LUMAX
AUTOMOTIVE PARTS

DK JAIN GROUP

2012 Annual Report

Lumax Industries Limited

2012

Chairman's Message

Dear Shareholder Friends,

The last financial year has been an extremely challenging year, with the effects of the tsunami and earthquake in Japan, floods in Thailand, increase in rate of borrowings, slowdown of the Indian economy, devaluation of the Indian rupee, and the list can go on. All these factors had an adverse impact on the automotive industry.

Against all odds, the Indian Automobile Industry registered a growth of 13.83%, driven primarily by the growth of the two wheeler segment, which grew by 14.16% and against which the passenger vehicle segment registered a growth of 4.66%. In line with the growth of the industry, your Company registered a growth of 13.73%.

The bottom line came under tremendous pressure due to increase in raw material prices, depreciation of the rupee on one side and higher overhead costs on the other. The profit after tax of your Company declined to Rs. 128.14 million as compared to Rs. 179.74 million during previous year.

I strongly believe the Indian Automobile Industry has a good future despite these short term challenges. With the launch of various new models across segments and all major OEMs having ambitious plans in India, the automobile industry is bracing itself for exciting times ahead.

Keeping in view the huge growth potential of automotive industry, to better serve our esteemed customers & to retain our competitive edge, your Company had made investments to the tune of Rs. 110 crore, which is nearly up by 44% over the last year. The investments have been made towards setting up a new state of the art automotive lighting plant at Bawal, modernization of Dharuhera plant, setting up a new surface treatment facility at Pantnagar, and up-gradation of its Research and Development facilities & Production engineering capabilities. I am glad to share that we have started production from our new plant at Bawal from February, 2012 in a record time of one year.

I must share that the business plans made by our units for this year are challenging but I have no doubt that we shall exceed all targets.

Your Company is already taking part in CSR activities through its various programs. For effective implementation and providing a roadmap to its CSR objectives, your Company has formed a Trust in October, 2011 namely 'Lumax Charitable Foundation' for contributing in the economic and social development of communities and geographical areas, particularly in the vicinity of its operations. This will include education, skill building for livelihood of people, health, cultural and social welfare particularly targeting the weaker sections of society.

In the end, I would like to thank all the employees of Lumax for their unconditional support, especially in tough times and to you for being with us through thick and thin. We remain committed towards enhancing our shareholders value.

D. K. Jain
Group Chairman

BOARD OF DIRECTORS

Mr. D.K. Jain	(Chairman & Managing Director)	
Mr. Deepak Jain	(Senior Executive Director)	
Mr. Anmol Jain	(Senior Executive Director)	
Mr. Eiichi Hirooka	(Senior Executive Director)	- Stanley Nominee
Mr. Toshio Masuda	(Executive Director)	- Stanley Nominee
Mr. Makio Natsusaka	(Non- Executive Director)	- Stanley Nominee
Mr. A.P. Gandhi	(Independent Director)	
Mr. Rattan Kapur	(Independent Director)	
Mr. Gursaran Singh	(Independent Director)	
Mr. Suman Jyoti Khaitan	(Independent Director)	
Mr. M.C. Gupta	(Independent Director)	
Mr. Dhiraj Dhar Gupta	(Independent Director)	

GROUP FINANCE HEAD

Mr. Naval Khanna

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Mr. B.S. Bhadauriya

REGISTRAR & SHARE TRANSFER AGENT

M/s Karvy Computershare Pvt. Ltd.
Plot No.17-24,Vittal Rao Nagar
Madhapur,Hyderabad-500081
E-mail : einward.ris@karvy.com

AUDITORS

M/s S.R. Batliboi & Associates
Chartered Accountants,
Gurgaon.

REGISTERED & CORPORATE OFFICE

B-85-86, Mayapuri Industrial Area,
Phase - I, New Delhi - 110064
E-mail : lumaxshare@lumaxmail.com

PRINCIPAL BANKERS

Societe Generale
Syndicate Bank
IDBI Bank Ltd
ICICI Bank Ltd.
State Bank of India
Bank of Maharashtra
Kotak Mahindra Bank Limited
Standard Chartered Bank
Citi Bank N.A.
Central Bank of India
HDFC Bank Ltd.
The Royal Bank of Scotland NV
Yes Bank Limited

WORKS

1) Plot No.16, Sector-18, Maruti Complex, Gurgaon, Haryana.
2) Plot No.6, Industrial Area, Dharuhera, District Rewari, Haryana.
3) Plot No.195-195A, Sector 4, Phase-II, Bawal, District Rewari, Haryana.
4) Plot No. 51, Sector 11, IIE, Pant Nagar, District Udham Singh Nagar, Uttarakhand.
5) Plot No. 5, Industrial Park - II, Village Salempur, Mehdood, Haridwar, Uttarakhand.
6) Warehouse at Plot No.E-38, Site-IV, Surajpur Greater Noida, District Gautam Budh Nagar, Uttar Pradesh.
7) D2-43/2, M.I.D.C. Industrial Area, Chinchwad, Pune, Maharashtra.
8) 608-609, Chakan Talegaon Road, Mahalunge Ingle, Chakan, Pune, Maharashtra.
9) Plot No. D-1, Vendors Park, Sanand, District Ahmedabad, Gujarat.
10) Plot No. 22C, Bidadi Industrial Area, Bangalore.*

** Plant under Construction*

LUMAX
AUTOMOTIVE PARTS

31st

Annual Report

2011-2012

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ANNUAL GENERAL MEETING ON TUESDAY, AUGUST 7, 2012

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors are pleased to present the 31st Annual Report on the business and operations together with Audited Balance Sheet and Profit & Loss Account of your Company for the year ended March 31, 2012.

FINANCIAL RESULTS

Your Company's performance during the year as compared with the previous year is summarized below:

Rupees in Million

Particulars	2011-12	2010-11
Net Sales	**9851.58**	8662.49
EBITDA	**494.28**	567.92
Financial Expenses	**122.28**	90.13
Depreciation/Amortisation/Impairment Loss	**236.68**	240.45
Profit Before Tax (PBT)	**135.32**	237.34
Provision for Tax	**7.18**	57.60
Profit After Tax (PAT)	**128.14**	179.74
Balance of Profit brought forward	**145.49**	48.94
Balance Available for Appropriation	**273.63**	228.68
Appropriations		
Dividend	**56.09**	56.09
Corporate Dividend Tax	**9.10**	9.10
Transfer to General Reserve	**13.00**	18.00
Balance Carried to Balance Sheet	**195.44**	145.49
	273.63	228.68
Dividend (%)	**60**	60
Basic and Diluted Earning Per Share (EPS)(Rs.)	**13.71**	19.23

DIVIDEND

Keeping in view of the philosophy of the Company to reward its shareholders and to continue the tradition of recommending dividend for the last 27 years, the Board of Directors are pleased to recommend a Dividend of 60% (Rs.6/- per Equity Share) for the Financial Year 2011-2012 (Rs.6 per share for the previous year). The total amount of Dividend proposed to be distributed aggregates to Rs. 65.19 Million (including Dividend Tax). The Dividend payout ratio comes to 50.87%.

A sum of Rs. 13.00 Million has been transferred to the General Reserve of the Company. This reaffirms the inherent financial strength of your Company.

BUSINESS PERFORMANCE

The Rs. 1,600 billion Indian auto component industry derives its growth impetus from the growth in automobile industry. The Indian auto components industry has been witnessing a moderation in its revenue growth since the beginning of this fiscal following the deceleration in sales volume growth across all automobile segments. The margins of the auto component manufacturers declined due to higher overhead costs, increase in raw material & power prices, sluggish growth in supplies to domestic Original Equipment Manufacturers and sudden depreciation of rupee against major currencies. The sluggishness was partly arrested on the back of rise in component exports and higher domestic replacement market sales.[1]

During the year under review the Indian Automobile Industry recorded a production growth of 13.83% as compared to 27% of the corresponding period last year. The industry produced around 20.37 Million vehicles of which share of two wheelers was 76%, passenger vehicles - 16%, three wheelers and commercial vehicles - 4% each.[2]

[1] *ICRA report on Indian Auto Component Industry - March, 2012*

[2] *Society of Indian Automobiles Manufacturers (SIAM)*

In this backdrop, during the year under review, your Company recorded a sales turnover of 9851.58 Million registering a growth of 13.73%, which is in line with the industry growth. The profit for the year after tax stood at Rs. 128.14 Million as compared to Rs. 179.74 Million during the previous year.

SCALING UP OF BUSINESS: NEW PLANTS AND FACILITIES

Currently, the auto components industry in India is around two-thirds the size of the OEM segment. This proportion is around one to two times in mature markets of Europe, America and Japan. Given the healthy growth prospects of the Indian automobile industry over the medium term, the size of the auto components industry would grow at a rate faster than the OEM segment, driven by OEMs' thrust on localization and steadily growing replacement market demand.[3]

As volumes increase, Indian auto component manufacturers will have to scale up their operations and further improve quality, cost and delivery performance to global standards demanded by customers.

Keeping in view the huge growth potential of automotive industry, to better serve its esteemed customers and to retain competitive edge, your company has made an investment to the tune of Rs.1100 million, which is up by nearly 44% over the last year. The Investments have been made towards setting up a new state of the art automotive lighting plant at Bawal, modernization of Dharuhera Plant, setting up a new surface treatment facility at Pantnagar and up-gradation of its Research and Development facilities & Production engineering capabilities. The automotive lighting plant at Bawal has commenced commercial production in February, 2012, in a record time of one year.

The development work of new plant in Bidadi, Bangalore for Manufacturing of Auto Lighting and other components for the Small Car Toyota - Etios is going as per schedule and expected to complete by June, 2012. Further, the Company has also received business from Honda Motorcycle & Scooter India Private Limited (HMSI) for supply of two wheeler lighting from this plant.

A detailed discussion on the business performance and future outlook is provided in the Chapter on Management Discussion & Analysis Report (MDA).

RECOGNITION AND AWARDS

Your company considers technological leadership to be a significant factor in quality excellence and its continued success and therefore continues to devote significant resources to upgrade its technological capabilities. As a result of which the Company has received the following awards and recognitions from Customers and other Agencies during the year under review:

- Won gold trophy in Quality Circle Competition organised by Quality Circle Forum of India.
- Won 4th Runner up award in Quality Circle Competition organized by TOYOTA.
- Got the Award to maintain the 90% score continuously from last two years in Vendor System Audit by Maruti Centre for Excellence (MACE).
- Got distinguished award in Quality Circle Competition organised by Quality Circle Forum of India.
- Won Bronze Trophy for "Manufacturing Excellence" from Automotive Components Manufacturer Association (ACMA).
- Won Bronze Trophy for "Quality and Productivity" from Automotive Components Manufacturer Association (ACMA).
- Received Certificate of appreciation for Quality & Delivery of Spare part components by Honda Siel Cars India Limited.
- Received Certificate for Proactive capacity enhancement from Maruti Suzuki India Limited.

DIRECTORS

In accordance with the Articles of Association of the Company and the Companies Act, 1956, Mr. Deepak Jain, Mr. Gursaran Singh and Mr. Suman Jyoti Khaitan, Director(s) are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Stanley Electric Co. Ltd. (Stanley - Technical & Financial Collaborator) has withdrawn the nomination of Mr. Ikuo Abe, Senior Executive Director and Mr. Atsushi Ishii, Executive Director from the Board of the Company. Consequent to withdrawal of their nomination, Mr. Ikuo Abe and Mr. Atsushi Ishii resigned from the Board of the Company w.e.f. 26-07-2011 and 30-06-2011 respectively. The Board of Directors places on record its appreciation for the valuable services rendered by them during their tenure as Director.

Stanley nominated Mr. Eiichi Hirooka and Mr. Toshio Masuda in place of Mr. Ikuo Abe and Mr. Atsushi Ishii. Pursuant to their nomination, the Board of Directors have appointed Mr. Eiichi Hirooka and Mr. Toshio Masuda, as additional Directors and thereafter as Senior Executive Director and Executive Director respectively w.e.f. 27-07-2011, for the time being, on the Board of the Company at their meeting held on July 26, 2011 subject to their regular appointment in the Annual General meeting.

Mr. Eiichi Hirooka is a Masters in Business Administration (Finance), Japan, aged 54 years, having about 29 years of rich experience in Auto Lighting sales and worked in USA, Stanley for 7 years. Before joining the Company, he was responsible for Suzuki Japan Business for Automotive Lighting.

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[3] *ICRA report on Indian Auto Component Industry - March, 2012*

Mr. Toshio Masuda is a Graduate from Japan, aged 54 years, having about 31 years of rich experience in production engineering in Auto Lighting. He joined Stanley Japan in 1980 and worked 17 years in Thai Stanley as Director-Automotive Lamps, thereafter as plant Manager in Stanley Japan for 8 years. He has also worked in China, Stanley for 1 year as Vice President- Plant before joining the Company.

Your Directors recommend the re-appointment / appointment of the above Directors at the ensuing Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act 1956, the Directors state:

(i) That in the preparation of the Annual Accounts for the Financial Year ended March 31, 2012, the applicable Accounting Standards have been followed along with proper explanation relating to material departures in the Auditor Report and Notes to Accounts;

(ii) That the Directors have selected such accounting policies and 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 or loss of the company for that period;

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate 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;

(iv) That the Directors have prepared the Annual Accounts on a "going concern" basis.

FIXED DEPOSITS

During the year under review the company has not accepted any Deposit under Sections 58A and 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS

M/s. S. R. Batliboi & Associates, Chartered Accountants, auditors of the Company, retire at the conclusion of the ensuing annual general meeting but do not offer themselves for re-appointment. The Company has recieved a requisition to appoint M/s. S.R Baltiboi & Co., Chartered Accountants, as the Statutory Auditor of the Company. Consequently a consent letter and certificate from M/s. S.R Baltiboi & Co., Chartered Accountants stating that their appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956 has also been received. The Audit Committee in its meeting held on 30th May, 2012 has also recommended the appointment of M/s. S. R. Batliboi & Co., as Statutory Auditors of the Company. Your directors also recommend their appointment.

The explanations of your Board of Directors on the Auditor's observations as contained in their report, read with the relevant notes to accounts are as follows:

(i) With reference to the observation in Para (v)(b) to the Annexure of their Report in respect of transactions exceeding Rs. 5 Lacs in which comparable prices are not availaible, it is explained that the nature of these transactions covers under two categories viz. (a) Designing and Development of Tools, Moulds and (b) Specialized Nature of Raw Material, Semi Finished and Finished Products.

a) Designing and Development of Tools, Moulds

The Tools and Moulds etc are of specialized nature of products which needs to be designed and developed with specialized knowledge and skill as per the Customer specifications and requirements. The specifications provided by Customer for designing and development of Tools are of Confidential Nature and having immense Intellectual property value. Therefore, the Company arranges the Designing and development of Tools with the Technical Support and Guidance from its Collaborator M/s Stanley Electric Co. Ltd and its associates. In some cases, the Tool designing and its development is also undertaken by Vendors which transactions are not pursuance of such contracts and arrangements as referred to in Para (v) (b) to the Annexure of the Audit Report.

In all these cases the Company need to share the Technical Specification and Other Information of Customer which is of immense Intellectual Property Value with the Vendor which can only be done after entering into Legally binding Contracts which includes Confidentiality Agreements also, with the respective Vendor. These Vendors are finalised after due Financial and Technical Assessment of their capability to execute the job. In view of this background, it is not possible for the Company to share the Customers Information/ specifications with alternate vendors only for the purpose of arranging comparable quotes/ prices.

b) Raw Material, Semi Finished and Finished Products

In most of these cases, the Company procures the raw material and components from the Vendors after supplying Tools, Moulds, Jigs Dies for its manufacturing and some of the items purchased are of a specialized and unique nature for which no alternate sources of supply availaible to enable comparison of prices. Further, such Vendors are also defined and approved by our Customer(s), to whom the Company supplies the Final Product. As these raw material and components are of specialized and unique nature and its comparable market prices are not availaible.

(ii) With reference to the observations of the Auditor in Para (ix) (a) to the Annexure of their Report regarding slight delay in deposit of Statutory Dues, it is informed that the said dues have since been paid.

During the year, all the recommendations of the Audit Committee were accepted by the Board. Hence there is no need for disclosure of the same in this Report.

MATERIAL CHANGES AND COMMITMENTS

No other material changes and commitments affecting the Financial position of the Company have occurred between April 1, 2012 and the date on which this Report has been signed.

CORPORATE SOCIAL RESPONSIBILITY

Today, Corporate Social Responsibility (CSR) is one of the most important global issues with serious challenges and implications on almost all sectors. Surging economies, including India, are coping with issues related to poverty, unemployment, illiteracy, malnutrition, child rights, community welfare etc and are a hotbed for an innovative CSR scenario which is still shaping up. While the Government undertakes extensive developmental initiatives through a series of sectoral programmes, the business sector also needs to take the responsibility of exhibiting socially responsible business practices that ensures the distribution of wealth and well-being of the communities in which the business operates.

The Indian business has traditionally been socially responsible. From inactive philanthropy to the incorporation of the stakeholders' interest in the business model, the Indian business sector practices various methods of discharging its social responsibility.

Your Company is already taking part in CSR activities through its various programmes which include "Lumax Ki Nanhi Chhaan" for promoting the girl child amongst general population and to promote community's involvement in afforestation drive and by organizing free Health checkup camps & running a charitable dispensary for the underprivileged. However, for effective implementation and providing a roadmap to its CSR objectives, the Company has formed a Trust in October, 2011 namely 'Lumax Charitable Foundation' for contributing in the economic and social development of communities and geographical areas, particularly in the vicinity of its operations. This will include education, skill building for livelihood of people, health, cultural and social welfare particularly targeting the weaker sections of society.

In addition to above, M/s Stanley - Japan has also shown its keen desire to contribute in the formation of a much better society in India by supporting deserving students to up-scale their knowledge by providing scholarship to those students who are needy and bearing the expenses for their education. This proposal is being implemented with the support of Kitano Foundation of Lifelong Integrated Education, Japan, founded by Mr. Takahoru Kitano, founder of Stanley- Japan. The Kitano Foundation is actively involved in providing aid for lifelong educational projects, to support initiatives that lead to skill development and educational benefits for the Economically Weaker Sections of the community in Japan.

Further we have also adopted 3 schools in the NCR region. Through this initiative, the Company not only aims to impact lives of thousands of children by providing them better infrastructural facilities, but also continues its mission to promote girl child by sponsoring the fees of all girl children in kindergarten. In addition to these schools, the Company has adopted visually impaired children by sponsoring their fees in various colleges of Delhi University.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to the provisions of Clause 49 of the Listing Agreement, Management Discussion & Analysis is annexed as part of this report separately as **Annexure - A**.

OTHER INFORMATION

Disclosure of information regarding Conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earning and Outgo etc. under Section 217(1)(e) of the Companies Act, 1956 is annexed separately as **Annexure - B.**

GROUP

Pursuant to the intimation from the Promoters, the names of the Promoters and entities comprising 'Group' are disclosed in the Annual Report as **Annexure C,** for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

CORPORATE GOVERNANCE

The report on Corporate Governance together with the Auditor's Certificate regarding the Compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed and forms part of this Annual Report as **Annexure - D.**

PARTICULARS OF EMPLOYEES

Information on Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 forms an integral part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report is being sent to the shareholders of the Company excluding the Statement of Particulars of employees under Section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of such statement may write to the Vice President (Legal) & Company Secretary at the registered office of the Company.

ACKNOWLEDGEMENT

We are driven by the consumer and deliver results through a partnership with our customers - built upon superior brands and products, continuous innovation and a commitment to quality in the past and will continue to do so in future. Your Directors wish to place on record their sincere thanks to all its highly valued customers, its Technical and Financial Collaborator- M/s Stanley Electric Co. Ltd., Japan, all other business partners, all the Shareholders, Financial Institutions, Banks, Vendors and various Government agencies for their continued support and patronage.

The Board would also like to acknowledge the co-operation and commitment rendered by all the associates and employees of the Company for their unstinted support shown during these challenging times.

For and on behalf of the Board of Directors

Place : Gurgaon
Dated : May 30, 2012

D.K. JAIN
Chairman & Managing Director

Annexure - A

MANAGEMENT DISCUSSION & ANALYSIS REPORT

a) INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

ECONOMIC ENVIRONMENT

For the Indian Economy, this was a year of recovery interrupted. Global factors like the sovereign debt crisis in the Euro zone, political turmoil in Middle East, rise in crude oil prices, and an earthquake in Japan has adversely affected our Economy.

The Gross Domestic Product (GDP) is estimated to have grown at 6.9% in 2011-12 in real terms, after having grown at the rate of 8.4% in each of the two preceding years. Though we have been able to limit the adverse impact of the slowdown on our economy, this year's performance has been disappointing. But it is also a fact that in any cross-country comparison, India still remains among the front runners in the economic growth.

In 2011-12, Agriculture is estimated to have grown at 2.5%, Industry at 3.9% and services at 9.4%. There is a significant slowdown in comparison to the preceding two years, primarily due to deceleration in industrial growth, more specifically in private investment. Rising cost of credit and weak domestic business sentiment, added to this decline.

