



Lumax Industries Limited



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(CIN: L74899DL1981PLC012804)

Our Ref. LIL-CS:AR:15-16

Date 16-08-16

The General Manager
Department of Corporate Services
BSE Limited
1st Floor, Rotunda Building
P.J Towers, Dalal Street, Fort
Mumbai-400 001.

Company Code – 517206

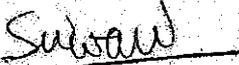
Sub : **Annual Report for the year ending March 31, 2016**

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report for the Financial Year 2015-16.

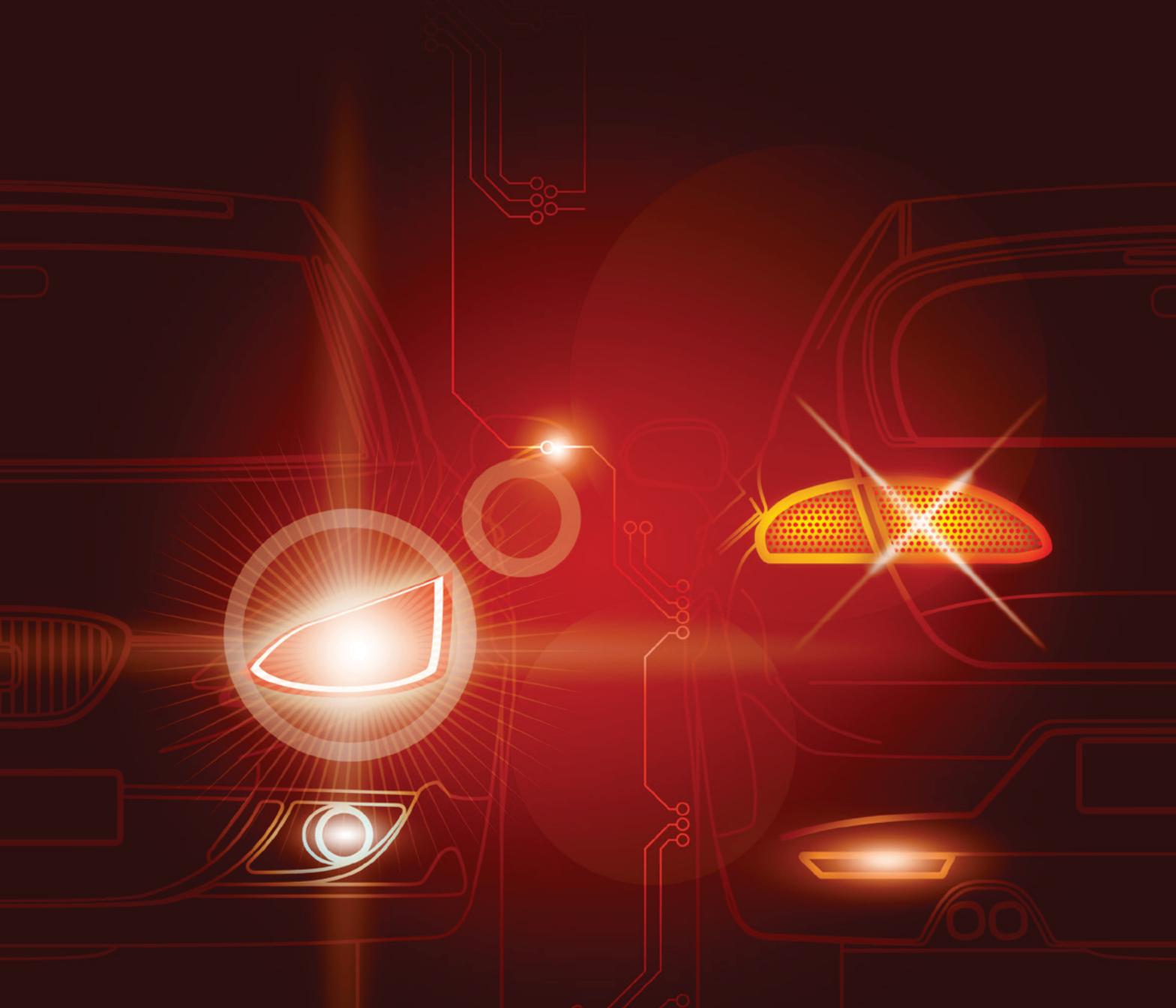
Thanking you,

Yours faithfully,
For LUMAX INDUSTRIES LIMITED


SHWETANK TIWARI
COMPANY SECRETARY

Encl. : as above

LUMAX



Lumax Industries Limited
ANNUAL REPORT 2015-16

LEADERSHIP

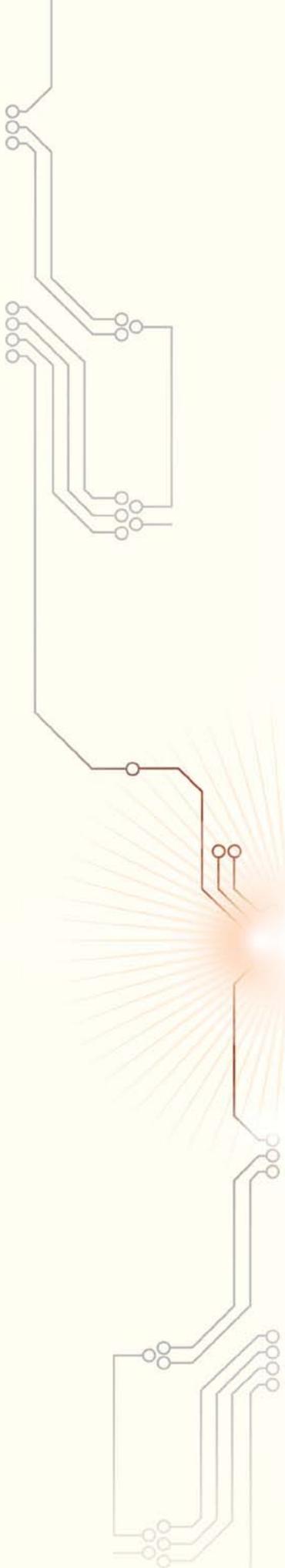
LEADING THROUGH EXCELLENCE

DISCLAIMER

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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First levels of success comes easy. It's when you strive to reach the next-level and peak of success and refuse to be the second best, then the journey becomes an uphill one. But in the decades that we have spent in the industry, we have realised that though leadership comes at a price, there can never be a substitute for it. Hence, we have innovated, done excellent work, set up a robust value system and built all the right partnerships that have helped us in our journey to the top. **And now that we are reigning the 'leaders' zone,** we can tell you for sure that all the efforts put in reaching and sustaining leadership is truly worth it!

**LEADING THROUGH
EXCELLENCE**

ABOUT D.K. JAIN GROUP



The Group has formulated a five-year plan Vision 2020. This plan is an important tool for the group to bring together the entire organisation and to focus as a team on a common goal. We remain confident of achieving the Vision 2020 plan of the group.

Group companies
