,001	7,601,795
(Secured against land, building, plant and machinery situated at Daultabad (Gurgaon) and Pune Unit-II). The loan is personally guaranteed by Mr. U.K. Jain, Mr. Nitin Jain & Mrs. Kamlesh Jain. Loan taken in financial year 2008-09 carries interest @ 14% p.a. at present. The loan is re-payable in 20 equal quarterly installments of Rs.16,25,000 (without interest).Over due amount as on 31.03.2012 is Rs. 6,99,435 Repayable within a year Rs.65,00,000 (Rs. 65,00,000) has been shown under the head current maturities. Note - 8 C(i)		
(ii) Maruti Udyog Ltd	432,330	723,296
(Secured by way of hypothecation of the vehicles purchased against each loan carries interest rate @ 8.50%. The loan is re-payable in 84 monthly installments. Repayable within a year Rs.2,90,966 (Rs.5,51,128) has been shown under the head current maturities.) Note - 8 C(i)		

Lumax Automotive Systems Ltd.

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31st March, 2012	As at 31st March, 2011
<u>UNSECURED LOANS</u>		
(a) Deposits from Related Parties		
(i) Inter corporate -The deposits carries interest @ 11% P.a.	8,889,748	8,140,055
(ii) Directors & their relatives -The deposits carries interest @ 11 % P.a.	13,796,946	22,780,169
(b) Deferred Payment Liabilities		
(i) Liabilities for Sales Tax Deferment	7,919,642	8,662,422
<p>(The deferment is interest free and relates to financial year 1999-2000 to 2004-05. The amount is repayable in Five equal yearly installment commencing from the end of the tenth financial year. Re-payable with in a year Rs. 7,42,780 and overdue installment as on 31-03-2012 of Rs. 2,97,436/- relating to financial year 2011-12</p>		
(c) Syndicate Bank		
(Repayable in monthly installment of Rs. 5,00,000/- each. Repayable with in a year Rs. 60,00,000 (Nil) has been shown under the head current maturities.)	6,825,835	11,250,000
Note - 8 C(i)	162,427,234	165,059,158
<u>Note 4:- Deferred Tax Liabilities (Net)</u>		
Deferred Tax Liability		
Difference between book and tax depreciation	47,961,263	42,966,578
Deferred VRS expenditure claimed as revenue expenditure under Income tax Act	7,244,470	11,547,502
Gross deferred tax liability	55,205,733	54,514,080
Deferred Tax asset		
Brought forward losses, 43B expenses, including leave encashment and gratuity provisions.	29,866,529	28,984,923
Net deferred tax liability	25,339,204	25,529,157
<u>Note 5:- Long Term Provisions</u>		
(a) Provision for employee benefits. (Leave Encashment & Gratuity)	21,002,711	2,721,234
	21,002,711	2,721,234