However, for the Indian economy, the outlook for growth and price stability at this juncture looks more promising. There are signs from some high frequency indicators that the weakness in economic activity has bottomed out and a gradual upswing is imminent. There are signs of recovery in coal, fertilizers, cement and electricity sectors. These are the core sectors that have an impact on the entire economy.[4]

INDIA OUTLOOK FY 2012-13

India has over the years become a more open economy. It has emerged as the 4th largest economy globally with a high growth rate and has also improved its global ranking in terms of per capita income. Yet the fact remains that its per capita income continues to be quite low (at current US $ 1527 in 2011). Addressing this is perhaps the most visible challenge. Nevertheless, India has a diverse set of factors, domestic as well as external that could drive growth well into the future.

Keeping in view the overall economic situation and mindful of the difficult global environment, the growth rate of GDP for 2012-13 is expected to be 7% (+/-0.25%) and 8% for 2013-14.

India enjoys at this juncture the unique advantage of having multiple drivers of growth-demographic, investment (backed by domestic savings), domestic consumption, as well as exports and ample scope for FDI - all within a pluralistic and democratic system. This unique combination more or less assures it of strong and sustained growth.[5]

AUTO AND AUTO COMPONENT INDUSTRY OUTLOOK

Automotive sector as an engine to propel manufacturing to a high growth trajectory: Approach to the 12th Five Year Plan

The Automotive Industry is globally one of the largest industries and a key sector of the economy. Owing to its deep forward and backward linkages, it has a strong multiplier effect and acts as one of the important drivers of economic growth. The National Manufacturing Plan which seeks to change the growth pattern of India's manufacturing sector, calls for focusing on a number of areas and has identified auto sector as having the competitive advantage and potential to fuel rapid growth of manufacturing. With a CAGR of over of 15% during the last 5-7 years, the automotive sector is aptly described as the next sunrise sector of the Indian economy.

With the gradual liberalization of the automotive sector in India since 1991, the number of manufacturing facilities has grown progressively. It produces a wide variety of vehicles: passenger cars, light, medium and heavy commercial vehicles, multi-utility vehicles such as jeeps, two wheelers such as scooters, motor-cycles and mopeds, three wheelers, tractors and other agricultural equipments etc. In fact, in the last ten years, the volumes, exports and turnover have increased by 3.8, 19.6 and 6 times respectively.

The contribution of this sector to the National GDP has risen from 2.77% in 1992-93 to close to 6% now. It provides direct and indirect employment to over 13.1 million people. In 2010-11, the total turnover of the automotive Industry stood at USD 73 Billion and its contribution to the Manufacturing GDP and the excise duty was 22% and 21% respectively.

India surpassed France, UK and Italy to become the 6th largest vehicle manufacturer globally in 2010-11. Today, it is the largest manufacturer of tractors, 2nd largest manufacturer of two wheelers and 5th largest manufacturer of commercial vehicles and is emerging as a global automotive hub.

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[4] *Budget Speech 2012-13*
[5] *Economic Survey,2012*

At present, there are 19 manufacturers of passenger cars & multi utility vehicles, 14 manufacturers of commercial vehicles, 16 of 2/3 wheelers and 12 of tractors besides 5 manufacturers of engines in India. This includes virtually all the major global Original Equipment Manufacturers (OEMs) and also homegrown companies.

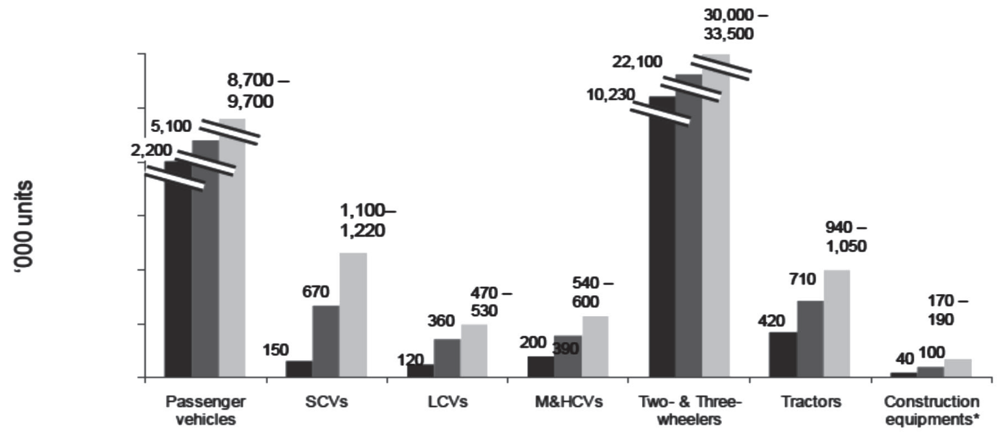
In future, the growth in the global automotive industry will come mainly from the emerging economies and India will emerge as the 3rd largest vehicle market in the world by 2020. This will translate into an overall industry turnover of USD 162 billion.

Industry outlook: Vision 2020

- **Passenger vehicles** - projected to be 5 million units by 2015 and over 9 million by 2020 driven by domestic demand and as a global manufacturing hub for export of small cars.
- **Commercial vehicles** - volumes of over 1.4 million by 2015 and over 2.2 million by 2020. Small Commercial Vehicles (SCV), a relatively new segment, expected to grow 28% annually over the next few years.
- **Two and three wheelers** - expected to double to 22 million units by 2015 and reach 30 million by 2020 driven by present low penetration levels, expanding rural sales and growth in exports.
- **Tractors** - projected to be over 0.7 million by 2015 and over 1 million by 2020 with steady growth expected in domestic and export volumes.
- **Construction equipment** - likely to grow 2.5 times to 0.1million units by 2015 and almost double again to 0.18 million by 2020 driven by the expected growth in infrastructure sector.

These volumes will catapult India to the position of one of the top 5 vehicle producing countries in the world.[6]

Fig: Vehicle production in India - Projections



*Includes backhoes, track excavators, wheeled loading shovels, vibratory rollers and liftall

Source: SIAM, EY estimates

INDIAN PASSENGER VEHICLE INDUSTRY: FACED A ROAD BLOCK: 2011-12

The Indian passenger vehicle (PV) industry has experienced a period of strong volume growth in the last five years riding on strong economic growth, rising disposable incomes, favourable demographics and relatively low penetration levels. Frequent introduction of new models by Original Equipment Manufacturers (OEMs), incumbents as well as new entrants, and adequate financing availability also contributed to the growth momentum. As demand and supply tangoed, the industry's volumes grew at 16.3% CAGR during 2007-11, with growth being particularly strong in the last two years.

Growth in Volumes

Particulars	FY08	FY09	FY10	FY11	FY12
Volume (Domestic + Export)	1,768,283	1,888,432	2,397,478	2,973,900	3,125,390
YoY Growth %	12.0	6.8	27.0	24.0	5.1

Source: SIAM, ICRA's Estimates

[6] *Report of the working group on Automotive Sector for 12th Five Year Plan (2012-2017)*

However, since the beginning of 2011-12, the industry has been witnessing a slowdown in volume growth marred by rising inflation, hardening interest rates and increasing fuel prices that have combined to dent consumer sentiment. Apart from macro-economic headwinds dampening demand, events such as production disruption at India's largest PV OEM, Maruti Suzuki, the tsunami in Japan and the recent floods in Thailand also created supply chain stresses, further aggravating the weak performance of the PV industry.[7]

Industry experts believe that India's position as one of the *best-cost* countries has improved the outlook for high-end passenger car sales. Supportive Government policies, positive business environment, availability of reasonably priced talented workforce and stable outlook for the industry has made India a global hub for the international manufacturers to set up their facilities in the country.[8]

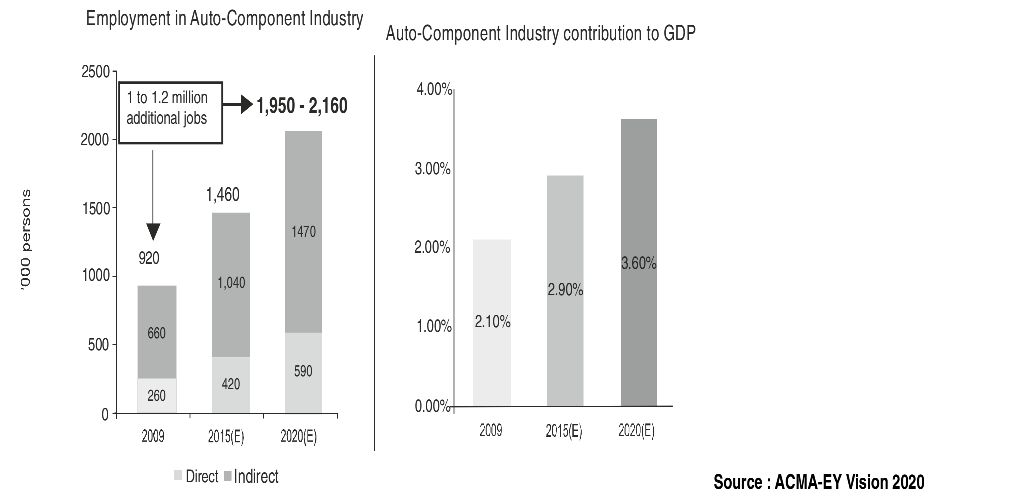
AUTO COMPONENT INDUSTRY

The Rs. 1,600 billion Indian auto component industry derives its growth impetus from the growth in automobile industry. As per industry estimates, Indian auto component industry derives 60% of its turnover from sales to domestic original equipment manufacturers (OEMs), 25% from sales to the domestic replacement market and around 15% from exports.[9]

The Indian auto component industry is one of the front runners for grabbing the global auto components outsourcing market and is poised to grow by over four-fold to USD 110 billion by 2020 driven by the growth in vehicle production. Of this, the domestic turnover would be around USD 80 billion and an export potential of around USD 29 billion.

The auto component industry can thus be an engine of India's economic and manufacturing sector growth, potentially contributing 3.6% of GDP by 2020, up from the current level of 2.1%. To achieve this potential, the industry would require additional skilled manpower of over 1 million people and investments of over Rs. 1.6 lakh crore (USD 35 billion) during this period.

Auto Component Industry's Contribution to employment Generation and to India's GDP

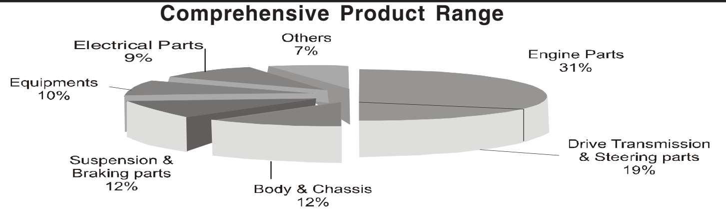


Source : ACMA-EY Vision 2020

India's share in the global auto components market is expected to rise from 0.9% in 2008-09 to 2.5% in 2015.[10]

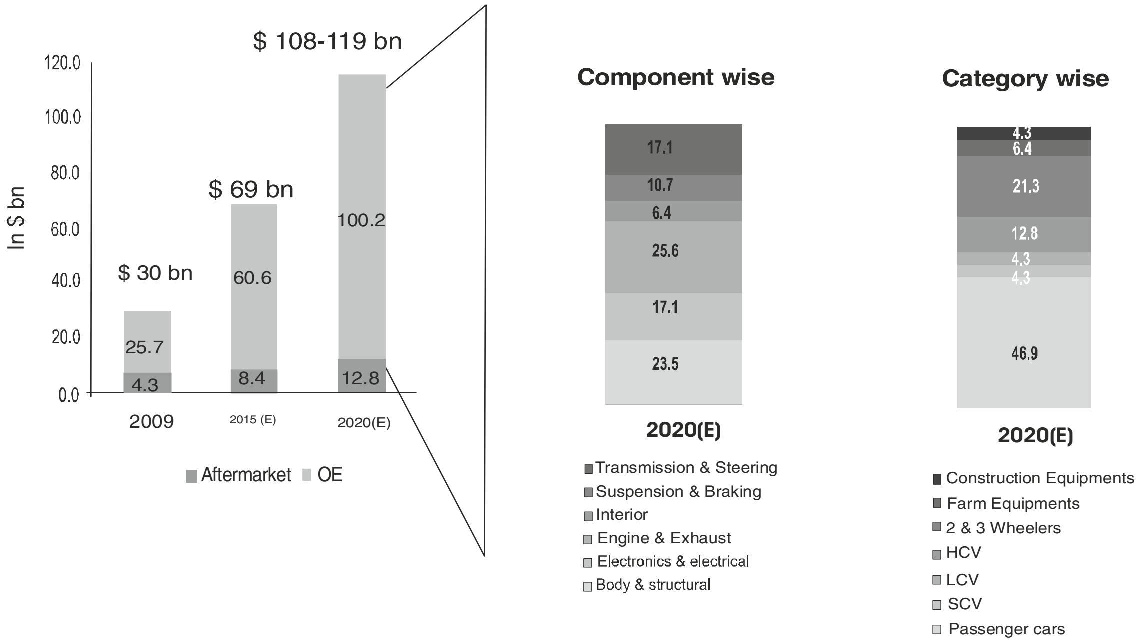
According to industry statistics, Engine parts form the largest segment 31% of auto part industry followed by drive transmission and steering parts 19%. Suspension & braking parts and Body & Chassis account for 12% each in the entire product range, equipment accounting for 10% followed by Electrical Parts 9% and others 7% of the same.[11]

Comprehensive Product Range



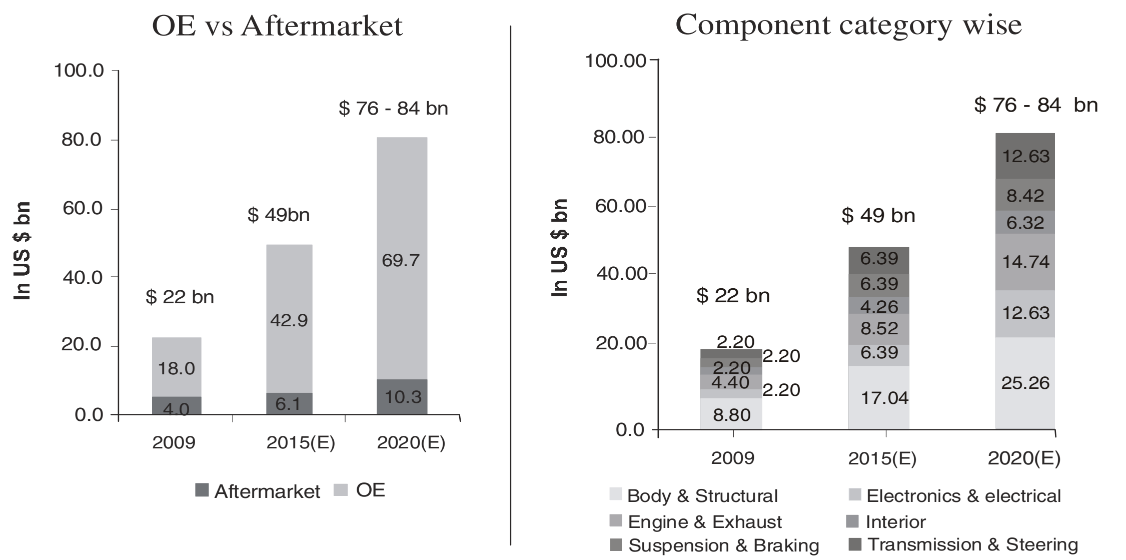
[7] *ICRA report on Indian Passenger Vehicle Industry*
[8] *ACMA*
[9] *ICRA report on Indian Auto Component Industry - March, 2012*
[10] *Report of the working group on Automotive Sector for 12th Five Year Plan (2012-2017)*
[11] *ACMA , SIAM*

Vision 2020 : Domestic Auto Component Demand



Source : ACMA - EY - Vision 2020

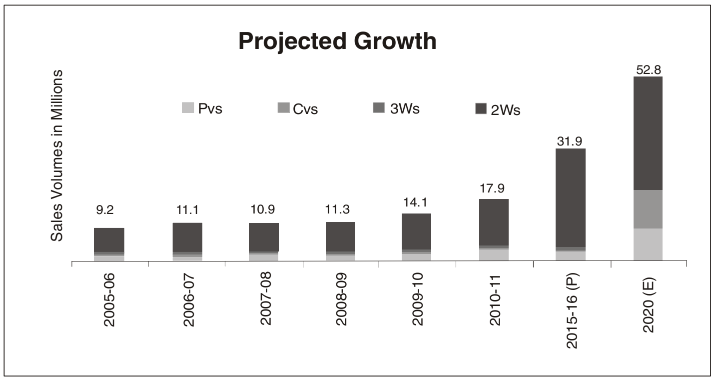
Vision 2020: Domestic market potential for Indian Component Manufacturer



b) OPPORTUNITIES & THREATS

Indian Auto Industry Growth - Mid & Long Term Goals

The Indian automobile industry is at the core of India's manufacturing sector and is being driven by the growth in the economy, infrastructure development and advances in environmental technology. It is going through a phase of rapid change and high growth. The industry volumes grew by about 27% year-on-year during 2010-11. Below chart indicates the change in the sales volumes during the last six years vis-a-vis projected volumes for 2015-16 (as per Automotive Mission Plan 2006-2016) and estimated volumes for 2020 (as per ACMA Vision 2020).



Source : SIAM, AMP 2006-2016 and ACMA Vision 2020

As per study, the total global demand for four wheelers and two wheelers, which is at present at 45 million and 43 million units, is expected to increase to 70 million and 76 million units respectively by 2020. It is expected that the current level of penetration for electric (includes hybrid & PHEV) four and two wheelers which is at present at 2% and 38-40% respectively may shift to 7-19% and 36-34%[12] respectively by 2020. This will translate to 5.2-13 million and 27 million electric four and two wheelers by 2020.[13]

India emerging as low cost manufacturing nation

Over the past decade, Brazil, Russia, China and India (commonly referred as BRIC nations) have emerged as the bellwether of the global automotive demand. India has clearly emerged as a manufacturing hub for low-cost small cars owing to its scale and significant competencies in the small car space. It also benefits from lower development cost and an improving auto component manufacturing base. The trend in favour of higher fuel efficient and smaller cars in developed markets also augurs well for India. For foreign OEMs, India has also been at the forefront when it comes to outsourcing capabilities particularly in the R&D space owing to its vast skilled manpower base and expertise in the IT domain. Many of the foreign OEMs have chosen India as a destination for their global R&D centres.

Recovery underway in the US on back of low base

The demand for passenger vehicles in the US has been steadily recovering after contracting sharply post the meltdown. Much of the growth is attributable to the low-base effect. During the current year, the demand for passenger vehicles has grown by 7.7% between January-October 2011. While persistently high unemployment rate and reduced economic growth forecasts weigh on the outlook, the market is likely to still remain in the growth in the near term.[14]

Building the "Made in India" brand for Indian Automobile and Auto Components in the world market

Rapid strides in information and communication technologies have enabled consumers to compare quality and prices of various products available in the market without much effort. This along with the growth in their disposable income has made them brand conscious. The marketing war presently revolves round brands and any new entrant needs to have a specialized focus on Brand Building in the market.

The Indian automobile sector is focusing on creating a brand image for itself in both domestic and international markets and position itself with a unique identity. Building the "Made in India" brand would require showcasing and marketing of the capabilities of the country's auto sector through road shows, investors meets, publications and dissemination of information for investors. The Industry Associations, SIAM and ACMA, have a key role to play in this. They have been doing their bit through participation in International Auto Shows, setting up Buyer-Seller Meets, organizing Private exhibitions for large customers etc.

[12] The slight reduction for the electric two wheelers projected for 2020 is mainly on account of the decreasing trend for electric two wheelers seen in China.

[13] Report of the working group on Automotive Sector for 12th Five Year Plan (2012-2017)

[14] ICRA report on Indian Passenger Vehicle Industry

Global Footprint

A number of suppliers are taking the acquisition route in order to expand internationally. Indian suppliers find a number of advantages in taking over foreign companies. International suppliers give access to advanced technology and global clients, which are difficult to bag otherwise. It helps retain customers at different levels of value chain. The global expansion will also help in reducing the risk to domestic manufacturing.

Deepening competence in manufacture of fuel efficient cars and electric vehicles including the hybrid segment

Driven by a growing concern over the fast depletion of fossil fuels, increasing prices of crude oil, environmental degradation and climate change world over, Governments and automotive industries are making large investments towards developing vehicles based on alternative drives and fuels including electric mobility. The Government of India has recently approved the setting up of two fully empowered bodies viz. National Council for Electric Mobility (NCEM) and National Board for Electric Mobility (NBEM) to be chaired by Minister (Heavy Industries & Public Enterprises) and Secretary (Department of Heavy Industries) respectively for moving ahead in the field of electric mobility in the country. The Department is also in the process of finalizing the policy recommendations for moving ahead with the Electric mobility mission in the country.

Constitution of National Automotive Board

The Indian Government is in the process of forming a National Automotive Board as an autonomous society under the administrative control of Department of Heavy Industries. It will help steer, coordinate and synergize all the efforts of the government in important ongoing and new initiatives for automotive sector especially in the area of electric mobility, intelligent transport systems, automotive testing, collaborative R&D and for implementation of the recommendations of the Automotive Mission Plan 2006-16 and hence improve manufacturing standards.

Growth Drivers & Challenges

Future growth of automotive technology is expected to be driven by safety, reliability, comfort, performance, fuel efficiency and environmental concerns. However, sustaining this mobility growth requires addressing some vital areas with concentrated efforts and focus from all the stakeholders. The challenges to this mobility growth include imperatives due to safety, environment, reliability, and affordability; changing technological perspectives like mechanics to electronics and staying connected - need to be networked; improving competitiveness; building R&D capabilities; and developing qualified Human Resource on large scale.