The D.K. Jain Group is among the market leaders in manufacturing automotive components. The Group manufactures, markets and serves its diverse customers through its 10 companies: Lumax Industries Limited, Lumax Auto Technologies Ltd, Lumax DK Auto Industries Ltd, Lumax Ancillary Limited, Lumax Cornaglia Auto Technologies Pvt. Ltd, Lumax Gill-Austem Auto Technologies Pvt. Ltd, Lumax Mannoh Allied Technologies Ltd, Lumax Tours and Travels Ltd, Lumax Energy Solutions Private Limited and Lumax Sipal Engineering Private Limited

Robust facilities
D.K. Jain Group has 27 existing manufacturing facilities across 7 Indian states. In addition to that, it has 3 R&D centres situated in India and one design centre at Taiwan. The current employee base of the group stands at 3740 as on 31st March, 2016

Partnering with the best
The group has developed a sustainable long-term business model by partnering with some of the global leaders in industry. The group collaborators include Stanley & Mannoh, (from Japan), Austem & SL (from South Korea), Cornaglia and Sipal S.p.A (from Italy) and Gill Group (from the USA). Technology and knowledge sharing from them has complemented the D.K. Jain Group to expand its operations and customer base and gain market leadership.

Strong customer base
The products manufactured by the group are used in vehicles manufactured by leading automakers across the world. The global brands that the group works with comprises of renowned

names such as Audi, Jaguar, Land Rover, Nissan and many more. Its domestic client portfolio comprises of names like Bajaj, Ford, Hero, Honda, Mahindra, Maruti Suzuki and Tata Motors among others. Through its dedication and innovative approach, the Group has been able to establish itself as a preferred supplier.

Diversified product basket
The Group's portfolio comprises of technologically advanced and high-quality products ranging from automotive lighting, motorcycle chassis, moulded parts, exhaust / emission parts, seating mechanism and frames to parking brakes, gear shifters and many more. Operations of the D.K. Jain Group are divided into six product domains and they are:

-  *Electrical and Electronics*
-  *Metallic*
-  *Emission*
-  *Body & Trim*
-  *Polymer & Paint*
-  *Retail*