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31st March, 2012	As at 31st March, 2011
Note 6:- Short Term Borrowings		
(a) From Banks-Secured		
(i) Syndicate Bank	100,000,000	99,973,447
<p>(Working capital loan is secured by way of Hypothecation of stock, book debts, Plant & Machinery, furniture and equipment of unit at Sector-06 Faridabad, Aurangabad, Chinchwad Pune, Pimpri Pune and Manesar unit and Equitable mortgage of factory lands and buildings situated at Sector-06 Faridabad, Aurangabad, Chinchwad Pune Pimpri Pune and second charge of factory land & building of Gurgaon and Manesar unit. The loan is personally guaranteed by Mr. U.K. Jain, Mr. Nitin Jain & Mr. Milan Jain . The Loan is repayable on demand and carries interest @ 16.75% p.a.)</p>		
(ii) IDBI Bank Limited	69,992,477	69,678,728
<p>(Working capital loan is secured against first paripasu charge along with syndicate bank on current assets of the company. The loan is personally guaranteed by Mr. U.K.Jain, Mr. Nitin Jain and Mrs. Kamlesh Jain the directors/promoters of the Company. The loan is repayable on demand and carries interest @14.50% p.a.)</p>		
(iii) IFCI Factors Limited/Tata Capital Ltd. - Unsecured Loan (Loans for bill discounting against sale bills)	167,223,600	118,571,095
	<u>337,216,077</u>	<u>288,223,271</u>
Note 7:- Trade Payables		
(a) Trade Payable *	264,680,539	248,496,942
<p>* There are no amounts due to the suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have informed the Company for this purpose.</p>		
(b) Payable for capital goods	8,805,839	9,336,102
	<u>273,486,378</u>	<u>257,833,044</u>
Note 8:- Other Current Liabilities		
(i) Current maturities of long-term borrowings - Note 3	45,976,367	68,884,655
(ii) Interest accrued but not due on borrowings	276,039	2,289,567
(iii) Interest accrued and due on borrowings	3,830,270	785,008
(iv) Unpaid dividends	359,942	359,942
(v) Advances from customers	5,205,856	7,498,046
(vi) Statutory dues payable	68,914,915	43,439,333
(vii) Cheques issued but not presented for payment	10,871,063	15,519,207
(viii) Expenses Payable	14,699,162	18,761,738
	<u>150,133,615</u>	<u>157,537,495</u>
Note 9:- Short Term Provisions		
(a) Provision for employee Benefits	18,737,902	24,818,803
(b) Provision for Income Tax	14,903,302	10,688,424
	<u>33,641,204</u>	<u>35,507,227</u>

Note-10:- Fixed Assets

Amount in Rs.

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK			
		As On 01.04.2011	Additions Made	Sales/ Adjustment	Total As On 31.03.2012	As On 01.04.2011	For The Year	Sales/ Adjustments	Total As On 31.03.2012	W.D.V. As At 31.03.2011	W.D.V. As At 31.03.2012
a)	TANGIBLE ASSETS										
i.	Land- Free Hold	205,015,884	-	38,820,000	166,195,884	-	-	-	-	166,195,884	205,015,884
ii.	Land-Lease Hold	28,984,387	-	-	28,984,387	-	-	-	-	28,984,387	28,984,387
iii.	Building	146,409,212	-	2,845,217	143,563,995	25,645,255	4,733,996	739,793	29,639,458	113,924,537	120,763,957
iv.	Plant & Machinery	334,018,475	35,906,886	-	369,925,361	158,304,104	21,333,764	-	179,637,868	190,287,493	175,714,371
v.	Furniture and Fixtures	20,180,780	-	328,573	19,852,207	8,958,494	1,185,591	154,507	9,989,579	9,862,629	11,222,286
vi.	Office Equipments	20,212,978	858,425	1,501,578	19,569,825	11,782,816	658,784	1,168,492	11,273,108	8,296,717	8,430,162
vii.	Vehicles	37,322,616	4,141,245	4,480,581	36,983,280	10,229,674	3,266,458	2,756,291	10,739,841	26,243,439	27,092,942
viii.	Plastic Moulds	204,305,450	2,227,820	300,000	206,233,270	176,084,087	3,644,762	-	179,728,849	26,504,421	28,221,363
ix.	Computers	8,986,885	6,100	-	8,992,985	5,729,160	1,126,921	-	6,856,081	2,136,904	3,257,725
	Total Tangible Assets	1,005,436,667	43,140,476	48,275,949	1,000,301,194	396,733,590	35,950,275	4,819,083	427,864,783	572,436,414	608,703,075
b)	INTANGIBLE ASSETS										
i.	M & M Resorts Ltd	131,730	-	-	131,730	42,152	15,808	-	57,960	73,770	89,578
	Total Intangible Assets	131,730	-	-	131,730	42,152	15,808	-	57,960	73,770	89,578
	Total Rs.	1,005,568,397	43,140,476	48,275,949	1,000,432,924	396,775,742	35,966,084	4,819,083	427,922,743	572,510,184	608,792,655
	Previous Year Rs.	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	