Domestic Indian companies have developed strong manufacturing capabilities that have helped them till now in keeping costs low and quality under control. As volumes increase, Indian component manufacturers will have to scale up their operations and further improve quality, cost and delivery performance to global standards demanded by customers.

(i) **Scaling up of Business:** Scaling up of operations would be a key challenge for smaller component manufacturers who face constraints in raising capital, attracting talent and accessing technology. A number of areas would therefore need to be addressed, some immediately, by the Indian component players, as they need to:

- **Raise capital** - balance sheets have to be strengthened by divesting non-performing and non-core assets and by optimizing the debt / equity structure.
- **Scale capacities** - manage cost and flexibility of new assets to successfully navigate any market cyclicality. Flexible production systems and supply chain agility and scalability need to be addressed in parallel.
- **Access Technology -** a major challenge for the MSMEs.
- **Build R&D competence** - build/ enhance product development, design and engineering capabilities and incorporate the frugal engineering elements across the design and manufacturing value chain.
- **Develop organizations** - to manage significantly increased complexities and risks from larger capital outlays, industrial relations environment, larger customer base or customer concentration, product portfolio performance and new technology development / absorption.
- **Requirement of skilled manpower** - ensuring availability of trained manpower is of critical importance. Adequate infrastructure is needed to ensure availability of trained manpower.

(ii) It is imperative to provide an enabling environment to the industry in which government policies encourage growth, promote domestic competition, stimulate innovation and also help it to attain operational efficiency. In order to optimize the manufacturing competitiveness of the industry, broadly the following aspects need to be addressed:

- A moderate, stable and rational domestic tax structure that eliminates multiplicity of taxation at the Central, State and Municipal levels. Early implementation of GST is critical.
- Removal of taxation on inter-state movement of goods to make the Indian market a genuine "free trade area" domestically.
- A stable Import Tariff structure consonant with the AMP that encourages investments rather than trade in fully built vehicles.
- Continuation of lower Excise Duty (in future GST) for manufacture of vehicle types that are a national priority for the country e.g. small cars, MUVs, two wheelers and commercial vehicles which are used for transportation for the masses and the common man.

(iii) Infrastructure development

Vigorous thrust has to be provided for the upgradation of roads and highways infrastructure to overcome the deficit that has accumulated over the last few decades. Currently, more than 90% of the deliveries of vehicles from the OEMs to the dealers take place through road transport. The industry has been in dialogue with the Railways to transport finished vehicles by rail. This would significantly reduce the cost of transportation as well as cost of fossil fuels used for road transport.

In order to encourage exports, there is a need to develop and improve port infrastructure by creation of specialized ports for handling vehicle exports.

i. Creation of specialized automobile export ports near Mumbai and Chennai, each equipped to handle output of 5 lakh vehicles annually by 2015.

ii. Earmark space for parking, vehicle repair at these ports to accommodate at least 20,000 vehicles at a time - like the proposed multi-level facility at Chennai port.[15]

c) PRODUCT WISE PERFORMANCE

The Company is engaged only in one segment of products viz. manufacture of Auto Components, mainly Automotive Lighting Systems. The Product wise performance during the year is as follows:

Products	Turnover (Rs. in Million)
Automotive Lamps	9,299.97
Gear Shifter	30.78
Tools	485.25
Miscellaneous Items	35.58
Total	**9,851.58**

d) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a comprehensive system of Internal Controls to safeguard the Company's Assets against loss from unauthorized use and ensure proper authorisation of Financial Transactions. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations. The Company has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

The Legal & Secretarial Department headed by the Vice President (Legal) & Company Secretary plays a key role in ensuring the compliances with applicable statutory and regulatory requirements across the plants and also monitors the Internal Control System and their adequacy.

Recognizing the important role of Internal Controls, the Company has appointed a separate Independent firm of Internal Auditor for looking over the Operations of the Company. The Internal Auditor is separately responsible to examine the Internal Control Systems and Procedures of the Company. Continuous Internal Audit of the systems enables various business groups to plug any shortcomings sooner rather than later. In addition, the top management and the Audit Committee of the Board review the findings and recommendations of the Internal Auditors on regular basis.

e) RISK AND CONCERN

The Company is exposed to external and internal risks associated with the business. The operations of the Company are directly dependent on the Automobile manufacturer's (OEMs) growth and business plans. General economic conditions impact the automotive industry, and in turn, the operations as well. To counter these risks, your company continues to broaden the product portfolio, increase customer base and geographic reach. The Company is exposed to strong competitive pressures from both domestic and overseas. Your company's established reputation, close customer relationships, ability to provide higher level of engineering, design support and relentless drive for improvement gives it a competitive edge. The Company is also exposed to financial risk from changes in interest rates, foreign exchange rates and commodity prices. In order to address these risks the company has been implementing adequate risk management approach.

[15] *Report of the working group on Automotive Sector for 12th Five Year Plan (2012-2017)*

f) DISCUSSION ON FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATIONAL PERFORMANCE

The financial year ended on March 31, 2012 was an extremely challenging year for the Indian Automotive Industry. The production of Automobiles in this financial year has grown merely 13.83% as compared to the last financial year ended on March 31, 2011. In line with the growth of Industry, your Company clocked a growth of 13.73% year on year.

REVENUE

Your company's business is directly dependent on the Original Equipment Manufacturer(s) of Automobiles (OEM's). Your company has achieved Net Sales of Rs. 9851.58 Million for the year ended March 31, 2012 as compared to Rs. 8,662.49 Million in the previous year, a growth of 13.73% in line with Industry growth trend.

PROFITS

Your Company has recorded a Profit Before Tax (PBT) of Rs. 135.32 Million for the year ended March 31, 2012 as compared to Profit Before Tax (PBT) of Rs. 237.34 Million in the previous year.

DIVIDEND

The Company has been declaring dividend for the last 27 years continuously. Therefore, keeping in view of the philosophy of the Company to reward its shareholders and to continue the tradition of recommending dividend for the last 27 years, your Directors are pleased to recommend a Dividend of 60% (Rs. 6/- per Equity Share) for the Financial Year 2011-12 (Rs. 6/- per Equity share in the previous year).

The total amount of Dividend proposed to be distributed is Rs. 56.09 Million (excluding Dividend Tax).

g) HUMAN RESOURCES

We, at Lumax, endeavour that our organisation responds to changing times and develops the continuing agility required to remain successful. To achieve this, we work hard to ensure that our workforce is enabled, enriched and energized to meet the technological and other changes in the auto component sector. Our values have been the driving force that sustains our efforts. These are reflected in the principles of Trustworthiness, Customer Responsiveness, People Development, Performance Focus and Entrepreneurial Drive espoused throughout the organisation.

Further the improvement activities through Kaizen, Quality Circles, Total Productive Maintainence, Total Quality Management, 6 sigma, 5-S, 7-W processes are being done throughout the Company to enhance the productivity and efficiency of the employees.

The Company tries to provide access to training and development of necessary skills, wherever possible, to achieve the long term objectives of the organisation, on an equal and non-discriminatory basis. The Company has taken a unique initiative of transforming the associate level manpower into "LUMAX ENGINEERS". The Company has created a three year course, the syllabus of which is Lumax process specific. For this purpose, the Company is engaging expert trainer to educate and train our people on the selected topics by their faculties. The 1st batch of this course has been started in the month of February, 2012. Also the Company provides a workplace that is safe, hygienic and humane and which upholds the dignity of employees.

The Directors acknowledge and appreciate the contribution of all employees towards the performance of the Company.

At the end of the year the Company employed 1,901 numbers of employees.

CAUTIONARY STATEMENT

The above mentioned statements are only "forward looking statements" based on certain assumptions/expectations. The Company's actual performance could differ materially from those expressed/projected depending upon changes in various factors. The Company does not assume any responsibility to any change(s) in "forward looking statements", on the basis of subsequent development, information or events etc.

Annexure - B

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, and forming part of Directors' Report for the year ended March 31, 2012.

A. CONSERVATION OF ENERGY:

Though the Company does not come under the category of power intensive unit, adequate measures have been taken for energy conservation and thereby reducing energy cost.

(a) ***Energy conservation measures taken:***

(1) Introduction of 11 KV direct feeder from Haryana State Electricity Board at Dharuhera, Haryana:

The Company has procured 11 KV direct feeder from Haryana State Electricity Board at its Plant at Dharuhera, Haryana, thereby expecting to reduce the per unit cost of power by Rs. 6.

(2) Introduction of 1.5 MW direct feeder from Caparo Mini Power Plant at Bawal, Haryana:

The Company has procured 1.5 MW direct feeder from Caparo Mini Power Plant at Bawal, Haryana, thereby expecting to reduce per unit cost of power by Rs. 2.

(b) ***Additional investments and proposals, if any, being implemented for reduction of consumption of energy:***

The Company is proposing to introduce Moulding Machines with Servo Motor across all Plants as and when there is a requirement of new Moulding Machine. Servo motor is an electrically efficient motor and it requires current proportional to the weight of the load it carries. By using Servo Motor, the Company is expecting to save electricity consumption by 25% to 30%. Further, the Company is also proposing to introduce the Gas based Power Plant in Dharuhera Plant, instead of Furnance Oil, thereby expecting to reduce the per unit cost of Power by Rs. 5.

(c) ***Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:***

It is difficult to quantify the impact of individual energy reduction measures on the Cost of Production. The above measures of Energy conservation and reduction will reduce the overall cost of energy.

(d) ***Total Energy Consumption and Energy Consumption per Unit of Production.***

Being not applicable to Auto Components sector, the Form A is not furnished.

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

Disclosure of particulars with respect to technological absorption

Technology, Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
   a. In efforts towards Energy conservation, LEDs in Interior and Exterior lighting in four wheelers introduced in 2011-12 for the first time in Indian market.
   b. LEDs adopted for new products resulted in Energy conservation.
   c. Continue to introduce LED interior and exterior lamps for upcoming new vehicles for OEM customers, which results in Energy saving and improved aesthetics.
   d. Continue to absorb the innovative solutions / ideas in product design maturation, tools and products.
   e. Introduction of new process technologies for better product quality: commonization of robotic hot melt application and lens pressing in one station (Horizontal deployment after bench mark with imported assembly line from Stanley Electric, Japan), introduction of color sensors and lux meters for bulbs (with same specification) interchangeability control, introduction of hot melt weighing scales in application stations to ensure constant hot melt dispensing, introduction of new leak testing method without pressure on Lens in order to detect minor leakages to avoid condensation in lamps, introduction of webcam for inspection of every single LED in multi LED products, introduction of CNC based aluminum lens pressing jigs and continue to use electronic detectors for implementing Poka Yoke in assembly lines.
   f. New products introduced with Vibration welding technology for 2 wheelers and 4 wheelers.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

a. Based on the Technology absorbed during various design reviews in collaboration with Stanley Electric Co. Ltd, Japan and support from various technology partners, the Company was able to propose energy saving, cost reduction ways, and improve styling's to customers.

b. Following the various activities of product and process maturation and potential failure analysis we are enhancing our capabilities to establish "Zero defect launches" internally and offer "First time right" products to our esteemed customers.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year i.e March 31, 2012), following information may be furnished:

a.	Technology Imported	:	Vibration Welding	Three Color Three Shot Moulding Technique
b.	Year of Import	:	2011 - 2012	2011-2012
c.	Has Technology been fully absorbed	:	Absorbed in 2W and will be introduced for 4W products	Product under development
d.	If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.	:	New products developed with vibration welding concept which will be introduced during FY12-13 for OEM.	New product under development with 3C3S which will be introduced during FY12-13 for OEM.

Research and Development (R&D)

Technology in the Auto industry is rapidly changing with ever evolving regulations on emission and safety, increasing industry responsibility towards society and the need for moving towards alternate energy resources. To maintain and enhance its competitiveness, the Company is making significant investment in Research and Development (R&D), Technology Development and Innovation for achieving growth, business profitability and sustainability. The Ministry of Science and Technology, Department of Scientific and Industrial Research Technology has granted the recognition of In-House Research & Development Unit at Gurgaon, in September 2008. The DSIR continues to recognize the R&D efforts every year. The Company continues to enhance its R&D capability by creating Design and Development Cell with the support of its Technical Collaborator Stanley Electric. Co. Ltd, Japan to support new product development.

1. Specific areas in which R & D carried out by the company:
   - Complete in house optic design & simulation for signal lighting products including tail lamp.
   - Thermal simulation and structural analysis during design stages.
   - Introduction of LEDs for replacement with W5W bulbs for different applications which will be implemented in FY 12-13.
   - Complete in-house designing of LED interior & exterior small lamps for four-wheelers.
   - DRL (Daytime Running Light) in LED and Halogen projector lamp introduced for four-wheelers.

2. Benefits derived as a result of the above R & D:
   - Reinforced the knowledge and technology involving LED based Lamps technology, especially for small Lamps and Interior Lighting.
   - Reinforced the knowledge in moving towards introducing advanced technology products including projector head lamps.
   - Design and engineering data base are continuously improved and enhanced.
   - Confidence built up amongst R&D personnel during multiple design activities, testing equipments and exposure towards new technology.

3. Future plan of action:
   - Continue upgrading our existing design and development infrastructure and upgrade Lumax Design standard in line with our collaborator and design partners.
   - Aggressive plans towards adopting new technologies thru continuous training and enhancing our capabilities in design and development.

4. Expenditure on R & D:

(Rs. In Million)

(i)	Capital	43.61
(ii)	Recurring	100.64
	Total	**144.25**
(iii)	Total R&D Expenditure as a percentage of Total Turnover (%)	1.46

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

Your Company has been continuously striving for growth in business in the export market. During the year under review, the following export development and promotion measures were taken:

- ❖ Start of production of LED High Mount Stop Lamp with overlay injection technology for export to luxury SUV manufacturer, Land Rover in UK.
- ❖ Start of production of Head light assembly for John Deere Vehicles and export to Germany.
- ❖ Increase in our export to Nissan Europe (UK & Spain) by introducing small lamps for European vehicles.
- ❖ Start of production of Reflex Reflector and export to Renault Samsung in Korea.
- ❖ New Business for Head light and tail light awarded by John Deere USA for their upcoming products in 2012.
- ❖ Continuous conversation with major OEMs to introduce Lumax brand with target of increasing our OEM export in 2012.

b) Total foreign exchange used and earned.

i) This information is given in Notes to Financial Statements at Sl No. 38 to 39 and 41 to 42

Annexure C

Group Coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969)

The following persons constitute the Group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act,1969 (54 of 1969), which exercises or is established to be in a position to exercise control directly or indirectly, over the Company.

S.No.	Name of the Entities forming Group
1.	Mr. Dhanesh Kumar Jain
2.	Mrs. Usha Jain
3.	Mr. Deepak Jain
4.	Mrs. Poysha Goyal Jain
5.	Mr. Anmol Jain
6.	Mrs. Shivani Jain
7.	Lumax Auto Technologies Ltd
8.	Lumax DK Auto Industries Ltd.
9.	Lumax Cornaglia Auto Technologies Pvt. Ltd.
10.	Lumax Tours & Travels Ltd.
11.	Lumax Ancillary Ltd (Formerly known as Deepak Auto Ltd).
12.	Mahavir Udyog
13.	Bharat Enterprises
14	Lumax Finance Pvt. Ltd.
15.	D & A Enterprises Pvt. Ltd.
16.	D & A Enterprises
17.	Tecno Enterprises
18	Nytex Auto Industries
19.	D.K.Jain Family Trust
20	D.K.Jain & Sons (HUF)
21.	Lumax Auto Parts Trading Pvt. Ltd.
22.	Backcountry Estates Pvt. Ltd.
23.	Sagar Chand Jain & Sons (HUF)
24.	Lumax Charitable Foundation

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Annexure-D

CORPORATE GOVERNANCE REPORT

The Securities and Exchange Board of India (SEBI) regulates Corporate Governance Practices of Companies Listed on the Indian Stock Exchanges. These regulations are notified under Clause 49 of the Listing Agreement of all the Stock Exchanges. This clause specifies the standards that Indian Companies have to Comply and the disclosures that they have to make with regards to Corporate Governance. Your Company has established systems and procedures to comply with the amended provisions of the Code of Corporate Governance and is complying with the same in its letter and spirit.

1. COMPANY'S PHILOSOPHY:

Lumax Industries Limited remains committed to high standards of Corporate Governance. The Company believes that Corporate Governance is based on the principle of integrity, fairness, equity, transparency, accountability and commitment to values. Good Governance Practices stem from the culture and mindset of the organisation.

We believe that sound Corporate Governance is critical to enhance and retain investors trust. Accordingly, we always seek to ensure that, we attain our performance rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long term shareholder value and respect minority rights in all our business decisions.

Our Corporate Governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law.
- Corporate Governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Have a simple and transparent corporate structure driven solely by business needs.
- Management is the trustee of the shareholders' capital and not the owner.

2. BOARD OF DIRECTORS, MEETINGS OF THE BOARD, PROCESS AND PROCEDURES AT THE MEETING:

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served.

The Company's Board of Directors consisted of twelve (12) Directors. Out of these twelve (12) Directors, Five (5) Directors, including the Chairman and Managing Director are Executive Director(s), one (1) is Non Executive Director and Six (6) are Non Executive Independent Director(s). The Chairman and Managing Director is assisted by three Senior Executive Directors, one Executive Director and Senior Managerial Personnel in overseeing the functional matters of the Company. The Board of Directors have met Seven times during the year. The Company follows the following process and procedures for the Board Meetings.

A. Scheduling and Selection of Agenda Items for Board Meetings

(i) Minimum four pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

(ii) The meetings are usually held at the Company's office at Plot No. 16, Sector-18, Maruti Complex, Gurgaon, Haryana - 122015.

(iii) All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion / approval / decision at the Board meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board meetings.

(iv) The Board is given presentations by the Statutory Auditors, Internal Auditors and Head Finance covering Finance, Sales, major business segments and operations of the Company, all business areas of the Company including business opportunities, business strategy and the risk management practices and Internal Audit issues before taking on record the quarterly / annual financial results of the Company.

(v) The information required to be placed before the Board includes :

- General Notices of Interest of Directors.
- Minutes of Meetings of Audit Committee and other Committees of the Board, as also resolutions passed by circulation.
- Annual Operating Plans of Business, Capital Budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Dividend declaration.

- Sale of material nature, of Investments, Subsidiaries, Assets, which is not in normal course of business, if any.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Internal Audit findings and Statutory Auditor Reports (through the Audit Committee).
- Details of any Joint Venture, Acquisitions of Companies or Collaboration Agreement, if any.
- Non-Compliance of any Regulatory, Statutory or Listing requirements and shareholders service such as Non-Payment of Dividend, delay in share transfer (if any), etc.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or Serious Accidents, Dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like implementation of Voluntary Retirement Scheme etc.
- Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property.
- Brief on statutory developments, changes in Government policies etc. with impact thereof, Directors' responsibilities arising out of any such developments.
- The Information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary, if any.

(vi) The Chairman of the Board and the Company Secretary in consultation with other concerned members of the Senior Management and Nominees of Technical and Financial Collaborator, finalise the agenda papers for the Board meetings.

B. Detailed Agenda Papers Provided to Board at the Meeting

Detailed Agenda and Notes on Agenda are provided to the Directors, at the Board Meeting in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted.

C. Recording Minutes of proceedings at Board Meetings

The Company Secretary records the Minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board / Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting.

D. Post Meeting Follow-up Mechanism

The Guidelines for Board meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board. The important decisions taken at the Board meetings are communicated to the departments / divisions concerned promptly. Action taken report on the decisions/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board for noting by the Board.

E. Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the Board and Senior Management for effective decision making. The Company Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued there under and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

F. Composition, Category and Attendance of Directors at Board Meetings, Last Annual General Meeting (AGM) and number of other Directorships and Chairmanships/Memberships of Committees of each Director in various Companies as on 31-03-2012.

S. No	Name of the Director	Category of Directorship	No. of Board Meetings Attended	No. of Directorships in other public companies[1]	No. of Committee positions held in other public Companies[2]		Last AGM Attended	Relationship Interse
					Chairman	Member		
1.	Mr. D.K. Jain	Chairman and Managing Director	7	3	1	1	Yes	Related as Father to Mr. Deepak Jain and Mr. Anmol Jain
2.	Mr. Deepak Jain	Sr. Executive Director	7	3	-	-	Yes	Related as Son to Mr. D.K Jain and as Brother to Mr.Anmol Jain
3.	Mr. Anmol Jain	Sr. Executive Director	7	3	-	-	Yes	Related as Son to Mr. D.K Jain and as Brother to Mr. Deepak Jain
4.	Mr.Eiichi Hirooka*	Sr. Executive Director (Stanley Nominee)	5	-	-	-	Yes	Related as Nominee Directors of Stanley.
5.	Mr.Toshio Masuda*	Executive Director (Stanley Nominee)	5	-	-	-	Yes	Related as Nominee Directors of Stanley.
6.	Mr. Makio Natsusaka	Non-Executive Director (Stanley Nominee)	-	-	-	-	No	Related as Nominee Directors of Stanley.
7.	Mr.A.P.Gandhi	Non-Executive Independent Director	4	11	2	8	No	Not related to any Director.
8.	Mr.Gursaran Singh	Non-Executive Independent Director	4	4	-	-	No	Not related to any Director.
9.	Mr.Suman Jyoti Khaitan	Non-Executive Independent Director	4	6	2	7	No	Not related to any Director.
10.	Mr.M.C.Gupta	Non-Executive Independent Director	7	2	2	3	Yes	Not related to any Director.
11.	Mr. Dhiraj Dhar Gupta	Non-Executive Independent Director	7	5	-	-	Yes	Not related to any Director.
12.	Mr. Rattan Kapur	Non-Executive Independent Director	5	5	-	-	No	Not related to any Director.