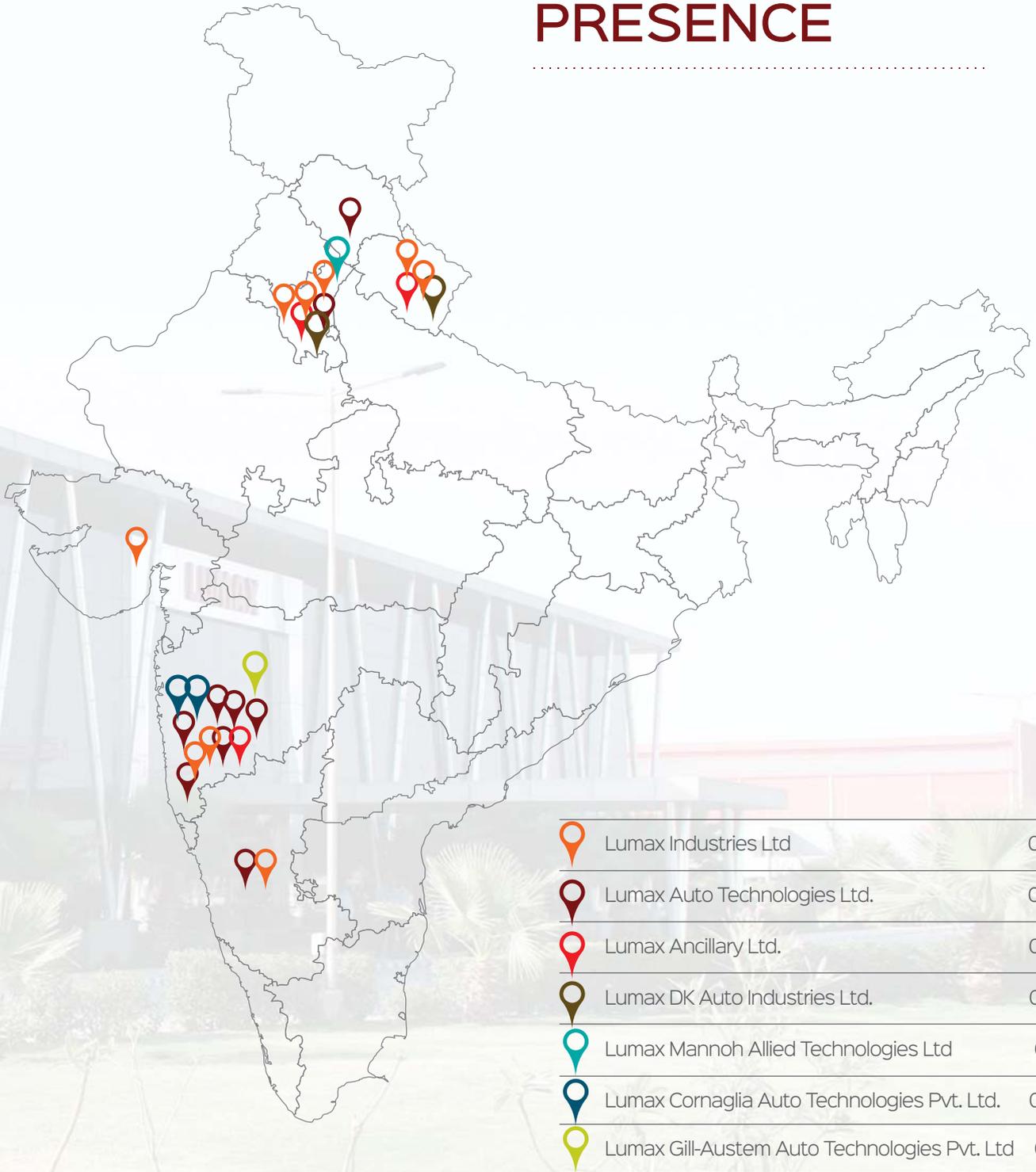
01
Design centre in Taiwan

03
R&D centre in India

06
Number of Joint Ventures

06
Number of product domains

OUR PRESENCE



07

Number of states present across India

10

Number of companies in the Group

27

Number of existing manufacturing facilities

70+

Years of business operations

25
years

Of after-market service

ABOUT LUMAX INDUSTRIES LIMITED



Lumax Industries Limited today is present in India for more than 70 years since its inception. Having started as a trading concern in 1945, the Company has today evolved into a leading automotive component giant. Headquartered in Gurgaon, Haryana, the Company is engaged in the production and delivery of high class automotive lighting solutions, with business operations present across four, two-wheeler and farm equipment segments. In terms of market share, Lumax continues to be a leader and the most preferred brand of the OEMs in India.

Luminosity Maxima
Our product portfolio comprises of wide array of complete Automobile lighting systems and solutions. The portfolio includes stellar quality tail lamps and head lamps, sundry and auxiliary lamps, and all other products related to lighting accessories.

Strong collaboration
The Company's collaboration with the Japanese Auto Lighting manufacturer Stanley Electric Co. Ltd. for more than three decades is a testimony to the corporate ethos that the Company possesses. This partnership has helped Lumax not only develop pioneering products in India, but has also helped enhance brand visibility among the global OEMs in India.

09

Ultra-modern manufacturing facilities

32 years

Of collaboration with Stanley

06

Number of states present across India



Excellent manufacturing facilities
Lumax Industries has 9 ultra-modern manufacturing facilities across India. These manufacturing facilities are located at Dharuhera, Gurgaon and Bawal, Haryana, two plants at Pune, Maharashtra, two plants at Pantnagar and Haridwar, Uttarakhand, one in Sanand, Gujarat and the one at Bidadi in Karnataka.

Certifies as the best
The DNV, NORWAY has certified the plants in Gurgaon and Dharuhera with ISO/TS 16949:2009 gradation. In 2015, the company's Pantnagar plant was awarded with JIPM-TPM Award for excellence in Category 'A'. As a whole, Lumax Industries Limited has been granted ISO/TS-16949 and ISO-14001 certification.