Note 11: Non-Current Investments

	As at 31.03.2012	As at 31.03.2011
(a) Trade Investment (valued at cost/ unless stated otherwise)		
i) 274590 (274590) Equity Shares of Lumax Ancillary Limited of Rs. 10/- each, fully paid-up (Unquoted)	1,352,900	1,352,900
ii) 1080 (1080) Equity Shares of Lumax Industries Ltd. of Rs. 10/- each, fully paid-up (quoted)	80,250	80,250
(b) Other- investment (valued at cost/unless stated otherwise)		
i) 400 (400)Equity Shares of Reliance Industries Ltd of Rs. 10/- each, fully paid-up	29,232	29,232
ii) 15 (15) Equity Shares of Reliance Infrastructure Ltd of Rs. 10/- each, fully paid-up		
iii) 10 (10)Equity Shares of Reliance Capital Ltd of Rs. 10/- each, fully paid-up		
iv) 50 (50)Equity Shares of Reliance Power Ltd of Rs. 10/- each, fully paid-up		
v) 200 (200) Equity Shares of Reliance Communication Ltd of Rs. 5/- each, fully paid-up		
	1,462,382	1,462,382
i. Aggregate market value of quoted investments	734,223	849,494
ii. Aggregate amount of book value of quoted investments	109,482	109,482
iii. Aggregate amount of book value of unquoted investments	1,352,900	1,352,900
iv. Aggregate provision for diminution in value of investments	-	-

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31st March, 2012	As at 31st March, 2011
Note 12:- Long Term Loans and Advances		
(Unsecured-considered good)		
(a) Capital Advances	6,378,567	6,378,567
(b) Security Deposits	6,200,507	6,095,111
(c) Other loans and advances		
(i) Income tax /Mat credit entitlement	7,939,325	-
(ii) Loans to employees	170,500	152,500
	20,688,899	12,626,178
Note 13:- Other Non-Current Assets		
(a) Long Term Trade Receivable		
(i) Unsecured, considered good	3,818,806	31,764,504
(ii) Unsecured, considered doubtful	69,892,459	36,633,125
(b) Others		
(i) Share issue expenses	3,469,083	3,469,083
(ii) New project bike	1,571,801	1,571,801
(ii) Deferred revenue expenditure (VRS)	11,995,567	22,328,465
(c) Other Bank Balances-Non Current Assets		
Margin money deposits (Fixed Deposit with more than twelve month maturity)	1,099,563	634,218
	91,847,279	96,401,197
Note 14:- Inventories(Valued at cost / estimated cost)		
(a) Raw materials	201,088,327	193,180,781
(b) Work-in-progress	81,046,346	97,503,045
(c) Finished goods	16,065,072	14,390,128
(d) Goods in-transit(raw material & components)	21,663,658	-
(e) Stores, spares & packing material	3,569,421	3,403,411
(f) Scrap material	18,463	154,462
	323,451,287	308,631,826
Note 15:- Trade Receivables		
(i) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
a.) Unsecured, considered good	5,623,777	29,506,217
(ii) Others		
a.) Unsecured, considered good	233,188,793	189,586,450
	238,812,570	219,092,667
Note 16:- Cash and Bank Balances		
(a) Cash and cash equivalents	3,840,862	1,426,815
(b) Balances with banks		
i. on current accounts	962,635	573,450
ii. Unpaid dividend account	359,942	359,942
	5,163,439	2,360,206
Note 17:- Short-Term Loans and Advances		
(Unsecured-considered good)		
(a) Advances recoverable in cash or kind	31,667,542	14,353,807
(b) Other loans and advances		
(i) Income tax /TDS	24,906	18,957
(ii) Pre-paid expenses	767,711	893,338
(iii) Loans to employees	3,032,766	2,688,702
(iv) Balances with revenue authorities	9,257,012	9,733,168
(v) Gratuity recoverable from LIC gratuity trust	13,748,166	11,696,492
(c) Others(Deffered Revenue Expenditure)	10,332,898	12,434,847
	68,831,001	51,819,310

Lumax Automotive Systems Ltd.