Note:

*The Board of Directors have appointed Mr. Eiichi Hirooka and Mr. Toshio Masuda Nominee(s) of Stanley as additional Directors and thereafter as Senior Executive Director and Executive Director respectively w.e.f 27-07-2011, for the time being on the board of the company at their meeting held on 26-07-2011 subject to their regular appointment in the ensuing Annual General Meeting.

Stanley Electric Co. Ltd. (Stanley - Technical & Financial Collaborator) has withdrawn the nomination of Mr. Ikuo Abe, Senior Executive Director and Mr. Atsushi Ishii, Executive Director from the Board of the Company. Consequent to withdrawal of their nomination, Mr. Ikuo Abe, and Mr. Atsushi Ishii (Nominees of Stanley) resigned from the Board of the Company w.e.f. 26-07-2011 and 30-06-2011 respectively.

For the purpose of membership of Committees, if a Director is categorized as Chairman in the Committee, his position is also considered in calculating the membership in Committee position.

1. *Excludes Directorship in Foreign Companies and Companies Registered under Section 25 of the Companies Act, 1956.*
2. *As per the amended guidelines, Committee here means "Audit Committee" and "Shareholders/Investors Grievance Committee" and excludes the Committee positions held in Lumax Industries Limited.*

Directors who relinquished office during the year ended March 31, 2012.

S. No.	Name of the Directors	Category of Directors	No. of Board Meetings attended	No. of other Director-ships	Committee Memberships	Committee Chairman -ship	Last AGM Attended
1.	Mr. Ikuo Abe	Senior Executive Director (Nominee of Stanley)	2	-	-	-	No
2.	Mr.Atsushi Ishii	Executive Director (Nominee of Stanley)	1	-	-	-	No

G. Number of Board Meetings held and the dates on which held

The Board of Directors met Seven times during the Financial Year ended March 31, 2012. The intervening period between two Board Meetings was well within the maximum time gap of 4 months, as prescribed under Code of Corporate Governance. The details of Board Meetings held during the year are as under:-

S. No.	Date of Board Meeting	Board's Strength	No. of Directors Present
1.	27-05-2011	12	09
2.	26-07-2011	11	08
3.	09-08-2011	12	08
4.	06-09-2011	12	11
5.	22-10-2011	12	11
6.	05-01-2012	12	08
7.	31-01-2012	12	10

(As Mr. Atsushi Ishii resigned on 30-06-2011, the total strength of the Board reduced from 12 Directors to 11 Directors. On 26-07-2011, one more director resigned and two Directors were appointed in the Board Meeting of 26-07-2011. Accordingly in the next Board Meeting(s) the strength of the Board increased to twelve Directors).

3. COMMITTEES OF THE BOARD

Currently, the Board has three Committees: the Audit Committee, the Remuneration Committee, the Investor Grievance and Share Transfer Committee. The Company's process and procedure related to the Board Meetings are also applicable and followed in the Committee Meetings. The brief details of the various committees of the Board and their constitution and functions are as under:

A. Audit Committee

a) Composition and Attendance

The Audit Committee comprises of Five Non-Executive Independent Directors and Two Executive Directors. The Composition of the Audit Committee during the Financial Year April 2011 to March 2012 was as follows:

S. No.	Name	Status	Category of Membership
1.	Mr. A.P. Gandhi	Chairman	Non-Executive Independent Director
2.	Mr. Gursaran Singh	Member	Non-Executive Independent Director
3.	Mr. M.C. Gupta	Member	Non-Executive Independent Director
4.	Mr. D.D. Gupta	Member	Non-Executive Independent Director
5.	Mr. Rattan Kapur	Member	Non-Executive Independent Director
6.	Mr. Deepak Jain	Member	Senior Executive Director
7.	Mr. Eiichi Hirooka	Member*	Senior Executive Director

* The Audit Commitee was reconstituted during the year by Board of Directors in its meeting held on 26-07-2011 by appointing Mr. Eiichi Hirooka as Member of the Commitee in place of Mr. Ikuo Abe.

The Audit Committee had met four times during the Financial Year April 1, 2011 to March 31, 2012. The attendance of the meetings are as under :

S. No.	Directors	No. of Meetings Attended
1.	Mr. A.P. Gandhi	3
2.	Mr. Gursaran Singh	3
3.	Mr. M. C. Gupta	4
4.	Mr. D.D.Gupta	4
5.	Mr. Rattan Kapur	4
6.	Mr. Deepak Jain	4
7.	Mr. Ikuo Abe	2
8	Mr. Eiichi Hirooka	2

Statutory Auditors, Internal Auditors and Finance Head are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement. The Audit Committee of the Company, inter-alia, provides assurance to the Board on the existence and adequacy of an effective Internal Control systems that ensures:-

- Efficiency and effectiveness of operations.
- Safeguarding of Assets and adequacy of provisions for all liabilities.
- Reliability of all financial and other management information and adequacy of disclosures.
- Compliance with all relevant statutes.

The Committee has powers as envisaged under Clause 49(II) of the Listing Agreement and as specified by the Board of Directors of the Company.

b) Powers of Audit Committee

Audit Committee shall have following Powers:-

1) To investigate any activity within its terms of reference.
2) To seek any information from any employee.
3) To obtain outside legal or other professional advice.
4) To secure attendance of outsiders with relevant expertise, if considered necessary.

c) Role of Audit Committee

1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.

3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

4) Reviewing, with management, the annual financial statements before submission to the Board for approval with particular reference to:

   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgement by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with Listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in draft Audit Report.

5) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7) Reviewing with the management, performance of the Statutory and Internal Auditors, adequacy of Internal Control systems.

8) Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9) Discussion with Internal Auditors on any significant findings and follow-up thereon.

10) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

11) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

12) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

13) To Review the functioning of Whistle Blower mechanism, in case the same is existing.

14) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

15) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

d) Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:-

1) Management discussion and analysis of financial conditions and results of operations;
2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3) Management letters/ letters of internal control weakness issued by the Statutory Auditors;
4) Internal Audit Reports relating to internal control weakness; and
5) The appointment, removal and terms of remuneration of the Chief Internal Auditors shall be subject to review by the Audit Committee.

e) Any other matter with the specific permission of the Board.

B. Remuneration Committee

The Remuneration Committee consists of Independent and Non-Executive Directors to review and recommend payment of annual salaries, commission, service agreements and other employment conditions of the Executive Directors of the Company. The committee fixes the remuneration after taking into consideration remuneration practices followed by Companies of similar size and standing in the Industry.

The Remuneration Committee comprises of four Directors as its members. All the members of the Committee are Non-Executive Independent Director and have sound knowledge of management practices. The Chairman of the Committee is a Non-Executive Independent Director nominated by the Board. The power and role of the Remuneration Committee is as per guidelines set out in the listing agreement.

The Remuneration Committee had met Three times during the year 2011-2012 to consider and recommend to the Board:-

1). The re-appointment and Remuneration of Mr. D.K.Jain as Chairman and Managing Director and Mr. Anmol Jain as Senior Executive Director (SED) on the existing terms and conditions of remuneration.

2) The appointment of Mr. Eiichi Hirooka as senior Executive Director and Mr. Toshio Masuda as Executive Director nominated by Stanley Electric Co., Ltd Japan and fixation of remuneration.

The constitution of the Remuneration Committee and attendance of the meeting is as under :

S. No.	Name of Directors	Status	Category of Membership	No. of Meeting Attended
1.	Mr. Rattan Kapur	Chairman	Non-Executive Independent Director	2
2.	Mr. A.P. Gandhi	Member	Non-Executive Independent Director	1
3.	Mr. Suman Jyoti Khaitan	Member	Non-Executive Independent Director	1
4.	Mr. D.D. Gupta	Member	Non-Executive Independent Director	3

a) Remuneration Policy:

The Remuneration Committee fixes the remuneration of the Executive Directors after considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company, etc. The remuneration structure comprises Basic Salary, Commission, Perquisites and Allowances, contribution to Provident Fund etc. The remuneration policy for Executive Directors is directed towards rewarding performance, based on review of achievements of Executive Directors.

The Non-Executive Directors have not drawn any remuneration from the Company, except sitting fees for attending meetings of the Board and Committees.

The details of Remuneration paid to Whole Time Directors during the financial year ended March 31, 2012 are as follows:

S. No.	Name of the Directors	Salary (Rs.)	Perquisites and other Benefits (Rs.)	Commission (Rs.)	Total (Rs.)
1.	Mr. D.K. Jain	4,020,000	3,001,348	-	7,021,348
2.	Mr. Deepak Jain	3,420,000	2,836,717	-	6,256,717
3.	Mr. Anmol Jain	3,120,000	2,602,235	-	5,722,235
4.	Mr. Ikuo Abe (up to 26-07-11)	92,129	421,025	-	513,154
5.	Mr. Atsushi Ishii (up to 30-06-11)	72,000	283,549	-	355,549
6	Mr. Eiichi Hirooka (w.e.f. 27-07-11)	195,871	937,842	-	1,133,713
7.	Mr. Toshio Masuda (w.e.f. 27-07-11)	195,871	696,021	-	891,892

None of the Non-Executive Directors held shares in the Company. The Company has no Stock Option Scheme and hence, no Stock Options are granted to Non-Executive Directors.

There are no Security/Instruments of the Company pending for conversion into Equity Shares.

C. Shareholders/Investors Grievance & Share Transfer Committee

The Company has a Shareholders/Investors Grievance & Share Transfer Committee to oversee Investors grievances and redressal mechanism and recommends measures to improve the level of Investors' services and to look into and decide matters pertaining to share, transfers, duplicate share certificates and related matters. The Committee comprises four Directors with three of them being Executive Directors. The present composition of this Committee during the year April 2011 to March 2012 was as under :

S.No.	Name of the Directors	Status	Category of Membership
1.	Mr. D.D. Gupta	Chairman	Non-Executive Independent Director
2.	Mr. D.K. Jain	Member	Chairman & Managing Director (Executive Chairman)
3.	Mr. Deepak Jain	Member	Senior Executive Director
4.	Mr. Eiichi Hirooka	Member*	Senior Executive Director

*The Shareholders/Investors Grievance & Share Transfer Committee was reconstituted during the year by Board of Directors in its meeting held on 26-07-2011 by appointing Mr. Eiichi Hirooka as Member of the Committee in place of Mr. Ikuo Abe.

The functioning and terms of reference of the Committee are, as prescribed under the Listing Agreement entered with the Stock Exchanges, with particular reference to transfer, dematerialization and complaints of Shareholders etc.

The Quorum for the functioning of the Committee is any two Members present. The board has delegated the authority for approving transfers, transmission etc once in a fortnight to the Chairman & Managing Director/or Company Secretary. A summary of transfer, transmission of shares of the Company so approved by the Chairman & Managing Director/or Company Secretary is placed at every Shareholders/Investors Grievance & Share Transfer Committee meeting. The Company obtains from a Company Secretary in practice half-yearly certificate of Compliance with the share transfer formalities as required under clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

The total complaints received and replied to the shareholders during the year ended 31st March, 2012 were 72. There were no complaints which were not solved to the satisfaction of the shareholders and pending during the year.

During the year 4 meetings of Committee were held. The following is the attendance record at the Committee during the year:

Shareholders/Investors Grievance & Share Transfer Committee Attendance

S.No.	Name of the Directors	No. of Meetings Attended
1.	Mr. D.D. Gupta	4
2.	Mr. D.K. Jain	4
3.	Mr. Deepak Jain	4
4.	Mr. Ikuo Abe	2
5.	Mr. Eiichi Hirooka	2

4. COMPLIANCE OFFICER OF THE COMPANY:

Mr. B.S.Bhadauriya, Vice President (Legal) & Company Secretary is the Compliance Officer of the Company. He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters.

5. GENERAL BODY MEETING

The details of Annual General Meeting (AGMs) held in the last three years are as follows:

Financial Year	Date	Time	Location
2008-09	18-08-2009	10.30 A.M	FICCI Golden Jubilee Auditorium, New Delhi
2009-10	22-07-2010	10.30 A.M.	FICCI Golden Jubilee Auditorium, New Delhi
2010-11	09-08-2011	10.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi

Special Resolutions passed in previous three Annual General Meetings (AGM).

(i). AGM held on 18-08-2009:
Nil

(ii). AGM held on 22-07-2010:

Nil

(iii). AGM held on 09-08-2011

a) Re-appointment of Mr. D.K.Jain, as Chairman & Managing Director of the Company.
b) Re-appointment of Mr. Deepak Jain, as Senior Executive Director of the Company.
c) Re-appointment of Mr. Anmol Jain, as Senior Executive Director of the Company.

There were no Ordinary or Special Resolution that needed to be passed through Postal Ballot process during the year 2011-2012.

6. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Board Members and Senior Employees of the Company. The Code of Conduct has already been posted on the website of Company for general viewing. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct on annual basis. The Annual Report contains a declaration to this effect signed by the Chairman & Managing Director.

7. DISCLOSURES

a) During 2011-12, other than the transactions entered in the normal course of business and reported as the related party transactions in the annual accounts, the Company had not entered any materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters/ Director/Senior Employees or relatives etc., which could have a potential conflict with the interest of Company at large.

b) The Audit Committee is briefed with all related party transaction undertaken by the Company.

c) The Senior Employees have made disclosures to Board that they did not have personal interest in any material financial and commercial transactions that could result in a conflict with the interest of the Company at large.

d) The Company has a Code of Conduct for its Board and Senior Employees (as per Corporate Governance Code) and the same is available at the Company's website. The Company has obtained a compliance certificate from all concerned.

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

f) The Company follows the Accounting Standards laid down by the Institute of Chartered Accountants of India, and there has been no deviation in the accounting treatment during the year.

g) The Company do not have any Whistle Blower Policy. However, the Company promotes a favorable environment for employees to have an open access to the respective functional Heads, Executive Directors and Chairman and Managing Director, so as to ensure ethical and fair conduct of the business of the Company.

h) The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement.

i) The Company has formulated a Code of Conduct for prevention of Insider Trading in the Shares of the Company in accordance with the SEBI (Prohibition of Insider Trading) Regulation, 1992.

8. MEANS OF COMMUNICATION

The quarterly/yearly results of the Company are published in leading and widely circulated English dailies viz. (1) Economic Times (Delhi-English & Hindi, Chandigarh, Lucknow, Mumbai-English & Gujarati, Pune + Nav Bharat Times (Delhi, Mumbai) + Financial Times (Delhi) + Mumbai Mirror (Mumbai) (2) Financial Express - All Editions (English) (3) Jansatta, New Delhi (Hindi Edition).Business Standard- All Editions(English) Business Standard-Delhi(Hindi). The results are also faxed to the Stock Exchanges where the Equity Shares of the Company are listed, in accordance with the provisions of the Listing Agreement.

The Company's financial results are displayed on the Company's website at www.lumaxindustries.com.

Pursuant to Clause 52 of the Listing Agreement, all data related to quarterly as well as annual financial results, shareholding pattern etc. are updated at the Corporate Filing and Dissemination System website www.corpfiling.co.in.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF THE DIRECTORS REPORT

10. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting	:	The 31st Annual General Meeting is scheduled as under: Date : 07th August, 2012 Time : 10.30 AM Venue : Air Force Auditorium, Subroto Park, New Delhi-110010
b) Date of Book Closure	:	28th July 2012 to 07th August 2012 (Both days inclusive)
c) Registered Office	:	Lumax Industries Limited, B-85-86, Mayapuri Industrial Area Phase I New Delhi - 110064
d) Financial Year	:	1st April to 31st March

e) **For the Financial Year 2011-12 results were announced on:**

S. No.	Adoption of Quarterly Results Ended	In the Month of
1.	30th June, 2011	July 26, 2011
2.	30th September, 2011	October 22, 2011
3.	31st December, 2011	January 31, 2012
4.	31st March, 2012 (Audited Annual Accounts)	May 30, 2012

f) **Financial Calendar for 2012-13 (Provisional):**

S.No.	Adoption of Quarterly Results Ended	In the Month of #
1.	30th June, 2012	2nd week of August 2012
2.	30th September, 2012	2nd week of November 2012
3.	31st December, 2012	2nd week of February 2013
4.	31st March, 2013 (Audited Annual Accounts)	4th week of May 2013

With in 45 Days of the end of the Quarter, as per clause 41 of the Listing Agreement.

g) **Dividend & Dividend Payment Date:**

A dividend of Rs. 6/- per share (60%) has been recommended by the Board of Directors for the Financial Year 2011-12 which is subject to the approval of the shareholders at the ensuing Annual General Meeting. For Demat shareholders and Physical shareholders who have opted for NECS/ ECS, Dividend Amount of Rs. 6/- per share will be credited directly to their respective bank accounts through NECS/ ECS, wherever such facilities are available, soon after the declaration of dividend in the AGM. For others, Dividend Warrants will be posted by August 27, 2012 (tentative).

h) **Unclaimed Dividends:**

Unclaimed Dividend for the year 2004-05 shall become transferable to the Investor Education & Protection Fund by First week of November, 2012. The Company has been writing periodical reminders to all the shareholders as a part of sending Notice of the Annual General Meeting, whose Dividends are lying unpaid in the Unpaid Dividend Account. Members who have not encashed their Dividend for the year ended 2004-05 and onwards are therefore, requested to make their claims to the Company immediately.

i) **Share Transfer System :**

All work related to Share Registry, both in physical form and electronic form, is handled by the Company's Registrar and Transfer Agent. The Company has appointed M/s Karvy Computershare Pvt. Ltd. as the Registrar & Share Transfer Agent. The Share transfers in physical form are approved by the Chairman and Managing Director and Company Secretary on fortnightly basis and the same were approved and ratified by the Shareholders/Investors Grievance & Share Transfer Committee.

The total number of shares transferred during the Financial Year 2011-12 was 2123, which were registered and returned to the respective transferees within a period ranging from two to three weeks, provided the documents lodged with the Registrars/Company are clear in all respects.

j) **Registrars and Share Transfer Agent (For Physical as well as for Demat Segment)**

Address	:	M/s Karvy Computershare Pvt. Ltd. Unit: Lumax Industries Limited, Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081
Tel	:	040-44655000, Fax 040-23420814
Toll Free No	:	1800-3454-001
E-mail	:	einward.ris@karvy.com

k) **Investors Correspondence:**

All queries of investors regarding the Company's shares in Physical / Demat form may be sent either to the Registrar & Share Transfer Agent or to the Secretarial & Corporate Affairs Department of the Company at the following address :

Address	:	Lumax Industries Limited B-85-86, Mayapuri Industrial Area, Phase - I, New Delhi - 110064
Tel	:	011-28111777, 28116990, Fax : 011-28115779
E-mail	:	bsbhadauriya@lumaxmail.com
Website	:	www.lumaxindustries.com

l) **Listing on Stock Exchanges:**

Stock Exchange	Scrip Code
Bombay Stock Exchange Limited	517206
National Stock Exchange of India Ltd.	LUMAXIND

m) **ISIN No. : INE162B01018**

Listing Fee for the year 2011-12 has been paid to The Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

n) **Outstanding GDR's/ADR's/Warrants or any convertible Instrument, Conversion Date and Likely impact on Equity**

There are no convertible instruments which could result in increasing the equity capital of the Company and the Company has not issued any GDR/ADR/FCCB etc.

o) **Shareholding Pattern of the Company as on March 31, 2012**

S. No.	Category	No. of Shares held	%Age of Shareholding
A.	**Promoters' Holding**		
1.	**Promoters**		
	Indian Promoters	3,381,981	36.18
	Foreign Promoters	3,505,399	37.50
2.	**Persons acting in concert**	-	-
	SUB - TOTAL(A)	**6,887,380**	**73.68**
B.	**Non-Promoters Holding**		
3.	**Institutional Investors**		
	a. Mutual Funds and UTI	19,790	0.21
	b. Banks, Financial Institutions, Insurance Companies, Central/State Govt. Institutions/ Non-Government Institutions.	400	0.00
	c. Foreign Institutional Investors.	13,520	0.15
	SUB - TOTAL (B3)	**33,710**	**0.36**
4.	**Others:-**		
	a. Bodies Corporate & Clearing Members	755,168	8.07
	b. Indian Public	1,656,215	17.72
	c. NRIs (Including Foreign Company)	15,259	0.17
	SUB - TOTAL (B4)	**2,426,642**	**25.96**
	SUB -TOTAL (B) (B3+B4)	**2,460,352**	**26.32**
	GRAND TOTAL (A + B)	**9,347,732**	**100.00**

p) **Distribution of Shareholding as on March 31, 2012**

Range of Shares		No. of Share-holders	% of Share-holders	Amount (Rs)	% of Equity Capital
1	5,000	17,183	98.20	7,460,930	7.98
5,001	10,000	138	0.79	1,025,760	1.10
10,001	20,000	59	0.34	844,720	0.90
20,001	30,000	25	0.14	638,970	0.68
30,001	40,000	8	0.05	303,890	0.33
40,001	50,000	12	0.07	579,780	0.62
50,001	1,00,000	33	0.19	2,479,560	2.65
1,00,001	& above	39	0.22	80,143,710	85.74
Total		**17,497**	**100.00**	**93,477,320**	**100.00**

q) **Dematerialisation of Shares :**

As per notifications issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in dematerialised form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

r) Status of Dematerialisation & Liquidity as on March 31, 2012 :

Dematerialisation:

No. of Shares Dematerialised	8,853,336 (94.72% of the total share capital)
No. of Shareholders in Demat form	7,707 (44.05% of the total No. of Shareholders)

Liquidity:

The Numbers of Shares of the Company traded in the Stock Exchange for the financial year 2011-2012 is given below:

Particulars	BSE	NSE	Total
No of shares Traded	1,532,380	2,757,611	4,289,991
% of total Equity	16.39%	29.50%	45.89%

s) Stock Market Data during the Financial Year 2011-12

The monthly High and Low Prices of the Shares of the Company Listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) along with the BSE "Sensex" and NSE "Nifty".