2241

TOTAL NUMBER OF EMPLOYEES AS ON 31ST MARCH, 2016

In 2015, the company's Pantnagar plant was awarded with JIPM-TPM Award for excellence in Category 'A'

03

Strong in-house design capability

35

Average age of employees

18

Number of countries our products are exported

Vision

To be a sustainable, respected & profitable brand with a global presence, that continues to enhance stakeholder value and exceed customer expectations as the preferred supplier

Mission

To be a Lean, Profitable, Diversified and Learning Organisation that is highly responsive, energetic and innovative by involving people as partners and attaining highest levels of quality, excellence and technology across our domains

Core Purpose

To create a happy, safe, participative, proud & admirable place to work that inspires individuals to consistently deliver total customer satisfaction

Value System

VELOCITY

At D.K. Jain Group, we are bound strongly by our values. In fact, we operate following our own system of values and in one word, our value system is termed as 'VELOCITY'.

V

Values

E

Excellence delivered by passion

L

Leadership Development & continuous training of our people

O

Openness & transparency to nurture everlasting partnerships

Core team members



C

Commitment
& dedication
towards society

I

Integrity & trust
to always do the
right thing

T

Teamwork through
mutual respect
of all

Y

Y factor- Giving
back to society and
community

1945

A trading concern was established by Late Mr. S.C. Jain
.....

1956-66

A dedicated unit for automotive light equipment manufacturing was set up
.....

1975

Set up a manufacturing unit for automotive filters
.....

1977-79

Commercial production begins at unit in Faridabad, Haryana and Pune, Maharashtra
.....

1995

TUV Germany certified the Gurgaon Unit of the company as an ISO-9002 facility
.....

MILE

1998

DNV Netherlands certified QS-9000 certification to the unit at Gurgaon
Lumax's unit at Dharuhera sees first production
.....

1999

Dharuhera unit is provided with QS-9000 certification by the DNV Netherlands
.....

2003

DNV, USA certifies the Gurgaon and Dharuhera plants with ISO/TS 16949:2002 accreditation
.....

2004

ISO 14001 Certification for Gurgaon, Dharuhera and Chennai Plants by DNV. De-merger-Core Lighting Technology
.....

2005

Manufacturing unit near Pune (Chakan) started functioning
.....

1981

Lumax Industries Private Limited established after taking over the business of partnership firm Globe Auto Industries

.....

1984

Agreement for Technical Assistance with Stanley, Japan was signed

.....

1985-87

The Company went public and listed its shares in the stock market.

Start of operations by the manufacturing unit at Gurgaon, Haryana for Maruti Suzuki.

.....

1990

Auto bulb manufacturing unit set up in association with Stanley

.....

1994

Financial participation of collaborator Stanley, Japan.

Manufacturing unit established at Aurangabad, Maharashtra.

.....



STONIES

2008

Plant setup in Pantnagar, Uttarakhand for Tata Motors and expansion of Dharuhera and Chakan Plants.

.....

2010

New plant set up at Haridwar, Uttarakhand dedicated solely for Hero Moto Corp.

.....

2011

Plants set up at Bawal, Sanand and Bidadi

.....

2014

The Company completed its 25 years as a publicly listed company at BSE Ltd.

.....

2015

The Company's plant at Pantnagar awarded with JIPM-TPM Excellence Award in Category 'A'

.....

MANAGEMENT'S LETTER TO THE SHAREHOLDERS

Dear Shareholders,

The world economy has witnessed mixed reaction among the emerging and advanced nations during the FY2015-16. Because of volatility in the crude price, major oil exporters have faced some challenge to strengthen their economic growth. However, being a significant importer of oil, conditions have been extremely favourable for India. Our country has been witnessing steady economic growth since FY2014-15 and favourable conditions continued to prevail in FY2015-16 as well. With the government's active focus on its 'Make in India' initiative, it seems that the true potential for industrialising the Indian economy will be realised.

The Indian automotive sector witnessed a volatility during the past fiscal, with conditions likely to improve in the near future. The government is paying attention for strengthening the nation's infrastructure by building new roads and

enhancing connectivity for the remote areas with the mainstream regions. On the backdrop of such developing scenarios, the need for automobiles would be witnessed more than ever before for strengthening inter-area connectivity, eventually leading to the growth in demand for auto components. The rural market is showing signs of growth opportunities for the auto industry. In India, the per capita usage of car stands at a meager 18 people per 1000, which is way less than the advanced economies. So, there is room for opportunities for market penetration.

The government is focusing to transform the nation into a global design and manufacturing hub by 2020. With initiatives like Automotive Mission Plan (2016-2026) and set up of National Automotive Testing and R&D Infrastructure Project (NATRIP), India is poised to be emerge as a preferred destination,

globally. Also with international auto players shifting from China to India for taking advantage of cheaper production costs with high quality levels has led to increase in global OEMs shifting their bases to India. These are definitely strong growth prospects for the industry and your Company.