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Note 18:- Revenue from Operations		
(a) Sale of finished goods	1,238,170,749	1,234,629,600
(b) Sale of Services(job work)	1,092,200	1,016,121
(c) Other operating revenues		
i. Scrap sales	1,388,268	2,882,732
Revenue from operations(gross)	1,240,651,217	1,238,528,453
Less:-		
(d) Excise Duty	120,322,034	123,957,013
Revenue from operations(net)	1,120,329,183	1,114,571,440
Details of Products Sold		
Finished goods sold		
Oil/air filters, cleaners & elements	745,355,335	632,837,218
Rear view mirrors	-	75,268,268
Plastic moulded auto components	354,823,796	352,693,602
Components & parts of air cleaners and filters	17,669,584	49,873,499
	1,117,848,715	1,110,672,587
Add : excise duty	120,322,034	123,957,013
	1,238,170,749	1,234,629,600
Note 19:- Other Income		
(a) Interest Income	73,765	56,607
(b) Dividend Income	421,738	418,032
(c) Other non-operating Income	12,000	33,514
(d) Net gain on foreign currency transaction	307,947	-
	815,450	508,154
Note 20:- Cost of Raw Material & Components consumed		
Opening Stock of raw material & components	193,180,781	174,493,387
Add: Purchases of raw material & components	709,635,350	653,971,216
	902,816,131	828,464,602
Less: Closing stock of raw material & components	201,088,327	193,180,781
Less: Cost of discarded stocks sold	13,676,986	-
	688,050,818	635,283,822
Details of raw material & components consumed		
Steel sheet	11,494,247	19,459,922
Plastic powder	244,537,343	156,595,745
Filter paper	106,805,224	161,962,202
Others	325,214,004	297,265,953
	688,050,818	635,283,822
Details of closing stocks of raw material & components		
Steel sheet	2,916,328	4,925,145
Plastic powder	73,144,853	67,839,168
Filter paper	23,605,050	19,243,433
Others	101,422,095	101,173,034
	201,088,327	193,180,781

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Note 21:- Change in Inventories		
<u>Closing Stock</u>		
Finished Goods	16,065,072	14,390,128
Work in progress	81,046,346	97,503,045
Scrap material	18,463	154,462
<u>Opening Stock</u>		
Finished Goods	14,390,128	11,187,983
Work in progress	97,503,045	88,521,446
Scrap material	154,462	178,162
Less: Discarded Stocks	(16,549,539)	-
Change in inventories	<u>(1,631,784)</u>	<u>(12,160,043)</u>
Details of closing stock of finished goods		
Finished goods		
Oil/air filters, cleaners & elements	11,159,195	9,660,919
Rear view mirrors	896,521	896,521
Plastic moulded auto components	4,009,356	3,815,484
Components & parts of air cleaners and filters	-	17,204
	<u>16,065,072</u>	<u>14,390,128</u>
Note 22:- Employee Benefits Expenses		
(a) Salaries, wages and bonus	128,194,650	144,790,499
(b) Contribution to Provident and other funds	6,265,531	5,992,630
(c) Gratuity & Leave Encashment	10,725,199	803,341
(d) Staff welfare expenses	6,183,530	9,006,791
	<u>151,368,911</u>	<u>160,593,261</u>
Note 23:- Finance Cost		
(a) Interest to bank and financial institution	48,382,300	45,818,480
(b) Interest on advance/unsecured loans	7,592,250	6,714,154
(c) Interest others	5,252,463	8,178,097
(d) Bank charges & bill discounting charges	25,169,125	16,417,163
	<u>86,396,138</u>	<u>77,127,893</u>
Note 30:- Depreciation and Amortization		
(a) Depreciation	35,966,084	43,715,491
(b) Amortization expenses	-	-
	<u>35,966,084</u>	<u>43,715,491</u>
Note 24:- Other Expenses		
(a) Consumption of stores and spare parts	7,531,547	7,790,966
(b) Power and fuel	51,205,333	53,728,112
(c) Rent, rate & taxes	1,529,004	1,974,446
(d) Repairs & maintenance		
- Plant & machinery	8,010,321	8,213,473
- Building	798,970	910,788
- Others	757,261	1,508,144
(e) Insurance	1,650,398	1,537,811
(f) Printing & stationery	930,419	1,038,744
(g) Vehicle running & maintenance	5,734,860	5,392,066
(h) Postage & telephones	3,131,418	3,373,628
(i) Legal & professional	1,676,275	2,441,264
(j) Conveyance & travelling	7,474,967	8,899,524
(k) Freight, forwarding & Packing Material Consumed	22,570,005	30,621,697

Lumax Automotive Systems Ltd.