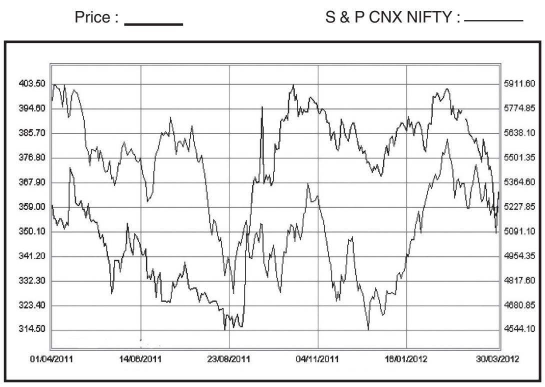
Month	BSE				NSE			
	Share Price		Sensex		Share Price		S&P CNX Nifty	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
April 2011	390.50	345.00	19,811.14	18,976.19	375.00	335.25	5,944.45	5,693.25
May 2011	405.75	320.00	19,253.87	17,786.13	373.85	322.00	5,775.25	5,328.70
June 2011	364.00	320.10	18,873.39	17,314.38	364.40	305.15	5,657.90	5,195.90
July 2011	398.70	310.00	19,131.70	18,131.86	350.00	317.30	5,740.40	5,453.95
August 2011	398.70	308.00	18,440.07	15,765.53	332.65	302.35	5,551.90	4,720.00
September 2011	435.10	310.05	17,211.80	15,801.01	435.10	311.05	5,169.25	4,758.85
October 2011	404.75	340.00	17,908.13	15,745.43	410.00	373.15	5,399.70	4,728.30
November 2011	401.90	375.00	17,702.26	15,478.69	402.50	375.05	5,326.45	4,639.10
December 2011	394.95	356.00	17,003.71	15,135.86	393.95	365.00	5,099.25	4,531.15
January 2012	398.95	370.55	17,258.97	15,358.02	398.75	355.25	5,217.00	4,588.05
February 2012	404.95	365.40	18,523.78	17,061.55	404.90	367.00	5,629.95	5,159.00
March 2012	400.00	343.30	18,040.69	16,920.61	398.95	342.15	5,499.40	5,135.95

(t) The details of the Stock Performance vis - a - vis S&P CNX Nifty in graphical manner and Monthly Closing Share Price on NSE and BSE from April 2011 to March 2012 is given below :

Monthly Closing Share Price on BSE & NSE along with Sensex and Nifty Points (April 2011 to March 2012)

Month	BSE (Rs.)	Sensex	NSE (Rs.)	Nifty
April 2011	360.00	19,135.96	358.45	5,749.50
May 2011	339.85	18,503.28	340.00	5,560.15
June 2011	325.00	18,845.87	324.90	5,647.40
July 2011	325.40	18,197.20	324.80	5,482.00
August 2011	327.00	16,676.75	320.00	5,001.00
September 2011	381.70	16,453.76	381.95	4,943.25
October 2011	395.65	17,705.01	398.40	5,326.60
November 2011	390.50	16,123.46	385.10	4,832.05
December 2011	373.25	15,454.92	371.90	4,624.30
January 2012	382.85	17,193.55	384.35	5,199.25
February 2012	394.95	17,752.68	394.45	5,385.20
March 2012	369.95	17,404.20	364.55	5,295.55

Stock Performance vis- a- vis S&P CNX Nifty. The performance of the Company's Share related to Nifty is given in the chart below:



u) Plant Locations of the Company as on March 31, 2012

The Company has its following manufacturing units :

S. No.	PLANT LOCATIONS
1.	Plot No.16, Sector-18, Maruti Complex, Gurgaon, Haryana.
2.	Plot No.6, Industrial Area, Dharuhera, District Rewari, Haryana.
3.	Plot No.195-195A, Sector 4, Phase-II, Bawal, District Rewari, Haryana.
4.	Plot No. 51, Sector 11,II E, Pant Nagar, District Udham Singh Nagar, Uttarakhand.
5.	Plot No. 5, Industrial Park-II, Village Salempur Mehdood, Haridwar, Uttarakhand
6.	Warehouse at Plot No.E-38, Site-IV, Surajpur Greater Noida, District Gautam Budh Nagar, Uttar Pradesh.
7.	D2-43/2, M.I.D.C. Industrial Area, Chinchwad, Pune, Maharashtra.
8.	608-609, Chakan Talegaon Road, Mahalunge Ingle, Chakan, Pune, Maharashtra.
9.	Plot No. D-1, Vendors Park, Sanand, District Ahmedabad, Gujarat.
10.	Plot No. 22C, Bidadi Industrial Area, Bangalore.*

**Plant under construction*

11. 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 as per the following details:

Name of the Depository participant	Karvy Stock Broking Ltd.
DPID / CLID	IN300394/18412367
Name	Lumax Industries Ltd- Unclaimed Suspense Account.
Address of the Depository Participant	No. 21, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034

The details of Unclaimed shares of the Company are as under :

Particulars	No. of Shareholders	No.of Shares
Aggregate number of shareholders and outstanding shares at the beginning of the year i.e. as on 01/04/2011	722	22,410
No. of Shareholders who approached for issue/transfer of Shares during the year 2011-2012	65	1,456
Number of shareholders to whom shares were issued/transferred	54	1,176
Aggregate number of shareholders and outstanding shares lying at the end of the year i.e. 31/03/2012	679	21,514

The members who have not claimed the shares from the above returned undelivered cases are requested to contact the Registrar-Karvy Computershare Pvt Ltd at the address given above. The voting rights on the 21,234 shares shall remain frozen till the rightful owner of such shares claims the shares.

12. NON-MANDATORY REQUIREMENTS

The Company is complying with mandatory requirements and partly complying with the non-mandatory requirements such as:

- The Company has constituted a Remuneration Committee of Independent & Non-Executive Directors. A detailed note on the Remuneration Committee has already provided in the foregoing paras of the report.

13. CEO/CFO CERTIFICATE

The Chairman and Managing Director, Mr. D.K. Jain and the Group Finance Head, Mr. Naval Khanna have furnished the requisite certificate to the Board of Directors pursuant to Clause 49 (V) of the Listing Agreement.

14. OTHER INFORMATION

Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)

SEBI had vide its Circular No.DCC/FITTCIR-3/2001 dated October 15, 2001 advised that all Companies should mandatory use ECS facility wherever available.

In the absence of ECS facility, companies may use warrants for distributing the dividends and vide its Circular No.D&CC/FITTCIR-04/2001 dated November 13, 2001 had advised companies to mandatorily print the Bank Account details furnished by the Depositories, on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors.

As per RBI circular no. RBI/2008-2009/509/DPSS (CO) EPPD No. 2283/04.01.04/2008-09 dated June 25, 2009, RBI has inroduced National Electronic Clearing System (NECS) which aims at increasing efficiency and simplification of the ECS process.However, members who wish to receive dividend in an account other than the one specified while opening the Depository Account, may notify their DP's about any change in the Bank Account details.

Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company nomination in the prescribed Form 2B for this purpose.

❖ ❖ ❖ ❖

CEO & CFO Certification under Clause 41 & 49(V) of the Listing Agreement to be placed before the Board along with Audited Annual Accounts for the year ended 31st March 2012.

a. We certify to the Board that we have reviewed Financial Statements and Cash Flow Statement for the year ended 31st March 2012 and that to the best of our knowledge and belief;
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies, if any.

d. We have indicated to the Auditors and the Audit Committee
   (i) significant changes in internal control over financial reporting during the year, if any;
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
   (iii) There were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gurgaon	**(NAVAL KHANNA)**	**(D.K. JAIN)**
Date : May 30, 2012	**GROUP FINANCE HEAD**	**CHAIRMAN & MANAGING DIRECTOR**

Certificate of Compliance of Code of Conduct by Board of Directors and Senior Management Personnel

I, D.K. Jain, Chairman & Managing Director of the Company hereby certify that the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct of the Company for the FY 2011 - 2012.

Place : Gurgaon	**(D.K. JAIN)**
Date : May 30, 2012	**CHAIRMAN & MANAGING DIRECTOR**

Auditors' Certificate on Corporate Governance

To,
The Members of Lumax Industries Limited

We have examined the compliance of conditions of Corporate Governance by Lumax Industries Limited, for the year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with 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 the conditions of the 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 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 S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

Per Sanjay Vij
Partner
Membership No.: 95169

Place : Gurgaon
Date : May 30, 2012

AUDITORS' REPORT

To
The Members of Lumax Industries Limited

1. We have audited the attached Balance Sheet of Lumax Industries Limited ('the Company') as at March 31, 2012 and also the Statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. 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 the 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Without qualifying our opinion, we draw attention to note 45 of the financial statements. The Company has paid managerial remuneration of Rs 17,079,085 during the year, which is in excess of the limits specified by the relevant provisions of the Companies Act, 1956, by Rs 2,679,085. As represented to us by the management , the Company has made an application to the appropriate regulatory authorities in this regard, for regularizing the payment of such excess remuneration to managerial personnel. Pending the final outcome of the Company's application, no adjustments have been made to the accompanying financial statements in this regard.

5. Further to our comments in the Annexure referred to above, we report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   vi. 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 and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;

      b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and

      c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Sanjay Vij
Partner
Membership No.: 95169

Place : Gurgaon
Date : May 30, 2012

Annexure referred to in paragraph [3] of our report of even date
Re: Lumax Industries Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All 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 assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) 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) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4(iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4(iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of items of inventories and certain fixed assets are of proprietary nature and alternative sources are not available to obtain comparable quotations, there is an adequate internal control system 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. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) 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 that need to be entered into the register maintained under section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, *we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.*

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and 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 under section 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.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty demand against rejected goods sent on 57(f)(4) challans	7,255,448	July 1994 to February 1999	High Court, Chandigarh
The Central Excise Act, 1944	Excise duty demand against excess credit taken against the materrial procured from 100% EOU	2,026,701	1999-2000 to 2001-02	Joint Commissioner of Central Excise- Gurgaon
Local Area Development Tax Act, 2005	Demand of tax on certain fixed assets including interest	84,185	2000-01	Joint Excise and Taxation Commissioner (Appeals), Faridabad
Service Tax, Finance Act, 1994	Demand for disallowance of Cenvat credit in respect of service tax paid on certain services.	763,450	2006-07	Commissioner Appeals (Gurgaon)
The Central Sales Tax Act, 1956	Demand against non submission of C Forms	6,964,753	1997-98 to 2007-08	Joint Sales Tax Commissioner and Sales Tax Appellate Tribunal
Income Tax Act, 1961	Income tax demand on various disallowances	38,855,315	Assessment Year 2008-09	Dispute Resolution Panel

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and 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 a financial institution or bank. The Company has not issued any debenture during the year.

(xii) According to the information and explanations given to us and based on the documents and records produced before 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) In our opinion, 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) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the 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 any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 489,100,000 of which Rs. 147,450,000 was outstanding at the end of the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures 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 the 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 year.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Sanjay Vij
Partner
Membership No.: 95169

Place : Gurgaon
Date : May 30, 2012

Balance Sheet as at March 31, 2012

		Note No.	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
I	**EQUITY & LIABILITIES**			
	Shareholders' funds			
	(a) Share capital	3	**93,477,320**	93,477,320
	(b) Reserves and surplus	4	**1,514,594,122**	1,451,982,751
			1,608,071,442	1,545,460,071
	Non-Current Liabilities			
	(a) Long term borrowings	5	**1,144,767,415**	472,218,746
	(b) Deferred tax liabilities (net)	6	**213,961,274**	206,777,363
	(c) Trade payables	7	**36,680,842**	79,968,039
	(d) Other long term liabilities	7	**256,664,500**	259,116,250
	(e) Long term provisions	8	**737,629**	1,568,771
			1,652,811,660	1,019,649,169
	Current Liabilities			
	(a) Short term borrowings	9	**300,507,908**	259,878,436
	(b) Trade payables	10	**2,780,017,226**	2,427,810,937
	(c) Other current liabilities	10	**649,655,281**	568,081,870
	(d) Short term provisions	8	**148,108,774**	146,165,675
			3,878,289,189	3,401,936,918
	TOTAL		**7,139,172,291**	5,967,046,158
II	**ASSETS**			
	Non-Current Assets			
	(a) Fixed assets			
	Tangible assets	11	**3,463,213,697**	2,622,895,983
	Intangible assets	12	**51,640,369**	27,404,696
	Capital work in progress		**498,607,348**	332,645,882
	(b) Non-Current Investments	13	**45,677,204**	36,077,204
	(c) Long term loans and advances	14	**141,496,415**	120,805,486
	(d) Other Non-Current assets	15.2	**72,691,781**	4,736,000
			4,273,326,814	3,144,565,251
	Current Assets			
	(a) Current investments	16	**838,950**	774,795
	(b) Inventories	17	**900,593,043**	821,597,701
	(c) Trade receivables	15.1	**1,309,265,079**	1,323,492,407
	(d) Cash and bank balances	18	**308,208,213**	319,019,903
	(e) Short-term loans and advances	14	**335,953,404**	346,166,806
	(f) Other current assets	15.2	**10,986,788**	11,429,295
			2,865,845,477	2,822,480,907
	TOTAL		**7,139,172,291**	5,967,046,158
Summary of significant accounting policies		2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

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

per Sanjay Vij
Partner
Membership No.95169

D. K. Jain
Chairman & Managing Director

Deepak Jain
Senior Executive Director

Place: Gurgaon
Date : May 30, 2012

Naval Khanna
Group Finance Head

B.S. Bhadauriya
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2012

	Note No.		For the year ended March 31, 2012 (Rs.)		For the year ended March 31, 2011 (Rs.)
INCOME					
Revenue from Operations (Gross)	19		**10,764,931,488**		9,546,305,670
Less: Excise duty			**(913,349,816)**		(883,819,416)
Revenue from Operations (Net)			**9,851,581,672**		8,662,486,254
Other income	20		**36,517,343**		35,767,290
TOTAL REVENUE (I)			**9,888,099,015**		8,698,253,544
EXPENDITURE					
Cost of raw material and components consumed	21		**7,326,201,426**		6,286,147,354
Purchase of traded goods	22		**30,002,955**		37,361,207
(Increase)/decrease in inventories of finished goods work-in-progress and traded goods	22		**(31,255,102)**		2,190,483
Employee benefits expense	23		**791,487,047**		671,702,866
Other expenses	24		**1,277,385,092**		1,132,935,052
TOTAL (II)			**9,393,821,418**		8,130,336,962
Earnings before interest, tax, depreciation and amortization (EBITDA) (I-II)			**494,277,597**		567,916,582
Depreciation and amortisation expense	25	**237,021,232**		240,851,498	
Less: recoupment from revaluation reserve		**(340,747)**		(402,452)	
Net depreciation and amortisation expense			**236,680,485**		240,449,046
Finance costs	26		**122,276,076**		90,134,049
Profit before tax			**135,321,036**		237,333,487
Tax expenses					
Minimum alternate tax			**27,000,000**		47,000,000
Less : MAT credit entitlement			**(27,000,000)**		(38,000,000)
Net current tax liability			–		9,000,000
Deferred tax			**7,183,911**		48,597,360
Total tax expense			**7,183,911**		57,597,360
Profit for the year			**128,137,125**		179,736,127
Earnings per equity share - Basic and diluted {Nominal value of share Rs.10 (Previous year : Rs.10)}	27		**13.71**		19.23
Summary of significant accounting policies	2.1				

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

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

per Sanjay Vij
Partner
Membership No. 95169

D. K. Jain
Chairman & Managing Director

Deepak Jain
Senior Executive Director

Place: Gurgaon
Date : May 30, 2012

Naval Khanna
Group Finance Head

B.S. Bhadauriya
Company Secretary

Cash Flow Statement for the year ended March 31, 2012

S.No	Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
A.	**Cash flow from operating activities**		
	Profit before tax	**135,321,036**	237,333,487
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation/ amortisation	**236,680,485**	240,449,046
	Provision for doubtful debts / advances	**3,046,148**	3,221,814
	Bad debts/advances written off	**35,406**	325,490
	Loss on sale of fixed assets	**886,036**	82,193,558
	Change in carrying value of current investment (quoted)	**(64,155)**	13,160
	Unrealised foreign exchange (gain)/ loss	**3,231,180**	3,290,448
	Finance cost	**122,276,076**	90,134,049
	Interest income	**(10,533,594)**	(15,115,013)
	Dividend income	**(5,107,869)**	(152,900)
	Operating profit before working capital changes	**485,770,749**	641,693,139
	Movements in working capital:		
	Decrease/ (increase) in inventories	**(78,995,342)**	(282,748,460)
	Decrease/ (increase) in trade receivables	**15,423,606**	(545,465,649)
	Decrease/ (increase) in loans and advances	**31,950,500**	(15,293,857)
	Increase/ (decrease) in liabilities and provisions	**247,804,897**	1,109,250,753
	Cash generated from operations	**701,954,410**	907,435,926
	Direct taxes paid	**30,730,225**	36,878,838
	Net cash flow from operating activities (A)	**671,224,185**	870,557,088
B.	**Cash flow from investing activities**		
	Purchase of fixed assets	**(1,258,441,135)**	(823,277,797)
	Proceeds from sales of fixed assets	**3,047,924**	187,578,370
	Purchase of non-current investments	**(9,600,000)**	-
	Interest received	**10,184,818**	27,736,336
	Dividends received	**5,107,869**	152,900
	Movements in fixed deposits with banks (Receipts pledged with bank)	**3,088,615**	112,760,838
	Net cash flow used in investing activities (B)	**(1,246,611,909)**	(495,049,353)
C.	**Cash flow from financing activities**		
	Repayment of financial lease obligation	**-**	(600,583)
	Proceeds from long term borrowings	**1,036,885,234**	171,651,413
	Proceeds from body corporate loan	-	(135,153,309)
	Repayment of long term borrowings	**(208,427,980)**	(172,670,632)
	Proceeds from/(repayment) of bank borrowings and short term loans (net)	**(27,095,528)**	166,387,684
	Repayment of sales tax deferment	**(53,001,104)**	(39,299,706)
	Interest Paid	**(115,280,185)**	(90,672,617)
	Dividend Paid	**(56,086,392)**	(28,043,196)
	Tax on dividend paid	**(9,098,615)**	(4,657,624)
	Net cash flow from/ (used in) financing activities (C)	**567,895,430**	(133,058,570)
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(7,492,294)**	242,449,165
	Cash and cash equivalents at the beginning of the year	**255,266,792**	12,817,627
	Cash and cash equivalents at the end of the year	**247,774,498**	255,266,792
	Components of cash and cash equivalents		
	Cash on hand	**1,859,094**	1,547,975
	Balances with banks		
	On current accounts	**134,702,164**	111,782,020
	On unpaid dividend accounts	**2,863,240**	2,388,705
	On deposits with original maturity of less than three months	**108,350,000**	139,548,092
	Total cash and cash equivalents (note 18)	**247,774,498**	255,266,792

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Sanjay Vij
Partner
Membership No. 95169

Place: Gurgaon
Date : May 30, 2012

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

D. K. Jain
Chairman & Managing Director

Deepak Jain
Senior Executive Director

Naval Khanna
Group Finance Head

B.S. Bhadauriya
Company Secretary

Notes to financial Statements for the year ended March 31, 2012

1. Corporate Information

Lumax Industries Limited ('the Company') is a leading manufacturer and supplier of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications. The Company has technical as well as financial collaboration with Stanley Electric Co. Ltd., Japan. Its shares are listed on two exchanges in India.

2. Basis of preparation

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 respects 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.

2.1 Summary of significant accounting policies

a. 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 the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Tangible Fixed Assets

Fixed assets, are stated at cost (or re-valued amounts, as the case may be), net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company has revalued some of the Land, Building and Plant & Equipment existing on different dates in earlier years. These Land, Building and Plant & Equipment are measured at fair value less accumulated depreciation and impairment losses, if any, recognised after the date of the revaluation. In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit and loss, in which case the increase is recognized in the statement of profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from the derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d. Depreciation on Tangible fixed assets

Depreciation on fixed assets is provided on Straight Line basis as per the rates computed based on estimated useful life of the assets which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

Leasehold land is amortized over the period of lease ranging from 90 years to 99 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized using straight-line method over their estimated useful lives as follows:

Intangible Assets	Estimated Useful Life (Years)
Computer Software	Over the estimated economic useful lives ranging from 3.5 to 4 years
Technical Know-how	Over the period of Technical Assistance Agreement i.e. 8 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f. Research & development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset.

g. Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

h. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

j. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k. Inventories

Inventories are valued as follows:

Raw materials and components, Stores and spares (including packing materials)	At Cost and Net Realizable Value, whichever is lower. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on moving weighted average basis. Cost of raw materials and components lying in bonded warehouse includes custom duty accounted for on accrual basis.
Finished goods & Traded goods, Work-in-progress and Moulds, tools and dies in process	At Cost and Net Realizable Value, whichever is lower. Cost of Finished goods and Work-in-progress (including moulds, tools and dies in process) includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of traded goods is determined on moving weighted average basis. Cost of finished goods includes excise duty.
Scrap	At Net Realizable Value.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.	

l. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised.