On the operations front, the financial year under review was successful for the Company for several reasons. Despite the topline remaining same as that of last year, we managed to double our profitability levels to ₹ 37.37 Crore, as compared to previous year's ₹ 16.57 Crore. This was due to our increased focus towards cost control programs and enhanced operational efficiencies. Our focus on promoting 'Make in India' was validated with increased sourcing from domestic vendors as a substitute for imports. This has also lowered our production costs without any impact on quality. We have initiated certain policies and practices for bringing down our RMC



(Raw Material Cost). Our fuel and transportation costs have also been reduced during this financial year.

We are pleased to report the growing trust and faith of our investors in Lumax Industries Limited (LIL) as we crossed ₹ 500 Crore of market capitalisation during the FY2015-16. During FY2015-16, our ROCE (Returns on Capital Employed) stood at 23%, up from 12% in the previous year. On the other hand, the Company's Debt to Equity ratio for the current financial year came down to 0.17. Our capital investments in past (in capacity and R&D) have led to surge in increased product offerings and sustained market leadership.

We continue to stay committed in ensuring highest level of quality in our offerings. In order to strengthen our quality monitoring process, we adapted a centralised SQA (Supplier Quality Assurance) program. Under this program, we are able to monitor and ensure that the vendors

supply quality materials. This is supported by conducting internal and quality audit checks at their factories. It is our unwavering focus on quality that has led to the trust and confidence of our clients over all these years.

Our relation with Stanley Electric Co. Ltd., Japan today goes beyond three decades and it has only grown stronger with time. Apart from financial collaborations, Stanley has shared their technical knowledge and expertise with us and that has helped our Company reach new scales of success. With their guidance, we have been able to successfully stay ahead, with pioneering launches in products that are innovative. The industry shift towards LED lighting is giving growth opportunities to the Company. The Company is committed to TPM culture and the same is being continued to be followed by all the plants. Going ahead, our outlook for the coming year is to improve our overall performance further. Improving the quality of



From Left to Right
Mr. Anmol Jain (Joint Managing Director) **Mr. D.K. Jain** (Chairman)
Mr. Deepak Jain (Managing Director)

our products would be our priority, as we continue to invest more in our plants.

While moving forward, we thank all our employees, partners, vendors and shareholders for their continued support towards strengthening brand Lumax. We look forward for another successful year and recording stellar financial and operational performance. We shall also continue to remain sustainable with increasing contributions towards the betterment of society and environment.

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 During the year 2015-16, our ROCE (Returns on Capital Employed) stood on 23%, up from 12% in the previous year. On the other hand, the Company's Debt to Equity ratio for the current financial year came down to 0.17.