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
(l) Advertisement, publicity & sales promotion	2,073,848	2,090,640
(m) Royalty	-	953,849
(n) Payment to the auditor (See detail below)	1,102,128	1,185,177.00
(o) Miscellaneous expenses	1,056,154	1,241,600
(p) Rebate, discount & commission	6,982,506	3,335,930
(q) Bad debts	8,040,133	983,503
(r) Other manufacturing expenses	1,578,974	252,059
(s) AGM expenses	445,950	521,272
(t) Job work	4,405,815	9,971,958
(u) Security charges	4,640,042	4,255,284
(v) Festival expenses	1,795,373	2,665,582
	145,121,699	154,887,518
Payment to Auditor		
(i) Audit fee	808,754	702,500
(ii) Taxation	162,115	255,000
(iii) Certification Fees, Service Tax, Reimbursement Exp & Others	131,259	227,677
	1,102,128	1,185,177.00
Note 25- Exceptional Items		
Profit on sale of fixed assets	46,587,374	90,222
Profit on sale of investment	14,039,955	6,640,000
Deferred revenue expenditure w/off	(12,434,849)	(12,770,643)
Loss on sale of discarded stock	(25,925,610)	-
	22,266,871	(6,040,421)
Note 26- Tax Expenses		
Current Tax	8,500,000	2,700,000
Deferred Tax charge	(189,953)	107,980
Income tax relating to earlier year	314,878	137,384
MAT credit entitlement	(2,440,760)	-
	6,184,165	2,945,364
Note 27- Prior Period Expenses		
Gratuity	18,966,928	-
Leave Encashment	4,095,685	-
Interest	7,479,990	-
Sales Promotion	-	174,643
Electricity Expenses	-	1,342,966
Misc Manufacturing Expenses	-	64,441
Vehicle Expenses	-	347,874
	30,542,603	1,929,924
Note 28- Earnings Per Share (EPS) (in Rupees)		
Net Profit as per profit and loss account	31,955,474	11,648,946
Number of Equity Shares of Rs. 10/- each	7,404,106	7,404,106
Basic & Diluted Earning per Share (in Rupees)	4.32	1.57

Note : 29 Accounting Policies & Notes to Accounts

1) General

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respect in accordance with the notified Accounting Standards issued under companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out.

The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous year, except for the change in accounting policy explained below.

2) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised schedule vi notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of financial statements. The adoption of revised schedule vi does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentations and disclosures made in financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

- 3) i) The Company has set-up its own gratuity fund which is covered under the group gratuity scheme with Life Insurance Corporation of India. Liability in respect of gratuity due to the employees as on 31/03/2012 as per actuarial valuation amount to Rs. 200.69 Lacs (Rs. 344.53 Lacs), which has been duly provided in the current financial year.
- ii) Liability in respect of earned leave due to the employees as on 31/03/2012 as per actuarial valuation amounts to Rs. 66.01 Lacs (Rs.50.79 Lacs), which has been duly provided in the current financial year.
- 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. The approval and the certificate for transfer of deferment of sale tax liability in the name of the Company from State Authority has been received. The deferment is interest free and relates to financial year 1999-2000 to 2004-05. The amount is repayable in five equal yearly installments commencing from the end of the tenth financial year i.e. 2009-10. The sale-tax deferred liability amounting to Rs 8,959,858/- (Rs. 8,959,858/-) have been included in unsecured loans.