Sale of goods

Revenue from sale of Goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer usually on delivery of Goods to the customer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Sale of services

Revenues from service contracts are recognized as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

m. Foreign Currency Translation

Foreign currency transactions

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reinstatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses .

iv. Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period.

n. Retirement and other Employee Benefits

i. Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

ii. The Company operates defined benefit plan for its employees i.e. gratuity. The costs of providing benefits under the plan are determined and recognised on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method. The Company has a policy with Life insurance Corporation of India (LIC) in the nature of funding arrangement for gratuity plan and the difference between the future gratuity liability and the fair value of the plan assets as at the end of the year is deposited with the LIC.

iii. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

iv. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

v. Retirement benefit in the form of "Lumax Industries Limited Employees Superannuation Scheme" administered by the trustees is a defined contribution scheme. The contribution for the scheme is charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the scheme.

o. Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

p. Segment Reporting Policies

The Company is engaged in the business of manufacture of various types of Automotive Lighting Equipment. The entire operations are governed by the same set of risks and return hence the entire operations represent a single primary segment. The analysis of geographical segments is based on the geographical location of the customers i.e. customers located within India and customers located outside India.

q. Earnings per share

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

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

r. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

s. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

t. Cash and Cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short- term investments with an original maturity of three months or less.

u. Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

v. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

Notes to financial statements for the year ended March 31, 2012

3 Share Capital

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
Authorised shares		
12,000,000 (Previous year 12,000,000) equity shares of Rs. 10/- each	**120,000,000**	120,000,000
Issued, subscribed and fully paid up shares		
9,347,732 (Previous year 9,347,732) equity shares of Rs. 10/- each	**93,477,320**	93,477,320

a **Terms/rights attached to equity shares**

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 share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 6 (Previous year: Rs. 6).

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

b **Details of shareholders holding more than 5% shares in the Company**

	As at March 31, 2012		As at March 31, 2011	
	Nos.	**% holding in the class**	Nos.	% holding in the class
Equity shares of Rs. 10 each fully paid				
Stanley Electric Co. Limited	**3,343,381**	**35.77%**	3,343,381	35.77%
Dhanesh Kumar Jain	**1,938,025**	**20.73%**	1,938,025	20.73%
Lumax Auto Technologies Limited	**525,000**	**5.62%**	525,000	5.62%

4 Reserves and Surplus

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
Capital reserve	**65,138**	65,138
Securities premium account	**679,665,909**	679,665,909
Revaluation reserve		
Balance as per the last financial statements	**78,594,044**	79,080,480
Less: amount transferred to the statement of profit and loss as reduction from depreciation	**(340,747)**	(402,452)
Less: Adjustment on account of asset sold / discarded	-	(83,984)
Closing Balance	**78,253,297**	78,594,044
General reserve		
Balance as per the last financial statements	**548,171,329**	530,171,329
Add: amount transferred from surplus balance in the statement of profit and loss	**13,000,000**	18,000,000
Closing Balance	**561,171,329**	548,171,329
Surplus in the statement of profit and loss		
Balance as per the last financial statements	**145,486,331**	48,935,211
Profit for the year	**128,137,125**	179,736,127
Less:- Appropriations		
Proposed equity dividend (amount per share Rs. 6 (Previous year:Rs. 6))	**(56,086,392)**	(56,086,392)
Tax on proposed equity dividend	**(9,098,615)**	(9,098,615)
Transfer to general reserve	**(13,000,000)**	(18,000,000)
Total appropriations	**(78,185,007)**	(83,185,007)
Net surplus in the statement of profit and loss	**195,438,449**	145,486,331
Total reserves and surplus	**1,514,594,122**	1,451,982,751

5 Long Term Borrowings

	Non-current portion		Current maturities	
	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)	**As at March 31, 2012 (Rs.)**	As at March, 31 2011 (Rs.)
Term loans				
Indian rupee loan from banks (secured)	**148,851,724**	343,795,309	**201,559,780**	205,892,660
Foreign currency loan from banks (secured)	**926,382,813**	-	**103,217,187**	-
Indian rupee loan from other than banks (secured)	**722,079**	1,898,217	**1,845,177**	2,535,320
Other loans and advances				
Deferred sales tax loan (unsecured)	**68,810,799**	126,525,220	**57,714,420**	53,001,104
	1,144,767,415	472,218,746	**364,336,564**	261,429,084
The above amount includes				
Secured borrowings	**1,075,956,616**	345,693,526	**306,622,144**	208,427,980
Unsecured borrowings	**68,810,799**	126,525,220	**57,714,420**	53,001,104
Amount disclosed under the head "other current liabilities" (Note 10)			**(364,336,564)**	(261,429,084)
Net amount	**1,144,767,415**	472,218,746	-	-

Notes :

1 Indian Rupee Loan from Bank includes:

(a) Rs. 87,529,965/- (Previous year Rs. 175,053,938/-) taken in financial year 2008-09 carries interest @ PLR -2.50% i.e. 12.50% p.a. at present. The loan is repayable in 16 equal quarterly installments of Rs. 21,875,000/- (excluding interest) after one year moratorium period from the disbursement date 27.03.2008. The Loan is secured by way of first charge on the plant and machineries alongwith the unregistered equitable mortgage (UREM) on land and building, situated at Chakan-II unit (except assets exclusively hypothecated to banks and body corporate).

(b) Rs. 118,143,216/- (Previous year Rs. 202,533,294/-) taken in Financial Year 2008-09 carries interest @ PLR -0.5% i.e. 14.50% p.a. at present. The loan is repayable in 16 equal quarterly installments of Rs. 16,875,000/- after one year moratorium period from disbursement date 01.11.2008. The Loan is secured by extension of charges by way of hypothecation on the plant and machineries alongwith the UREM on land and building, situated at Chakan-II Unit. This facility is further secured by UREM of land and building of Dharuhera Unit along with hypothecation on plant & machinery of Dharuhera (both present and future) and those of Gurgaon Unit (acquired from proceeds of this facility).

(c) Rs. 135,330,266/- (Previous year Rs. 166,572,000/-) taken in the financial year 2010-11 carries interest @ Base Rate +3% i.e. 13.50% p.a. at present. The loan is repayable in 16 equal quarterly installments of Rs. 10,410,750/- (excluding interest) after one year moratorium period from the disbursement date 10.05.2010. The Loan is secured by way of first pari passu charge on the land and building along with all the plant and machineries, situated at Sanand (Gujarat) unit both present and future.

(d) Vehicle loans from banks at interest @ 10% - 13% aggregating to Rs. 9,408,057 (Previous year Rs 5,528,737). These are secured by way of hypothecation of the respective vehicles acquired out of the proceeds thereof.

2 Foreign Currency Loan from Bank includes :

(a) Rs. 257,400,000/- (Previous year Rs. Nil) taken in the financial year 2011-12 carries interest @ LIBOR plus 260 BSP. The loan is repayable in 16 quarterly installments of Rs. 14,026,563/- after one year moratorium period from the disbursement date i.e. 03.06.2012. The loan is secured by way of first & exclusive charge on the land and building along with all the plant and machineries, situated at Bawal (Haryana) unit both present and future.

(b) Rs. 514,800,000/- (Previous year Rs. Nil) taken in the financial year 2011-12 carries interest @ LIBOR plus 260 BSP. The loan is repayable in 16 quarterly installments of Rs. 30,568,750/- after one year moratorium period from the disbursement date i.e. 29.09.2012. The loan is secured by way of first & exclusive charge on the land and building along with all the plant and machineries, situated at Bawal (Haryana) unit both present and future.

(c) Rs. 257,400,000/- (Previous year Rs. Nil) taken in the financial year 2011-12 carries interest @ LIBOR plus 475 BSP. The loan is repayable in 16 quarterly installments of Rs. 15,521,875/- after one year moratorium period from the disbursement date i.e. 31.01.2013. The loan is secured by way of first and exclusive pari passu charge on the land and building alongwith all other moveable fixed assets, situated at Pant Nagar (Uttrakhand) unit both present and future.

3 Indian Rupee Loan from other than Bank includes Vehicle loans at interest @ 10% - 13% aggregating to Rs 2,567,256 (Previous year Rs. 4,433,537). These are secured by way of hypothecation of the respective vehicles acquired out of the proceeds thereof.

4. Deferred sales tax loan is interest free and repayable monthly after seven year from its due months respectively started from July, 2007.

6 Deferred tax liabilities (net)

		As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
Deferred tax Liability			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting		**287,468,044**	229,349,752
Unrealised forex gain of capital nature		**872,428**	-
Gross deferred tax liability	**(A)**	**288,340,472**	229,349,752
Deferred tax asset			
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis		**18,354,156**	21,020,850
Provision for doubtful debts and advances		**2,540,484**	1,551,539
Unabsorbed depreciation		**53,484,558**	–
Gross deferred tax asset	**(B)**	**74,379,198**	22,572,389
Net deferred tax liability	**(A-B)**	**213,961,274**	206,777,363

7 Other long-term liabilities

Trade Payables (including acceptances) (refer note 37 for details of dues to micro and small enterprises)	**36,680,842**	79,968,039
Others		
Payable for capital goods (including payable towards leasehold land)	**230,464,500**	232,916,250
Security deposits (Interest free)	**26,200,000**	26,200,000
	256,664,500	259,116,250
	293,345,342	339,084,289

8 Provisions

	Long-term		Short-term	
	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)	**As at March 31, 2012 (Rs.)**	As at March 31, 2011 (Rs.)
Provision for employee benefits				
Provision for leave benefits	–	–	**61,325,767**	57,389,668
Provision for gratuity (Note 28)	**737,629**	1,568,771	**13,245,000**	16,515,000
	737,629	1,568,771	**74,570,767**	73,904,668
Other provisions				
Provision for warranties	–	–	**8,353,000**	7,076,000
Proposed equity dividend	–	–	**56,086,392**	56,086,392
Provision for tax on proposed equity dividend	–	–	**9,098,615**	9,098,615
	–	–	**73,538,007**	72,261,007
	737,629	1,568,771	**148,108,774**	146,165,675

Provision for warranties

A provision is recognized for expected warranty claims on products sold during the last one year, based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about warranty based on the one-year period for all products sold.

The table below gives information about movement in warranty provisions.

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
At the beginning of the year	**7,076,000**	9,482,000
Arising during the year	**14,898,522**	8,153,355
Utilized during the year	**(13,621,522)**	(10,559,355)
At the end of the year (current portion)	**8,353,000**	7,076,000

9 Short-term borrowings

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs)
Cash credit/Working Capital/ Buyer's credit facility from banks (secured)	**300,507,908**	259,878,436
	300,507,908	259,878,436

Notes:

(a) Cash credit/Buyer's Credit facility of Rs. 15,516,105/- (Previous year Rs. 127,238,132/-) is secured by way of first pari passu charge on all present and future stock and book debts along with pari passu charge on all fixed assets at Chinchwad Unit and equitable mortgage on Land and Building at Chinchwad Unit, repayable on demand & carries interest @ 13.00%.

(b) Cash credit facility of Rs. 97,596,643/- (Previous year Rs. 63,560,948/-) is secured by way of first pari passu charge on all current assets of the Company. This facility is further secured by way of equitable mortgage on Land and Buildings and first pari passu charges against movable Fixed Assets at Chinchwad Unit of the Company, repayable on demand & carries interest @ 13% to 14.25%.

(**c**) Cash credit facility of Rs. 87,395,160/- (Previous year Rs. 69,079,356/-) is secured by way of first pari passu charge on all the Stock and Book Debts of the Company, both present and future. This facility is further secured by extension of charge by way of hypothecation on the Plant and Machinery along with the UREM on Land and Building situated at Chakan –II Unit, repayable on demand & carries interest @ 11%-14.50%.

(d) WCDL Facility of Rs. 100,000,000/- (Previous year Rs. NIL) is secured by way of first pari passu charge on all current assets of the Company. This facility is further secured by way of equitable mortgage on Land and Buildings and first pari passu charges against movable Fixed Assets at Chinchwad Unit of the Company, repayable on demand & carries interest @ 11.55%.

10 Other current liabilities

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
Trade payables (including acceptances) (refer note 37 for details of dues to micro and small enterprises)	**2,780,017,226**	2,427,810,937
	2,780,017,226	2,427,810,937
Other liabilities		
Current maturities of long term borrowings (Note 5)	**364,336,564**	261,429,084
Interest accrued but not due on borrowings	**8,159,108**	772,370
Interest accrued and due on borrowings	**1,589,763**	1,980,610
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	**2,863,236**	2,388,701
Others		
Payable for capital goods	**2,451,750**	-
Interest free deposits from customers*	**383,390**	200,000
Advances from customers	**212,886,294**	227,876,636
Statutory dues payable	**56,985,176**	73,434,469
	649,655,281	568,081,870
	3,429,672,507	2,995,892,807

* Customer deposits are repayable on demand.

11. Tangible Fixed Assets

(Rs.)

	Land		Buildings	Plant and Equipment		Furniture and Fixtures	Office equipment	Vehicles	Total
	Leasehold	Freehold		Owned	Finance Leased				
Cost or Valuation									
At 01.04.2010	46,269,891	162,338,219	559,109,427	3,087,500,054	52,266,639	58,496,662	24,931	65,573,074	4,031,578,897
Additions	233,966,251	41,683,814	37,842,641	425,627,854	-	1,958,923	964,238	12,144,356	754,188,077
Deductions	-	-	-	(296,192,581)	-	(313,687)	-	(15,088,737)	(311,595,005)
Adjustment	-	-	-	-	-	-	-	-	-
At 31.03.2011	280,236,142	204,022,033	596,952,068	3,216,935,327	52,266,639	60,141,898	989,169	62,628,693	4,474,171,969
Additions	-	55,072,193	283,776,618	715,273,396	-	2,888,095	1,077,969	11,802,792	1,069,891,063
Disposals	-	-	-	(4,865,073)	(50,700)	(41,585)	(71,455)	(2,958,706)	(7,987,519)
Decapitalisation	-	-	-	(4,756)	-	-	-	-	(4,756)
Adjustment	-	-	-	-	-	-	-	-	-
AT 31.03.2012	**280,236,142**	**259,094,226**	**880,728,686**	**3,927,338,894**	**52,215,939**	**62,988,408**	**1,995,683**	**71,472,779**	**5,536,070,757**
Depreciation/Amortisation									
AT 01.04.2010	5,012,380	-	105,198,819	1,452,234,018	50,042,583	29,101,795	4,559	19,270,369	1,660,864,523
For the year	13,210,258	-	19,244,546	187,546,101	2,777,587	3,077,548	172,814	6,121,702	232,150,556
Deductions	–	-	-	(32,875,493)	-	(251,229)	(559)	(8,611,812)	(41,739,093)
Adjustment	–	-	-	553,531	(553,531)	-	-	-	-
AT 31.03.2011	18,222,638	-	124,443,365	1,607,458,157	52,266,639	31,928,114	176,814	16,780,259	1,851,275,986
For the year	7,211,595	-	21,445,581	187,544,620	-	3,008,055	77,120	6,347,662	225,634,633
Deductions	–	-	-	(2,655,385)	(50,700)	(41,585)	(2,486)	(1,303,403)	(4,053,559)
Adjustment	–	-	-	-	-	-	-	-	-
AT 31.03.2012	**25,434,233**	**-**	**145,888,946**	**1,792,347,392**	**52,215,939**	**34,894,584**	**251,448**	**21,824,518**	**2,072,857,060**
Net Block									
AT 31.03.2011	262,013,504	204,022,033	472,508,703	1,609,477,170	-	28,213,784	812,355	45,848,434	2,622,895,983
AT 31.03.2012	**254,801,909**	**259,094,226**	**734,839,740**	**2,134,991,502**	**-**	**28,093,824**	**1,744,235**	**49,648,261**	**3,463,213,697**

Notes:

i) Leasehold land includes Rs. 10,461,489 (Previous year Rs. 10,461,489) paid to the developer as land development charges.

ii) Fixed Assets comprising of Land, Buildings and Plant & Equipment were revalued by a firm of valuers on different dates in earlier years, resulting in increase in their net values by Rs.82,669,280, Rs.1,351,067 and Rs. 24,251,565 respectively, which was credited to Revaluation Reserve.

iii) Depreciation for the year includes Rs. 247,915 (Previous year Rs. 451,320) being depreciation either capitalised / transferred on in-house development of tools.

iv) Leasehold land includes Rs. 16,050,000 (Previous Year Rs.16,050,000) & Freehold land includes Rs. Nil (Previous year Rs. 41,683,814) & software includes Rs. Nil (Previous Year Rs. 7,296,391) pending registration in the name of the Company.

v) Cost of building constructed on Leasehold land is Rs. 88,619,782 (Previous year Rs 102,756,569).

vi) The borrowing cost capitalized during the year ended 31 March 2012 was Rs. 24,986,571 (Previous year: Rs. Nil).

vii) Leasehold land includes Gross block Rs. 232,916,250 (Previous year Rs. 232,916,250) and WDV of Rs. 213,584,201 (Previous year Rs. 220,245,606) lease rights for use of land.

12. Intangible Fixed Assets

(Rs.)

	Computer Software		Technical Knowhow	Total
	Owned	Finance Leased		
Cost				
At 01.04.2010	17,808,678	19,940,400	34,441,989	72,191,067
Additions	8,700,437	-	-	8,700,437
At 31.03.2011	26,509,115	19,940,400	34,441,989	80,891,504
Additions	35,870,187	-	-	35,870,187
AT 31.03.2012	**62,379,302**	**19,940,400**	**34,441,989**	**116,761,691**
Depreciation / Amortisation				
AT 01.04.2010	11,855,832	18,933,092	13,545,622	44,334,546
For the year	355,385	4,491,628	4,305,249	9,152,262
Adjustment	3,484,320	(3,484,320)	-	-
AT 31.03.2011	15,695,537	19,940,400	17,850,871	53,486,808
For the year	7,329,265	-	4,305,249	11,634,514
AT 31.03.2012	**23,024,802**	**19,940,400**	**22,156,120**	**65,121,322**
Net Block				
At 31.03.2011	10,813,578	-	16,591,118	27,404,696
AT 31.03.2012	**39,354,500**	**-**	**12,285,869**	**51,640,369**

13 Non-Current Investments

		As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
a)	**Trade investments (valued at cost unless stated otherwise)**		
i)	**Unquoted equity instruments**		
	Investment in associates		
	3,298,986 (Previous year 3,298,986) equity shares of Rs.10 each fully paid-up in SL Lumax Limited	**35,474,204**	35,474,204
	Other		
	15,832 (Previous year NIL) equity shares of Rs.10 each fully paid-up in Caparo Power Limited	**158,320**	-
ii)	**Preference shares (unquoted)**		
	944,168, (Previous year NIL) 2% Redeemable Preference shares of Rs. 10 each fully paid-up in Caparo Power Limited	**9,441,680**	-
b)	**Non-trade investments (valued at cost unless stated otherwise)**		
i)	**Unquoted equity instruments**		
	60,000 (Previous year 60,000) equity shares of Rs.10 each fully paid up in Inapex Limited.	**603,000**	603,000
		45,677,204	36,077,204

14 Loans and Advances

		Non-current		Current	
		As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
Capital advances					
Unsecured, considered good	**(A)**	**10,296,275**	23,325,185	**-**	**-**
Security deposit					
Unsecured, considered good	**(B)**	**15,310,108**	12,089,676	**-**	**-**
Advances recoverable in cash or kind					
Unsecured, considered good		**-**	-	**221,501,538**	257,982,898
Unsecured, considered doubtful		**2,516,938**	470,790	**-**	-
		2,516,938	470,790	**221,501,538**	257,982,898
Provision for doubtful advances		**(2,516,938)**	(470,790)	-	-
	(C)	**-**	**-**	**221,501,538**	257,982,898
Other loans and advances (unsecured, considered good)					
Advance income-tax (net of provision for taxation)		**19,439,782**	15,709,557	**-**	-
MAT credit entitlement		**93,500,000**	66,500,000	**-**	-
Prepaid expenses		**-**	-	**11,846,750**	10,409,253
Loans to employees		**2,950,250**	3,181,068	**4,852,018**	3,451,037
Balances with statutory/ government authorities		**-**	-	**97,753,098**	74,323,618
	(D)	**115,890,032**	85,390,625	**114,451,866**	88,183,908
TOTAL (A+B+C+D)		**141,496,415**	120,805,486	**335,953,404**	346,166,806

15 Trade receivables and other assets

15.1 Trade receivables

		Non-current		Current	
		As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good		**-**	-	**25,566,764**	9,939,579
Unsecured, considered doubtful		**5,313,185**	4,311,269	**–**	-
		5,313,185	4,311,269	**25,566,764**	9,939,579
Provision for doubtful receivables		(5,313,185)	(4,311,269)	**–**	-
	(A)	**-**	-	**25,566,764**	9,939,579

		Non-current		Current	
		As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)	**As at March 31, 2012 (Rs.)**	As at March 31, 2011 (Rs.)
Other receivables					
Unsecured, considered good		-	-	**1,283,698,315**	1,313,552,828
	(B)	**-**	-	**1,283,698,315**	1,313,552,828
TOTAL (A + B)		**-**	-	**1,309,265,079**	1,323,492,407
Trade receivables include:					
Due from Lumax Cornaglia Auto Technologies Private Limited in which the Company's chairman and managing director is a chairman and Company's senior executive directors are non-executive directors		-	-	**-**	288,864

		Non-current		Current	
15.2 Other assets					
Unsecured, considered good unless stated otherwise					
Non-current bank balances (note 18)	(A)	**4,966,781**	4,736,000	**-**	-
Unamortized expenditure					
Unamortized premium on forward contract		**-**	-	**85,073**	876,356
	(B)	**-**	-	**85,073**	876,356
Others					
Fixed assets held for sale (at net book value or estimated net realisable value, whichever is lower)		**-**	-	**6,565,100**	6,565,100
Interest accrued on fixed deposits		**-**	-	**4,336,615**	3,987,839
Derivative assets		**67,725,000**	-	**-**	-
	(C)	**67,725,000**	-	**10,901,715**	10,552,939
TOTAL (A+B+C)		**72,691,781**	4,736,000	**10,986,788**	11,429,295

16 Current Investments

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
Valued at lower of cost and fair value, unless stated otherwise		
Quoted equity instruments		
32,900 (Previous year 32,900) equity shares of Rs.10 each fully paid up in PNB Gilts Limited *	**838,950**	774,795
	838,950	774,795
* Aggregate amount of quoted equity investments		
Cost	**987,000**	987,000
Market Value	**838,950**	774,795

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

Raw materials and components {including stock in transit Rs. 39,082,672 (Previous year Rs.12,472,325)} (refer note 21)	**492,460,596**	425,129,371
Work-in-progress (refer note 22)	**61,176,207**	49,537,581
Finished goods {including transit stock Rs. 57,933,304 (Previous year Rs. 46,111,850)} (refer note 22)	**155,502,712**	130,900,834
Traded goods (refer note 22)	**15,121,944**	20,107,346
Stores and spares (including packing material)	**54,694,952**	36,336,405
Moulds, tools and dies in process	**121,636,632**	159,586,164
	900,593,043	821,597,701

18 Cash and bank balances

	Non-current		Current	
	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)	**As at March 31, 2012 (Rs.)**	As at March 31, 2011 (Rs.)
Cash and cash equivalents				
Balances with banks:				
On current accounts	**-**	-	**134,702,164**	111,782,020
Deposits with original maturity of less than three months	**-**	-	**108,350,000**	139,548,092
On unpaid dividend account	**-**	-	**2,863,240**	2,388,705
Cash on hand	**-**	-	**1,859,094**	1,547,975
	-	-	**247,774,498**	255,266,792
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months	**-**	-	**39,100,000**	50,479,973
Margin money deposit	**4,966,781**	4,736,000	**21,333,715**	13,273,138
	4,966,781	4,736,000	**60,433,715**	63,753,111
Amount disclosed under non-current assets (note 15.2)	**(4,966,781)**	(4,736,000)	**-**	-
	-	-	**308,208,213**	319,019,903

Margin money deposits given as security

Margin money deposits with a carrying amount of Rs. 26,300,496 (Previous year Rs. 18,009,138) are subject to first charge to secure the Company's cash credit facility.