Regards,

D.K. Jain
 Chairman

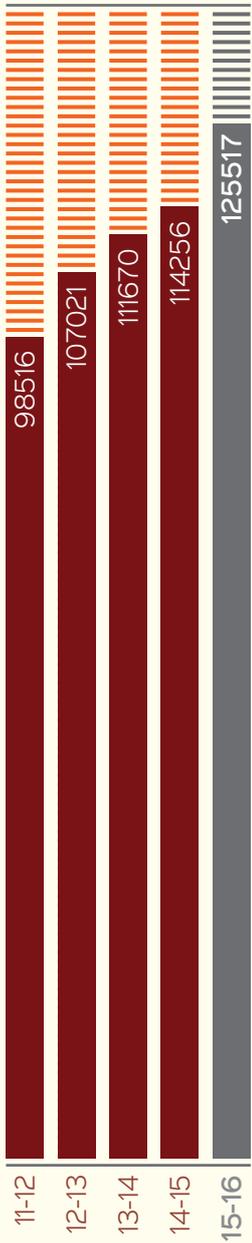
Deepak Jain
 Managing Director

Anmol Jain
 Joint Managing Director

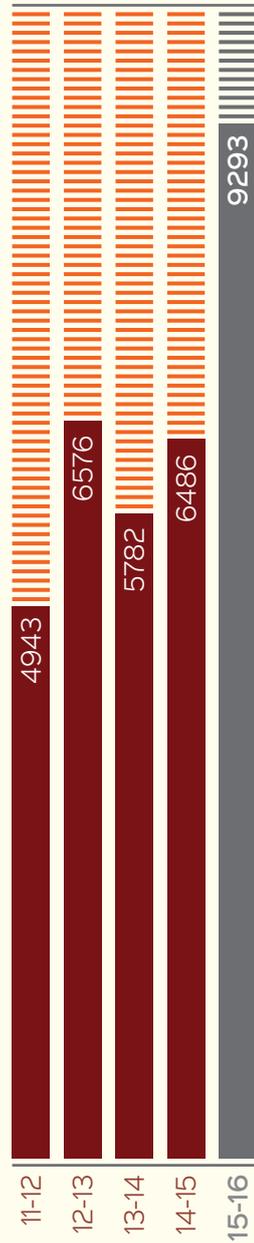


KEY FINANCIAL FIGURES

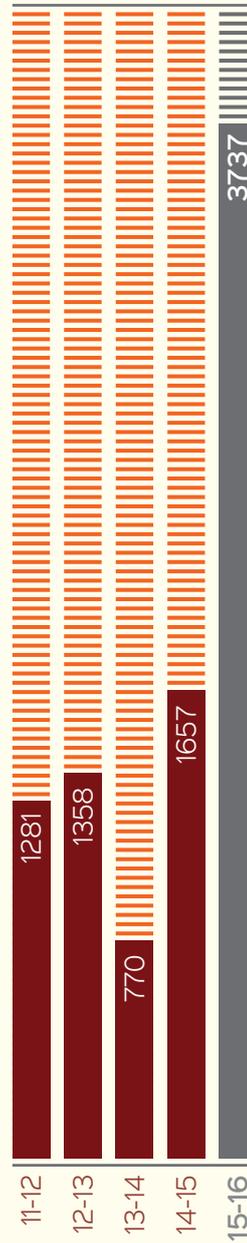
REVENUES
(₹ in Lacs)



EBIDTA
(₹ in Lacs)



PROFIT AFTER TAX
(₹ in Lacs)

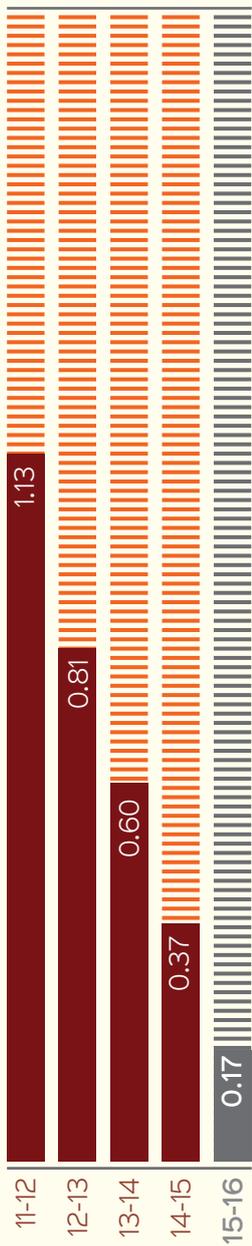


7.5%

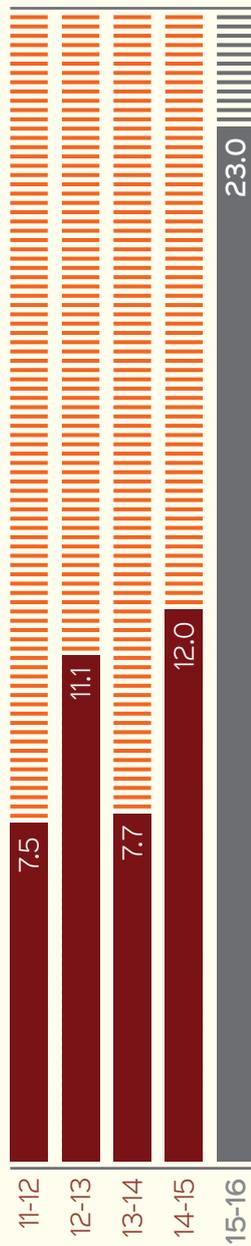
The historical EBIDTA Margin in FY2015-16 - highest since inception



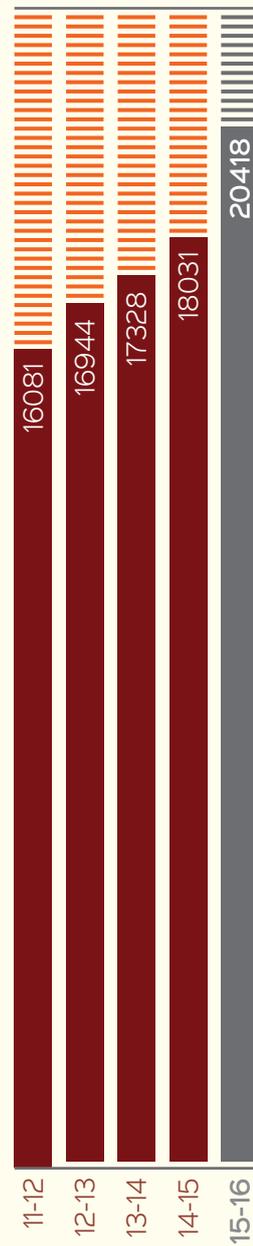
D/E RATIO



ROCE (%)



NET WORTH (₹ in Lacs)



OUR COMPETITIVE ADVANTAGES

THAT DEFINE OUR LEADERSHIP

Market leaders

In domestic automotive lighting space, we are continue to be leaders across the various sub-segments of the automotive sector

Product portfolio

We are among the few players with a varied range of lighting solutions for the automotive manufacturers in India. Right from the headlight to tail lamps to indicators, our product range gives us a significant competitive edge over others.