4) Contingent liabilities and commitments:

(to the extent not provided for)

Amount (Rs. In Lacs)

	2011-12	2010-11
a) Contingent Liabilities		
(i) Bank Guarantees given in favour of Government Agencies	20.62	20.62
(ii) Letter of Credit outstanding	325.89	477.30
(iii) Income Tax Demand on disallowances in respect of A.Y 2009-10 and appeal is pending before the CIT (Appeals)	52.37	—
(iv) Income Tax Demand on account of MAT Credit, Application is pending for review with A.O relating to A.Y 2007-08	5.49	—
b) Capital Commitments	19.28	8.22

- 5) Remuneration to Directors' has been paid within the limit prescribed under the provisions of Schedule XIII read with section 269, of the Companies Act, 1956.

- 6) Value and percentage of Raw Materials and Stores Consumed :

Particulars	Raw Materials		Consumable Stores	
	%	Value(Rs.)	%	Value(Rs.)
Indigenous	86.81 (19.18)	597,305,597 (518,642,295)	100 (100)	7,531,547 (7,790,966)
Imported	13.19 (18.43)	90,745,221 (116,641,527)	Nil (Nil)	Nil (Nil)
		688,050,818 (635,283,822)		7,531,547 (7,790,966)

- 7) Expenditure/Payments in Foreign Currency :

Particulars	2011-2012	2010-2011
	(Rs.)	(Rs.)
Raw Materials (CIF Value)	84,801,565/-	108,351,791/-
Foreign Travels	3,273,148/-	3,132,874/-
Royalty	Nil	953,849/-
	88,074,713/-	112,438,514/-

Lumax Automotive Systems Ltd.

- 8) Earning in Foreign Currency:
Export Sale- Rs. 334,251/- (Rs. 1,014,792/-)
- 9) 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 2012 in terms of the provisions of “The Micro, Small, and Medium enterprises Development Act, 2006.
- 10) 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).
- 11) 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	Nytex Auto Industries	Toray Auto Industries (P) Ltd.
Mr. Milan Jain	Smt. Kamlesh Jain	Lumax Automotive Component Systems Pvt. Ltd.
Mr. Nitin Jain	Lumax Industries Ltd	Lucky Capital (P) Ltd.
	Lumax Ancillaries Ltd.	Nine Land Developers Ltd.
		Lumax Automotive Care Ltd.

ii) Details 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	-	418,365		418,365	415,125
2	Components – Sale			14,697,986	14,697,986	23,207,220
3	Managerial Remuneration	3,663,313			3,663,313	4,748,503
4	Interest on unsecured loans	1,379,950	126,602	873,318	2,379,870	6,714,154
5	Rent	240,000	890,100		1,130,100	1,014,000

- 12) **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.
- 13) **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.
- 14) i) Expenditure incurred towards compensation payments to employees on retirement / resignation in earlier years were amortized in equal installment over five years as VRS scheme and in respect of the current financial year, the same has been charged to profit and loss statement.
ii) Expenditure incurred on new project (Bike) in earlier years has been capitalized, no expenditure has been incurred during the current financial year and will be amortised in the year of the implementation of the project/production.
iii) Public issue expenses incurred in earlier years will be written off in five equal installments from the financial year in which new shares will be issued.
- 15) **Miscellaneous**
Sundry creditors, sundry debtors and loans and advances and rebates claimed include certain items for which confirmation are yet to be received and include certain long outstanding balances which are considered payable/ realisable as the case may be.

16) **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 programme 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 benefits in the form of gratuity to all employees, and the liability based on actuarial valuation is charged to the Profit & Loss Account. Also provision required for leave encashment amounting to Rs. 56.18 Lacs as per actuarial valuation has been duly provided in the current financial year.
- 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. During the year no expenditure on new project / substantial expansion has been incurred.
- 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.

Annexure to our report of even date

for **R. Jain & Sanjay Associates**
Chartered Accountants
Firm Registration No. - 012377N

(CA-Sanjay Jain)
Partner
Membership No .88027

PLACE: DELHI
DATED: 10/08/2012

For and on behalf of Board of Directors
Lumax Automotive Systems Ltd.