19 Revenue from operations

	For the year ended March 31, 2012 (Rs.)	For the year ended March 31, 2011 (Rs.)
Sale of products		
Finished goods	**10,173,119,922**	9,106,253,204
Traded goods	**37,024,103**	70,474,682
Moulds, tools and dies	**519,205,966**	316,344,930
Sale of services	**2,120,045**	15,499,637
Other operating revenue		
Scrap sales	**19,183,197**	16,281,995
Other	**14,278,255**	21,451,222
Revenue from operations (gross)	**10,764,931,488**	9,546,305,670
Excise duty*	**913,349,816**	883,819,416
Revenue from operations (net)	**9,851,581,672**	8,662,486,254

* Excise duty on sales amounting to Rs. 913,349,816 (Previous year: Rs. 883,819,416) has been reduced from sales in statement of profit & loss and excise duty on (increase)/decrease in stock amounting to Rs. 8,202,658 (Previous year: Rs. 605,466) has been considered as (income)/expense.

Details of products sold		
Finished goods sold		
Automotive Lamps	**10,138,765,636**	9,103,407,579
Gear shifter	**34,354,286**	2,845,625
Tools	**519,205,966**	316,344,930
Total	**10,692,325,888**	9,422,598,134
Traded goods sold		
Automotive Lamps	**37,024,103**	70,474,682
Total	**37,024,103**	70,474,682
Details of services rendered		
Sale of designs	**2,120,045**	15,499,637
Total	**2,120,045**	15,499,637

20 Other Income

	For the year ended March 31, 2012 (Rs.)	For the year ended March 31, 2011 (Rs.)
Interest income on		
Bank deposits	**9,681,469**	12,751,248
Others	**852,125**	2,363,765
Dividend income on long-term investments	**5,107,869**	152,900
Change in carrying value of current investment (quoted)	**64,155**	–
Rent	**11,241,000**	8,722,000
Liabilities written back	**8,442,786**	7,961,390
Other non-operating income	**1,127,939**	3,815,987
Total	**36,517,343**	35,767,290

21 Cost of raw material and components consumed

Inventory at the beginning of the year		**425,129,371**	228,462,472
Add: Purchases *		**6,955,452,034**	6,165,131,165
		7,380,581,405	6,393,593,637
Less; Inventory at the end of the year		**492,460,596**	425,129,371
Cost of raw material and components consumed	(A)	**6,888,120,809**	5,968,464,266
Cost of sale of moulds, tools and dies	(B)	**438,080,617**	317,683,088
TOTAL (A+B)		**7,326,201,426**	6,286,147,354

* Includes job work charges of Rs.33,262,480 (Previous year Rs.28,402,219)}

Details of raw material and components consumed

Plastic Powder	**835,535,406**	932,658,452
Bulbs	**960,636,955**	856,711,043
Adjusted Motors	**523,912,037**	596,729,166
Others (including job-work charges)	**4,568,036,411**	3,582,365,605
Total	**6,888,120,809**	5,968,464,266

Details of inventory

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
Raw material and components		
Plastic Powder	**71,751,184**	57,780,626
Bulbs	**78,007,517**	100,728,452
Adjusted Motors	**13,136,018**	16,326,887
Others	**329,565,877**	250,293,406
Total	**492,460,596**	425,129,371

22 (Increase)/ decrease in Inventories

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)	(Increase)/ Decrease (Rs.)
Inventories at the end of the year			
Work-in-progress	**61,176,207**	49,537,581	(11,638,626)
Finished goods	**155,502,712**	130,900,834	(24,601,878)
Traded goods	**15,121,944**	20,107,346	4,985,402
	231,800,863	200,545,761	(31,255,102)
Inventories at the beginning of the year			
Work-in-progress	**49,537,581**	40,002,634	(9,534,947)
Finished goods	**130,900,834**	111,657,211	(19,243,623)
Traded goods	**20,107,346**	51,076,399	30,969,053
	200,545,761	202,736,244	2,190,483
	(31,255,102)	2,190,483	

22 (Increase)/ decrease in Inventories (Contd.)

Details of purchase of traded goods

	For the year ended March 31, 2012 (Rs.)	For the year ended March 31, 2011 (Rs.)
Automotive Lamps	**30,002,955**	37,361,207
Total	**30,002,955**	37,361,207

Details of Inventory

	As at March31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
Traded Goods		
Automotive Lamps	**15,121,944**	20,107,346
Total	**15,121,944**	20,107,346
Work-in-progress		
Automotive Lamps	**61,176,207**	49,537,581
Total	**61,176,207**	49,537,581
Finished goods		
Automotive Lamps	**155,428,887**	130,877,520
Gear shifter	**73,825**	23,314
Total	**155,502,712**	130,900,834

23 Employee benefit expense

	For the year ended March 31, 2012 (Rs.)	For the year ended March 31, 2011 (Rs.)
Salaries, wages and bonus	**684,387,408**	578,203,586
Contribution to provident and other fund	**27,542,422**	23,033,082
Gratuity expense (note 28)	**12,209,394**	15,916,851
Staff welfare expenses	**67,347,823**	54,549,347
	791,487,047	671,702,866

24 Other expenses

Consumption of stores and spares	**25,279,139**	21,403,971
Packing material consumed	**178,335,344**	129,696,191
Power and fuel	**378,211,590**	291,811,118
Rent	**2,000,457**	1,368,489
Rates and taxes	**18,498,028**	15,532,523
Insurance	**6,878,801**	6,094,691
Repairs and maintenance		
- Plant and machinery	**38,209,199**	36,572,703
- Buildings	**5,379,446**	5,978,279
- Others	**42,947,140**	25,238,929
Freight and forwarding charges	**167,629,543**	125,839,013
Discount, rebates and claims	**1,399,584**	4,507,241
Cash discount on sales	**48,016,482**	34,346,724
Commission to managing director (note 45)	**–**	14,234,139
Commission on sales - other than sole selling agent	**662,496**	602,784
Travelling and conveyance	**62,016,842**	52,694,392
Legal and Professional Fees	**60,235,527**	57,055,588
Directors' sitting fees	**845,000**	270,000
Payment to auditors (Refer details below)	**4,990,050**	4,311,750

24 Other expenses (Contd.)

	For the year ended March 31, 2012 (Rs.)	For the year ended March 31, 2011 (Rs.)
Donations	**510,000**	621,000
Royalty	**132,190,809**	122,525,029
Cost of designs	**–**	20,993,191
Warranty costs	**14,898,522**	8,153,355
(Increase)/ decrease of excise duty on inventory (note 19)	**(8,202,658)**	(605,466)
Exchange difference (Net of gain Rs. 45,874,365, Previous year Rs. 25,757,745)	**28,716,141**	15,201,281
Loss on fixed assets sold / discarded (net of gain Rs. 298,417, previous year Rs. 5,268,194)	**886,036**	82,193,558
Bad and doubtful debts/advances written off	**35,406**	325,490
Provision for doubtful debts / advances (net)	**3,046,148**	3,221,814
Provision against diminution in the value of current investments	**–**	13,160
Miscellaneous expenses	**63,770,020**	52,734,115
	1,277,385,092	1,132,935,052
Payment to Auditor		
As auditor:		
Audit fee	**2,960,000**	2,700,000
Tax Audit fee	**350,000**	350,000
Limited Review	**1,290,000**	1,050,000
In other capacity:		
Certification fees	**265,000**	–
Reimbursement of expenses	**125,050**	211,750
	4,990,050	4,311,750

25 Depreciation and amortization expense

Depreciation of tangible assets	**225,386,718**	231,699,236
Amortization of intangible assets	**11,634,514**	9,152,262
	237,021,232	240,851,498
Less: recoupment from revaluation reserve	**(340,747)**	(402,452)
	236,680,485	240,449,046

26 Finance costs

Interest to banks		
- on term loans	**77,315,683**	72,340,151
- on cash credit	**31,459,682**	12,164,170
Interest others	**4,055,886**	1,113,822
Lease finance charges	**138,590**	40,396
Bank charges	**9,306,235**	4,475,510
	122,276,076	90,134,049

27 Earnings per share (EPS)

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for calculation of basic and diluted EPS	**128,137,125**	179,736,127
Weighted average number of equity shares in calculating basic and diluted EPS	**9,347,732**	9,347,732
Basic and Diluted Earnings per share ({Nominal value of shares of Rs.10 (Previous year : Rs.10)}	**13.71**	19.23

28. Gratuity benefit plan

The Company operates defined plan for gratuity for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn basic salary including DA for each completed year of service, subject to a maximum amount of Rs. 1,000,000. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

The following tables summarize the components of net (benefit) expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of profit and loss

Net employee (benefit) expense recognized in the employee cost **(Amount in Rs.)**

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Current service cost	**6,975,621**	5,676,704
Interest cost on benefit obligation	**5,938,252**	4,216,815
Expected return on plan assets	**(5,364,988)**	(4,369,831)
Net actuarial (gain) / loss recognized in the year	**4,660,509**	10,393,163
Net (benefit) expense	**12,209,394**	15,916,851
Actual return on plan assets	**5,990,097**	4,527,652

Balance sheet

Benefit assets/ liability

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Present value of defined benefit obligation	**85,058,345**	68,872,613
Fair value of plan assets	**71,075,716**	50,788,842
Plan asset / (liability)	**(13,982,629)**	(18,083,771)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Opening defined benefit obligation	**68,872,613**	50,791,078
Current service cost	**6,975,621**	5,676,704
Interest cost	**5,938,252**	4,216,815
Benefits paid	**(2,013,759)**	(2,362,968)
Actuarial (gains) / losses on obligation	**5,285,618**	10,550,984
Closing defined benefit obligation	**85,058,345**	68,872,613

Changes in the fair value of plan assets are as follows:

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Opening fair value of plan assets	**50,788,842**	48,221,652
Expected return	**5,364,988**	4,369,831
Contributions by employer	**16,310,984**	4,818,000
Benefits paid	**(2,014,207)**	(6,778,462)
Actuarial gains / (losses)	**625,109**	157,821
Closing fair value of plan assets	**71,075,716**	50,788,842

The Company expects to contribute Rs. 13,245,000 to gratuity in the next year (31 March 2011: Rs. 16,515,000)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Investments with insurer	**100%**	100%

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Discount rate	**8.75%**	8.50%
Expected rate of return on assets	**9.26%**	9.25%
Attrition rate / Employee turnover	**5.00%**	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous four periods are as follows:

Particulars	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Gratuity					
Defined benefit obligation	**85,058,345**	68,872,613	50,791,078	48,500,412	39,478,608
Plan assets	**71,075,716**	50,788,842	48,221,652	44,506,385	32,508,866
Surplus / (deficit)	**(13,982,629)**	(18,083,771)	(2,569,426)	(3,994,027)	(6,969,742)
Experience adjustments on plan liabilities	**6,913,810**	1,098,617	N/A	N/A	N/A
Experience adjustments on plan assets	**(5,794)**	(23,620)	N/A	N/A	N/A

29. Leases

Operating lease: Company as lessee

The Company has entered into commercial leases on Plant & machinery (DG Set) and warehouse. There are no contingent rents in the lease agreements. The lease terms is for 1-5 years and are renewable at the mutual agreements of both the parties. There are no restrictions imposed by lease arrangements. There are no sublease and all the leases are non cancellable in nature.

Future minimum rentals payable under non cancellable operating leases are as follows:

Particulars	March 31, 2012	March 31, 2011
Within one year	**27,616,632**	31,611,391
After one year but not more than five years	**18,350,000**	45,966,632
More than five years	-	-
Total	**45,966,632**	77,578,023

Finance lease commitments - Company as lessor

The Company has entered into commercial property leases on its plant & machinery and furniture on finance lease. The lease term is for three years after which the legal title is passed to the lessee. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

Particulars	March 31, 2012	March 31, 2011
Total Gross Investment In The Lease Less Unearned Finance Income	**1,040,000** **321,459**	1,580,000 438,546
Present Value Of Minimum Lease Payment Discounted at Interest 10%	**718,541**	1,141,454
Within one year [Present value of minimum lease payments receovable Rs 383,104 as on 31.03.2012 (Rs 422,912 as on 31.03.2011)]	**540,000**	540,000
After one year but not more than five years [Present value of minimum lease payments receivable Rs.335,716 as on 31.03.2012 (Rs 718,541 as on 31.03.2011)]	**500,000**	1,040,000
More than five years	-	-

30. The following expenses have been reduced from the respective heads and have been included in the cost of sale of moulds, tools and dies or cost of moulds, tools and dies capitalized, as the case may be.

Particulars	March 31, 2012	March 31, 2011
Salaries, wages and bonus	**539,738**	527,072
Repair and Maintenance - Plant & Machinery	**102,242**	2,013
Repair and Maintenance - Others	**1,649,733**	11,810,916
Deprecation	**247,915**	451,320
Miscellaneous Expenses	**21,304,345**	11,042,203
Total	**23,843,973**	23,833,524

31. Expenditure during Construction Period including Result of Trial Run (included in capital work in progress)

Particulars	March 31, 2012	March 31, 2011
As per last accounts	**4,577,071**	-
Pre-operative expenses other than trial run		
Personnel Expenses		
Salaries, wages, allowances, bonus etc.	**3,946,106**	1,694,803
Contribution to provident and other funds	**187,518**	80,695
Workmen & staff Welfare expenses	**3,008,454**	1,506,764
Operating and Other Expenses		
Insurance	**684,530**	175,835
Rates & Taxes	**1,176,096**	75,035
Bank Charges	**7,646,516**	465,188
Miscellaneous expenses	**2,534,261**	541,237
Interest on term loans and borrowing cost		
On term loans	**17,193,411**	-
Trial Run Expenses		
Raw material consumed	**3,408,375**	-
Power and fuel	**4,367,944**	37,514
Freight outwards	**52,890**	-
Less: Sales during trial run		
Sales (net of excise duty of Rs. 143,228, previous year Rs. Nil)	**(1,258,667)**	-
	42,947,434	4,577,071
Less:-Transferred to Fixed Assets	**37,641,979**	-
Closing Balance	**9,882,526**	4,577,071

32. Segment information

Business Segments:

The Company produces various types of automotive lighting systems. Since the Company's business activity falls within a single business segment, there are no additional disclosures to be provided under Accounting Standard-17 'Segment Reporting' other than those already provided in the Financial Statements.

Geographical Segments

The geographical segment comprises of domestic and overseas market. The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced:

Sales Revenue by Geographical Market (Net of Excise Duties)

S.No.	Particulars	March 31, 2012	March 31, 2011
1	Domestic Market	**9,583,582,851**	8,456,456,857
2	Overseas Market	**267,998,821**	206,029,397
3	**Total**	**9,851,581,672**	8,662,486,254

Sundry debtors: The following table shows the distribution of the Company's consolidated debtors by geographical market:

S.No.	Particulars	March 31, 2012	March 31, 2011
1	Domestic	**1,208,200,731**	1,260,766,274
2	Overseas	**101,064,348**	62,726,133
3	**Total**	**1,309,265,079**	1,323,492,407

The Company has common fixed assets and other assets situated in India only for producing goods for Domestic and Overseas markets.

33. Related party disclosures

Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

S.No.	Particulars	Name of Related Parties
1.	Investing Company in which the Company is associate	Stanley Electric Co. Ltd., Japan
2.	Jointly controlled entity	SL Lumax Limited
3.	Key Management Personnel	Mr. D. K. Jain (Chairman & Managing Director) Mr. Deepak Jain (Sr. Executive Director) Mr. Anmol Jain (Sr. Executive Director) Mr. I. Abe (Sr. Executive Director) (till July 26, 2011) Mr. A. Ishii (Executive Director) (till June 30, 2011) Mr. E Hirooka (Sr. Executive Director) (w.e.f. July 27, 2011) Mr. T. Masuda (Executive Director) (w.e.f. July 27, 2011)
4.	Relatives of Key Management Personnel	Mr. U. K. Jain (Brother of Chairman) Mr. M. K. Jain (Brother of Chairman) Mrs. Usha Jain (Spouse of Chairman)
5.	Enterprise significantly influenced by Key Management Personnel or their Relatives	Lumax Auto Technologies Limited Lumax DK Auto Industries Limited Lumax Tours & Travels Limited Lumax Ancillary Limited (Formerly Deepak Auto Limited) Mahavir Udyog D.K. Jain & Sons (HUF) Bharat Enterprises Lumax Cornaglia Auto Technologies Private Limited

Details of Related Parties Transactions for the Financial Year 2011-12 **(Amount in Rs.)**