In-house design

Our in-house design team ensures we stay on course with the emerging design trends to provide contemporary products to our customers

Proximity to customers

Our nine manufacturing facilities are located in key automotive hubs in the country, giving our customers cost competencies to source their requirements from us

Experience

With more than of seven decades of existence, our experience over the years has resulted in enduring relationships with leading automotive manufacturers in India

Financial Stability

Over the years we have managed to remain a profitable company, with sustained market leadership and profitable returns for our stakeholders

Technology expertise

Our state-of-the-art manufacturing facilities allows us to benchmark our products in terms of quality levels

Collaborations

With more than three decades of relationship with Stanley, Japan we have a proven track of sustaining long-term relationships with our technology partners to ensure sustainable growth of our company

Pioneers

We have always been innovators and pioneers in our product launches, gaining a strong foothold for our customer requirements, and setting industry benchmarks.

Accreditations

Our manufacturing facilities are certified with global and domestic benchmarks, ensuring unwavering quality and assurance in our products and helping our customers sustain their market leaderships.

CORPORATE SOCIAL RESPONSIBILITY

With leadership at core of our long-term strategy, sustainability remains a key value of Lumax Industries.

Our journey towards sustainability is embedded across the business operations, marked by significant improvement across various well-defined parameters.

To drive the necessary integration, at Lumax we have improved and clarified sustainability governance, architecture and development areas to make a positive contribution.

Our corporate social responsibility activities are spread across two major areas - Health and Education, with focus on girl education and empowerment.

During the year under review, The Company has spent two percent of PBT as prescribed under Companies Act, 2013 under our defined community development initiatives. Some of

them being renovation of schools, installation of water coolers, distribution of starter kits, fees payments, black boards, chairs and new rooms set-up and class room floors renovation, including others.

In addition, we are focusing on preventive healthcare by continuously organising health check-up camps, lending financial support to hospitals for juvenile diabetes, cataract operations and partnering in special drives organised by various agencies for this cause.

Going ahead, we plan to focus more on CSR activities including conducting awareness programmes at vicinity of our areas of operations.

The Company has spent two percent of PBT as prescribed under Companies Act, 2013 under various activities for social upliftment during the year under review.



AWARDS & ACCOLADES

We believe in developing industry-leading products on one hand and being recognised for our achievements on the other.

Our accolades are testimony of our efforts across various operations of our business. During the year under review, we received several awards that enhanced our credibility and our corporate brand.



Won Manufacturing Excellence award from Maruti Suzuki India Limited

Won VA-VE award from Maruti Suzuki India Limited

Won the "Energy Champion Award" conducted by Tata Motors Ltd.

Awarded for Achieving level "B" under Mahindra Supplier Evaluation Standard and achieving Mentoring Zone in Supplier Business Capability Building.

Won Gold Award in '5th Chapter Convention on Quality Concepts' organized by Quality Circle Forum of India.

Got award for "Best Innovation in lighting technology" in the International Symposium on Lighting

Won Gold & Silver awards in Chapter Convention on Quality Concept organized by Quality Circle Forum of India - Delhi Chapter

Achieved "Best Cluster Company for low cost automation" from ACMA (Automotive Component Manufacturers Association of India).

BOARD OF DIRECTORS



From left to right

Mr. D D Gupta, Mr. M C Gupta, Ms. Pallavi Dinodia, Mr. A P Gandhi, Mr. Eiichi Hirooka, Mr. Anmol Jain



Mr. D K Jain, Mr. Deepak Jain, Mr. Rattan Kapur, Mr. Norihisa Sato, Mr. Toru Tanabe, Mr. Gursaran Singh

BEYOND BOUNDARIES

As a strategic move to expand its presence across the globe, and strengthen the synergies of cost and technology, the Company recently set up its first international design centre at Taiwan in May'16.

The move is a testimony to the strengthening relationship of company's business partnerships with Taiwan, which Span for more than three decades. With this office, the Company expects to further expand its presence in South Asia in countries like Japan, South Korea and Mainland China.

Taiwan offers many advantages viz. an excellent geographic location, comprehensive supply chain, industrial clusters, strong manufacturing technology, a hardworking quality workforce, innovative R&D and management capabilities. The company annually purchases roughly NT\$350 million from Taiwan's

tooling, machinery and equipment suppliers.

The Design Centre-Taiwan will fulfill ever-evolving market needs for innovative lighting solutions and reduce the development time for technologically advanced products. It will also be an interface with key markets of automotive lighting tool makers including China and Korea and Program Management Team of Lumax.