U.K. Jain
Chairman

A.K. Goel
Chief Financial Officer

Nitin Jain
Managing Director

Monika Gupta
Vice President (Legal) &
Company Secretary

Lumax Automotive Systems Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	2011-2012	2010-2011
A. Cash flow from operating activities		
Profit before tax	38,139,639	12,664,387
Adjustments for :		
Prior period expenses	(30,542,603)	
Depreciation	35,966,084	43,715,491
Interest expenses	86,396,138	77,127,893
Amortisation of deferred revenue expenditure	12,434,849	12,770,643
(Profit)/ loss on sale of fixed assets	(46,587,374)	(90,222)
(Profit)/ loss on sale of investment	(14,039,955)	(6,640,000)
Operating profit before working capital changes	81,766,778	139,548,192
Movements in working capital:		
Increase in trade receivables	(25,033,539)	(27,264,940)
Increase in inventories	(13,404,073)	(27,117,866)
Increase in loans and advances	(19,231,087)	13,637,074
Increase in Trade and other payables	41,942,925	(42,153,474)
Cash generated from operations	66,041,004	56,648,986
Direct tax paid	(10,104,514)	(137,384)
	55,936,490	56,511,602
Net cash generated from operating activities	55,936,490	56,511,602
B. Cash Flow from investing activities		
Purchase of fixed assets	(55,042,694)	(24,524,011)
Adjustment/sale of fixed assets	51,278,371	660,724
Receipt on sale of investment	14,039,955	39,840,000
VRS expenses incurred	-	(23,735,567)
	10,275,632	(7,758,854)
Net Cash used in investing activities	10,275,632	(7,758,854)
C. Cash flow from financing activities		
Receipt of non current borrowings	25,500,000	8,497,753
Receipt of short term borrowings	48,992,806	81,580,251
Repayment of non current borrowings	(51,040,212)	(37,505,607)
Repayment of short term borrowings	-	(50,492,581)
Interest paid	(86,396,138)	(77,127,894)
	(62,943,544)	(75,048,078)
Net cash used in financing activities	(62,943,544)	(75,048,078)
D. Net (decreases)/ increase in cash	3,268,578	(26,295,329)
Cash and cash equivalent as on 31.03.2011	2,994,424	29,289,753
Cash and cash equivalent as on 31.03.2012	6,263,002	2,994,424

- 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
3. Cash and Cash equivalent includes margin money fixed deposit shown in other non current assets note number 13.

As per our report of even date.

For R. Jain & Sanjay Associates
Chartered Accountants
Firm Registration No. - 012377N

(CA-Sanjay Jain)
Partner
Membership No.88027

PLACE : NEW DELHI
DATED: 10/08/2012

For and on behalf of Board of Directors
Lumax Automotive Systems Limited

U.K. Jain
Chairman

A.K. Goel
Chief Financial Officer

Nitin Jain
Managing Director

Monika Gupta
Vice President (Legal) &
Company Secretary



LUMAX AUTOMOTIVE SYSTEMS LIMITED

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

ATTENDANCE SLIP

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 12th ANNUAL GENERAL MEETING of the Company held on Monday, September 24, 2012 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



LUMAX AUTOMOTIVE SYSTEMS LIMITED

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

PROXY FORM

DP ID*	
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Master Folio No.	
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Client ID*	
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No. of Shares	
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I/Weofbeing a member/members of Lumax Automotive Systems Limited hereby appoint..... ofor failing himof.....

as my/our proxy to vote for me/us and on my/our behalf at the 12th Annual General Meeting of the company to be held on Monday, September 24, 2012 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 of2012

* 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

The logo for LUMAX, featuring the word "LUMAX" in a bold, white, sans-serif font. The letters are contained within a red rectangular border that has a slight 3D effect, with the top and bottom edges appearing slightly raised.

AUTOMOTIVE PARTS

Regd. off. : 63-64, Gokhale Market

New Delhi - 110054