S. No.	Account Head	Associates		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Venture		TOTAL	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
A)	TRANSACTIONS												
i)	Sale of Raw Materials and Components including Semi-finished Goods												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	14,477,202	5,910,243	-	-	14,477,202	5,910,243
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	48,383,910	22,620,002	-	-	48,383,910	22,620,002
	Lumax Ancillary Ltd.*	-	-	-	-	-	-	54,858,233	55,164,828	-	-	54,858,233	55,164,828
	Stanley Electric Co. Ltd.	-	42,274	-	-	-	-	-	-	-	-	-	42,274
	Others	-	-	-	-	-	-	205,444	202,130	-	86,349	205,444	288,479
	Total (i)	-	42,274	-	-	-	-	117,924,789	83,897,203	-	86,349	117,924,789	84,025,826
ii)	Sale of Packing Material												
	Lumax Ancillary Ltd.*	-	-	-	-	-	-	25,902	21,600	-	-	25,902	21,600
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	6,028	-	-	-	6,028	-
	Total (ii)	-	-	-	-	-	-	31,930	21,600	-	-	31,930	21,600
iii)	Sale of finished goods												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	559,484,667	466,973,978	-	-	559,484,667	466,973,978
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	36,063,649	24,574,025	-	-	36,063,649	24,574,025
	Others	59,330	-	-	-	-	-	1,824,680	-	-	-	1,884,010	-
	Total (iii)	59,330	-	-	-	-	-	597,372,996	491,548,003	-	-	597,432,327	491,548,003
iv)	Sale of moulds												
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	2,799,690	-	-	-	2,799,690
	Total (iv)	-	-	-	-	-	-	-	2,799,690	-	-	-	2,799,690
v)	Sale of Fixed Assets												
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	566,203	426,370	-	-	566,203	426,370
	Others	-	-	-	-	-	-	-	2,135	-	-	-	2,135
	Total (v)	-	-	-	-	-	-	566,203	428,505	-	-	566,203	428,505
vi)	Sale of services												
	Stanley Electric Co. Ltd.	6,860,269	1,400,838	-	-	-	-	-	-	-	-	6,860,269	1,400,838
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	444,509	-	-	-	444,509	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	306,855	-	-	-	306,855	-
	Total (vi)	6,860,269	1,400,838	-	-	-	-	751,364	-	-	-	7,611,633	1,400,838
vii)	Purchase of Raw Materials, Components and Moulds												
	Bharat Enterprises	-	-	-	-	-	-	160,454,767	137,029,812	-	-	160,454,767	137,029,812
	Lumax Ancillary Ltd.*	-	-	-	-	-	-	455,268,173	528,312,769	-	-	455,268,173	528,312,769
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	410,723,495	415,008,944	-	-	410,723,495	415,008,944
	Stanley Electric Co. Ltd.	152,267,734	200,581,219	-	-	-	-	-	-	-	-	152,267,734	200,581,219
	Mahavir Udyog	-	-	-	-	-	-	37,512,504	35,623,642	-	-	37,512,504	35,623,642
	SL Lumax Ltd.	-	-	-	-	-	-	-	-	-	456,752	-	456,752
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	865,402,198	869,185,429	-	-	865,402,198	869,185,429
	Total (vii)	152,267,734	200,581,219	-	-	-	-	1,929,361,137	1,985,160,596	-	456,752	2,081,628,871	2,186,198,567
viii)	Purchase of Packing Material (net)												
	Mahavir Udyog	-	-	-	-	-	-	93,099,057	72,370,656	-	-	93,099,057	72,370,656
	Others	-	-	-	-	-	-	81,673	1,928	-	-	81,673	1,928
	Total (viii)	-	-	-	-	-	-	93,180,731	72,372,584	-	-	93,180,731	72,372,584
ix)	Purchase of Spares & Samples												
	Stanley Electric Co. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax Ancillary Ltd.*	-	-	-	-	-	-	-	61,862	-	-	-	61,862
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	30,345	131,675	-	-	30,345	131,675
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	-	91,736	-	-	-	91,736
	Total (ix)	-	-	-	-	-	-	30,345	285,273	-	-	30,345	285,273
x)	Purchase of Fixed Assets												
	Stanley Electric Co. Ltd.	25,693,814	63,581,705	-	-	-	-	-	-	-	-	25,693,814	63,581,705
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	53,506,712	1,672,538	-	-	53,506,712	1,672,538
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	1,084,986	14,993,754	-	-	1,084,986	14,993,754
	Total (x)	25,693,814	63,581,705	-	-	-	-	54,591,698	16,666,292	-	-	80,285,512	80,247,997
xi)	Purchase of Finished Goods												
	Stanley Electric Co. Ltd.	94,961	205,557	-	-	-	-	-	-	-	-	94,961	205,557
	Total (xi)	94,961	205,557	-	-	-	-	-	-	-	-	94,961	205,557
xii)	Purchase Of Services												
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	20,405,600	19,652,791	-	-	20,405,600	19,652,791
	Total (xii)	-	-	-	-	-	-	20,405,600	19,652,791	-	-	20,405,600	19,652,791
xiii)	Write - Backs (Write - Offs)												
	Stanley Electric Co. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax Ancillary Ltd.*	-	-	-	-	-	-	-	349,615	-	-	-	349,615
	Lumax Automotive Systems Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
	Total (xiii)	-	-	-	-	-	-	-	349,615	-	-	-	349,615

* Formerly known as Deepak Auto Limited

S. No.	Account Head	Associates		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Venture		TOTAL	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
xiv)	Technical Charges												
	Design, Drawing & Testing Charges												
	Stanley Electric Co. Ltd.	69,680,818	195,995,339	-	-	-	-	-	-	-	-	69,680,818	195,995,339
	Management Support Fee												
	Stanley Electric Co. Ltd.	50,939,800	43,006,400	-	-	-	-	-	-	-	-	50,939,800	43,006,400
	Total (xiv)	120,620,618	239,001,739	-	-	-	-	-	-	-	-	120,620,618	239,001,739
xv)	Rent Received												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	2,693,529	180,000	-	-	2,693,529	180,000
	Lumax Tours & Travels Ltd.	-	-	-	-	-	-	79,416	66,000	-	-	79,416	66,000
	Lumax Cornaglia Auto Technologies P. Ltd.	-	-	-	-	-	-	-	-	3,811,968	3,811,968	3,811,968	3,811,968
	Total (xv)	-	-	-	-	-	-	2,772,945	246,000	3,811,968	3,811,968	6,584,913	4,057,968
xvi)	Managerial Remuneration												
	Mr. D K Jain	-	-	7,021,348	13,935,759	-	-	-	-	-	-	7,021,348	13,935,759
	Mr . Deepak Jain	-	-	6,256,717	9,798,783	-	-	-	-	-	-	6,256,717	9,798,783
	Mr . Anmol Jain	-	-	5,722,235	9,263,944	-	-	-	-	-	-	5,722,235	9,263,944
	Mr. I.Abe	-	-	513,154	1,617,331	-	-	-	-	-	-	513,154	1,617,331
	Mr. A.Ishii	-	-	355,549	1,311,337	-	-	-	-	-	-	355,549	1,311,337
	Mr .E.Hirooka	-	-	1,133,713	-	-	-	-	-	-	-	1,133,713	-
	Mr. T.Masuda	-	-	891,892	-	-	-	-	-	-	-	891,892	-
	Total (xvi)	-	-	21,894,607	35,927,153	-	-	-	-	-	-	21,894,607	35,927,153
xvii)	Royalty (gross)												
	Stanley Electric Co. Ltd.	131,495,323	122,126,781	-	-	-	-	-	-	-	-	131,495,323	122,126,781
	Total (xvii)	131,495,323	122,126,781	-	-	-	-	-	-	-	-	131,495,323	122,126,781
xviii)	Dividend Paid												
	Mr. D K Jain	-	-	11,713,530	6,241,191	-	-	-	-	-	-	11,713,530	6,241,191
	Mr .Deepak Jain	-	-	856,266	428,133	-	-	-	-	-	-	856,266	428,133
	Mr .Anmol Jain	-	-	332,268	166,134	-	-	-	-	-	-	332,268	166,134
	Mr. M K Jain	-	-	-	-	1,140,852	586,722	-	-	-	-	1,140,852	586,722
	Mr. Rajan Jain	-	-	-	-	65,220	32,610	-	-	-	-	65,220	32,610
	Mr. U K Jain	-	-	-	-	9,348	4,674	-	-	-	-	9,348	4,674
	Mrs. Usha Jain	-	-	-	-	904,098	452,049	-	-	-	-	904,098	452,049
	D. K. Jain and Sons (HUF)	-	-	-	-	749,820	374,910	-	-	-	-	749,820	374,910
	Lumax Finance Pvt. Ltd.	-	-	-	-	-	-	2,503,518	1,251,759	-	-	2,503,518	1,251,759
	Stanley Electric Co. Ltd.	20,060,286	11,220,717	-	-	-	-	-	-	-	-	20,060,286	11,220,717
	Others	-	-	-	-	-	-	4,621,134	750,567	-	-	4,621,134	750,567
	Total (xviii)	20,060,286	11,220,717	12,902,064	6,835,458	2,869,338	1,450,965	7,124,652	2,002,326	-	-	42,956,340	21,509,466
xix)	Others (Net)												
	Lumax Automotive Systems Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	296,941	525,558	-	-	296,941	525,558
	Stanley Electric Co. Ltd.	870,122	1,665,317	-	-	-	-	-	-	-	-	870,122	1,665,317
	Mahavir Udyog	-	-	-	-	-	-	(15,600)	4,586	-	-	(15,600)	4,586
	Bharat Enterprises	-	-	-	-	-	-	-	57,425	-	-	-	57,425
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	(56,894)	(515,934)	-	-	(56,894)	(515,934)
	Lumax Cornaglia Auto Technologies P. Ltd.	-	-	-	-	-	-	-	-	(24,478)	-	(24,478)	-
	Lumax Ancillary Ltd.*	-	-	-	-	-	-	(157,092)	159,163	-	-	(157,092)	159,163
	Total (xix)	870,122	1,665,317	-	-	-	-	67,355	230,799	(24,478)	-	913,000	1,896,115
B)	BALANCES AT THE YEAR END												
i)	Receivables												
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	102,802,520	117,250,173	-	-	102,802,520	117,250,173
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	15,528,388	357,815	-	-	15,528,388	357,815
	Stanley Electric Co. Ltd.	2,758,003	-	-	-	-	-	-	-	-	-	2,758,003	-
	Lumax Ancillary Ltd.*	-	-	-	-	-	-	7,544,041	13,130,915	-	-	7,544,041	13,130,915
	Lumax Cornaglia Auto Technologies P. Ltd.	-	-	-	-	-	-	-	288,864	-	-	-	288,864
	Bharat Enterprises	-	-	-	-	-	-	11,334	-	-	-	11,334	-
	SI Lumax Ltd.	-	-	-	-	-	-	-	86,349	-	-	-	86,349
	Total (i)	2,758,003	-	-	-	-	-	125,886,282	131,114,116	-	-	128,644,285	131,114,116
ii)	Payables												
	Mr. D. K. Jain	-	-	-	7,429,369	-	-	-	-	-	-	-	7,429,369
	Mr. Deepak Jain	-	-	-	3,826,835	-	-	-	-	-	-	-	3,826,835
	Mr. Anmol Jain	-	-	-	3,817,335	-	-	-	-	-	-	-	3,817,335
	Mr. I. Abe	-	-	-	24,000	-	-	-	-	-	-	-	24,000
	Mr. A. Ishii	-	-	-	24,000	-	-	-	-	-	-	-	24,000
	Bharat Enterprises	-	-	-	-	-	-	42,521,604	40,487,252	-	-	42,521,604	40,487,252
	Lumax Ancillary Ltd.*	-	-	-	-	-	-	133,043,273	162,621,655	-	-	133,043,273	162,621,655
	Lumax Auto Technologies Ltd.	-	-	-	-	-	-	230,160,359	212,720,262	-	-	230,160,359	212,720,262
	Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	187,342,992	173,459,395	-	-	187,342,992	173,459,395
	Mahavir Udyog	-	-	-	-	-	-	37,379,924	32,415,449	-	-	37,379,924	32,415,449
	Stanley Electric Co. Ltd.	142,907,855	171,414,243	-	-	-	-	-	-	-	-	142,907,855	171,414,243
	Others	-	-	-	-	-	-	2,937,549	1,101,945	186,197	272,546	3,123,746	1,374,491
	Total (ii)	142,907,855	171,414,243	-	15,121,539	-	-	633,385,702	622,805,958	186,197	272,546	776,479,753	809,614,285

* Formerly known as Deepak Auto Limited

34. Capital and other commitments

S.No.	Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
1.	Estimated amount of contracts (Net of advances paid during the year Rs. 10,296,280 (previous year Rs. 23,325,185)) remaining to be executed on capital account and not provided for	**100,515,889**	343,770,584
2.	Other commitments relate to lease arrangements, refer Note 29		

35. Contingent liabilities

S.No.	Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
(i)	Bills of exchange discounted from a bank	**155,433,577**	155,278,747
(ii)	Demand raised by ESIC department against short contribution paid by the Company, being disputed by the Company	**2,880,138**	2,880,138
(iiii)	Demand raised by Sales Tax authorities against purchase tax on inter unit stock transfers, being disputed by the Company	**906,111**	906,111
(iv)	Various other claims of Sales Tax Matters made against the Company not acknowledged as debts, being disputed by the Company	**1,402,682**	1,402,682
(v)	Demand raised by Sales Tax authorities on account of non-submission of statutory forms etc., being disputed by the Company	**6,964,753**	–
(vi)	Income Tax demand on transfer pricing additions and disallowance of foreign travelling expense and demerger expense in respect of Assessment Year 2004-05 for which the department has filed an appeal with ITAT	**1,441,121**	1,441,121
(vii)	Income Tax demand on transfer pricing additions and other disallowances in respect of Assessment Year 2005-06 for which the Department has filed an appeal with ITAT	**27,884,526**	27,884,526
(viii)	Income Tax demand on transfer pricing additions and disallowance of provision for warranty and expense under section 14A of the Income Tax Act, 1961, in respect of Assessment Year 2006-07 for which the Company has filed an appeal before ITAT	**5,699,097**	5,699,097
(ix)	Income Tax demand on transfer pricing additions and disallowance of leave encashment expense, provision for warranty and other expenses in respect of Assessment Year 2007-08 for which the Company has filed an appeal before Dispute Resolution Panel against the Draft Assessment order	**30,685,279**	31,275,736
(x)	Income Tax demand on transfer pricing additions and disallowance of leave encashment expense, PF on leave encashment expense, provision for warranty and other expenses in respect of Assessment Year 2008-09 for which the Company has filed an appeal before Dispute Resolution Panel against the Draft Assessment order	**38,855,315**	–
(xi)	Liability of Customs duty towards export obligation undertaken by the Company under EPCG licenses	**80,890,487**	22,665,071

Based on the favourable decisions in similar cases/advice taken by the Company, the Company believes that it has good cases in respect of all the items listed under (ii) to (x) above and hence no provision there against is considered necessary.

36. Derivative instruments and unhedged foreign currency exposure

(a) Derivatives outstanding as at the reporting date

Particulars	Purpose
Forward contract to buy USD USD 49,312 (March 31, 2011: 685,909) INR 2,548,923 (March 31, 2011: 30,852,187) Forward Contract to buy JPY JPY 20,331,112 (March, 2011: 163,120,387) INR 12,967,183 (March, 2011: 89,031,107)	Hedge of foreign currency loan (Buyer's line of credit)
Forward Contract to buy USD USD 148,096 (March 31, 2011: NIL) INR 7,655,134 (March 31, 2011: NIL)	Hedge of foreign currency payable
Cross Currency cum interest rate swap - USD 20,000,000 (March 31 2011: USD NIL) Notional amount INR 1,029,600,000 (March 31 2011: INR NIL)	Hedge against exposure to outflow for USD loan repayment and its interest payments. Swap to pay fixed interest @ 9.78%, 7.55% and 10.65% p.a. and receive a variable interest @ LIBOR plus Margin.

(b) Particulars of unhedged foreign currency exposure as at the reporting date

		Amount (in Rs.)		Amount (in Foreign Currency)		Exchange Rate (Rs.)	
Particulars	**Foreign Currency**	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011
Trade Payable	AED	**53,728**	-	**3,773**	-	**14.24**	-
	EUR	**7,199,098**	4,448,508	**104,320**	69,759	**69.01**	63.77
	GBP	**421,003**	117,252	**5,109**	1,618	**82.41**	72.46
	JPY	**147,716,337**	153,858,054	**234,507,600**	281,894,565	**0.6299**	0.5458
	THB	**83,693**	-	**49,522**	-	**1.69**	-
	USD	**142,743,736**	67,803,900	**2,772,800**	1,507,423	**51.48**	44.98
	TWD	**–**	422,990	**–**	278,521	**–**	1.52
Advance Recoverable	EUR	**5,928,087**	671,243	**85,901**	10,526	**69.01**	63.77
	GBP	**6,297**	1,846	**76**	25	**82.41**	72.46
	JPY	**100,154**	86,782	**159,000**	159,000	**0.6299**	0.5458
	USD	**163,165,028**	116,589,628	**3,169,484**	2,592,033	**51.48**	44.98
Trade Receivable	EUR	**34,705,131**	28,454,591	**513,922**	455,930	**67.53**	62.41
	GBP	**14,264,975**	13,169,433	**176,350**	185,172	**80.89**	71.12
	USD	**32,603,540**	8,341,587	**641,802**	188,043	**50.80**	44.36

37. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	**1,115,554**	165,767
Interest due on above	**7,170**	1,002
	1,122,724	166,769
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	**41,154**	22,933
The amount of interest accrued and remaining unpaid at the end of each accounting year	**147,766**	98,440
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	–	–

38. Value of imports calculated on CIF basis

Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Raw materials	**650,406,530**	624,770,987
Components and spare parts	**10,017,990**	8,901,497
Capital goods	**783,478,027**	433,984,911
Traded Goods	**30,002,955**	37,361,207
Total	**1,473,905,502**	1,105,018,602

39. Expenditure in foreign currency (accrual basis)

Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Royalty	**132,190,809**	122,525,029
Legal & Professional charges	**50,939,800**	47,182,072
Travelling expenses	**17,582,923**	11,595,720
Packing & Forwarding expenses	**7,600,969**	5,880,399
Salary, wages and bonus (Net of TDS)	**4,990,168**	892,101
Finance cost	**4,863,943**	2,117,653
Commission	**662,496**	602,784
Repair & Maintenance	**338,768**	15,183,500
Miscellaneous expenses	**4,13,46,001**	209,399,425
Total	**260,515,877**	415,378,683

40. Imported and indigenous raw materials, components and spare parts consumed

Particulars	% of total consumption March 31,2012	Value (Rs.) March 31, 2012	% of total consumption March 31, 2011	Value (Rs.) March 31, 2011
Raw Materials & Components				
Imported	**8.23**	**565,952,111**	9.87	589,167,687
Indigenously obtained	**91.77**	**6,322,168,698**	90.13	5,379,296,579
	100.00	**6,888,120,809**	100.00	5,968,464,266
Spare parts				
Imported	**38.27**	**9,675,154**	67.58	14,464,390
Indigenously obtained	**61.73**	**15,603,985**	32.42	6,939,581
	100.00	**25,279,139**	100.00	21,403,971

41. Net dividend remitted in foreign exchange

Year of remittance (ending on)	March 31, 2012	March 31, 2011
Period to which it relates	**1 April 2010 to 31 March 2011**	1 April 2009 to 31 March 2010
Number of non-resident shareholders	**2**	2
Number of equity shares held on which dividend was due	**3,505,399**	3,902,257
Amount remitted (in USD)	**448,165**	249,292

42. Earnings in foreign currency (accrual basis)

Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Exports at F.O.B. Value	**244,470,636**	195,672,559
Recovery of testing charges/Service Income	**9,334,560**	5,290,393
	253,805,196	200,962,952

43. Details of Research and Development expenses are as follows:

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

a. Capital Expenditure

Particulars	March 31, 2012 (Rs)	March 31, 2011 (Rs.)
Capital expenditure	**27,091,094**	13,691,170

b. Revenue Expenditure

Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Salaries, allowances and bonus	**39,985,906**	32,985,465
Contribution to provident fund	**1,979,100**	1,615,124
Contribution to other funds	**177,047**	108,734
Staff welfare	**5,463,350**	2,855,010
Provision for retirement benefit	**430,037**	1,339,858

Note 43 (contd....)

Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Insurance	**337,301**	153,750
Repair & maintenance	**2,989,523**	1,518,028
Travelling & conveyance	**16,910,642**	15,434,496
Research & development	**41,804**	329,286
Electricity	**594,550**	454,058
Miscellaneous	**2,991,251**	3,340,183
Material/Consumable/Spares	**8,885**	-
Depreciation	**5,799,609**	730,241
Financial cost	**339,154**	115,035
Total	**78,048,159**	60,979,268

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

a. Capital Expenditure

Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Capital expenditure	**16,523,077**	1,507,814

b. Revenue Expenditure

Particulars	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
Salaries, allowances and bonus	**13,279,961**	9,872,417
Contribution to provident fund	**659,774**	497,698
Contribution to other funds	**102,965**	82,505
Staff welfare	**1,868,149**	1,409,858
Provision for retirement benefit	**612,519**	918,249
Insurance	**50,019**	10,299
Repair & maintenance	**778,876**	107,360
Travelling and conveyance	**3,439,181**	2,387,897
Research and development	**101,762**	9,234
Miscellaneous	**1,370,856**	973,506
Depreciation	**206,471**	65,933
Material/consumable/Spares	**140**	112,066
Financial cost	**120,325**	53,079
Total	**22,590,998**	16,500,101

44. Transfer pricing

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

45. During the year, in respect of remuneration of Rs. 17,079,085 paid to certain directors, an amount of Rs. 2,679,085 is in excess of the limits specified by the relevant provisions of the Companies Act, 1956. The Company has made an application to the appropriate regulatory authorities for approval regarding the payment of such excess remuneration. The Company is confident that the approval will be received in due course. Further, the Company has obtained undertaking from directors that they will refund such excess amount paid to them if the concerned authority does not accord its approval. Hence, no adjustments have been made in the financial statements.

    Further, due to inadequacy of profits during the year, directors have waived off their rights to receive commission and therefore, the same has not been provided for in the books of account.

46. The Company has filed the writ petition against Government of West Bengal challenging Singur Land Rehabilitation & Development Act, 2011 for cancellation of allotment of land allotted by West Bengal Industrial Development Corporation. The court has clubbed the vendors' petitions with Tata Motors Petition and the matter is pending for decision. The management is confident that no losses are expected in this regard.

47. The assets of Rs. 93,500,000 (Previous year Rs. 66,500,000) recognized by the Company as 'MAT Credit Entitlement' under 'Loans and Advances' represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115JAA of the Income Tax Act, 1961. The management, based on present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

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

per Sanjay Vij
Partner
Membership No. 95169

D. K. Jain
Chairman & Managing Director

Deepak Jain
Senior Executive Director

Naval Khanna
Group Finance Head

B.S. Bhadauriya
Company Secretary

Place : Gurgaon
Date : May 30, 2012

NOTES

NOTES

DK JAIN GROUP

LUMAX
AUTOMOTIVE PARTS

Lumax Industries Limited
www.lumaxindustries.com