CORPORATE INFORMATION

Board of Directors

Mr. D.K. Jain	(Non-Executive Chairman)	
Mr. Deepak Jain	(Managing Director)	
Mr. Anmol Jain	(Joint Managing Director)	
Mr. Eiichi Hirooka	(Senior Executive Director)	- Stanley Nominee
Mr. Norihisa Sato	(Executive Director)	- Stanley Nominee
Mr. Toru Tanabe	(Non- Executive Director)	- Stanley Nominee
Mr. A.P. Gandhi	(Independent Director)	
Mr. Rattan Kapur	(Independent Director)	
Mr. Gursaran Singh	(Independent Director)	
Mr. M.C. Gupta	(Independent Director)	
Mr. Dhiraj Dhar Gupta	(Independent Director)	
Ms. Pallavi Dinodia	(Independent Director)	

Board Committees:

Audit Committee

Mr. A.P. Gandhi	- Chairman
Mr. M.C. Gupta	- Member
Mr. D.D. Gupta	- Member
Mr. Rattan Kapur	- Member
Ms. Pallavi Dinodia	- Member
Mr. Deepak Jain	- Member
Mr. Eiichi Hirooka	- Member

Nomination and Remuneration Committee

Mr. Rattan Kapur	- Chairman
Mr. A.P. Gandhi	- Member
Mr. D.D. Gupta	- Member
Mr. Gursaran Singh	- Member

Share Transfer/ Stakeholder Relationship Committee

Mr. D.D. Gupta	- Chairman
Mr. D.K. Jain	- Member
Mr. Deepak Jain	- Member
Mr. Eiichi Hirooka	- Member

Corporate Social Responsibility Committee

Mr. M.C. Gupta	- Chairman
Mr. A.P. Gandhi	- Member
Mr. D.K. Jain	- Member
Mr. Deepak Jain	- Member
Mr. Anmol Jain	- Member

Chief Financial Officer

Mr. Shruti Kant Rustagi

Registrar & Share Transfer Agent

M/s Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad – 500 032
E-mail : einward.ris@karvy.com

Registered Office

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

Corporate Identity Number

L74899DL1981PLC012804

Bankers

HDFC Bank Ltd.
HSBC Bank
ICICI Bank Ltd.
IDBI Bank Ltd.
Societe Generale
Standard Chartered Bank
State Bank of India
Syndicate Bank
Yes Bank Limited
Citi Bank
Axis Bank Ltd.

Company Secretary

Mr. Shwetank Tiwari

Auditors

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

Works

Plot No.16, Sector-18, Maruti Complex, Gurgaon, Haryana.
Plot No.6, Industrial Area, Dharuhera, District Rewari, Haryana.
Plot No.195-195A, Sector 4, Phase-II, Bawal, District Rewari, Haryana.
Plot No. 51, Sector 11, IIE, Pant Nagar, District Udham Singh Nagar, Uttarakhand.
Plot No. 5, Industrial Park – II, Village Salempur, Mehdood, Haridwar, Uttarakhand.
608-609, Chakan Talegaon Road, Mahalunge Ingle, Chakan, Pune, Maharashtra.
D2-43/2, M.I.D.C. Industrial Area, Chinchwad, Pune, Maharashtra.
Plot No. D-1, Vendors Park, Sanand, District Ahmedabad, Gujarat.
Plot No. 69, Phase-II, Bidadi Industrial Area, Sector 2, Bangalore, Karnataka.

35TH ANNUAL GENERAL MEETING ON MONDAY, AUGUST 8, 2016

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors are pleased to present the 35th 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, 2016.

Financial Results

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

Particulars	(₹ in Million)	
	2015-16	2014-15
Net Sales	12551.75	11425.59
EBITDA	929.27	648.62
Financial Expenses	134.38	144.30
Depreciation/Amortisation/Impairment Loss	378.99	361.58
Profit Before Tax (PBT)	415.90	142.74
Provision for Tax	42.16	(22.99)
Profit After Tax (PAT)	373.74	165.73
Balance of Profit brought forward	353.20	299.26
Less: Adjustment related to transitional provision (Schedule II of Companies Act, 2013)	-	33.31
Balance Available for Appropriation	726.94	431.68
Appropriations		
Dividend	112.17	51.41
Corporate Dividend Tax	22.84	10.47
Transfer to General Reserve	37.50	16.60
Balance Carried to Balance Sheet	554.43	353.20
	726.94	431.68
Dividend (%)	120	55
Basic and Diluted Earning Per Share (EPS) (₹)	39.98	17.73

Dividend

The Company continues to deliver progressive returns to the Shareholders. The Board of Directors recommend that Interim Dividend of 120% (₹12/- per Equity Share) declared on March 12, 2016 for the Financial Year 2015-16, be considered as Final Dividend. No further dividends are proposed/ recommended by the Board. The total amount of Dividend distributed aggregates to ₹ 135.00 Million (Including Dividend Tax). The Dividend payout ratio comes to 36.12%.

A sum of ₹37.50 Million has been transferred to the General Reserve of the Company. This reaffirms the inherent financial strength of your Company.

Business Performance

After a subdued growth of about 2.8% during FY16, Indian auto-component industry is likely to gain momentum and register a growth of 10% in the current fiscal FY17, with some traction in the passenger vehicle (PV) and motorcycle segments. Over the medium to long term, growth in the auto component industry is expected to be higher than the underlying automotive industry growth, given the increasing localisation by OEMs, higher component content per vehicle and rising exports from India. Over the medium term, operating margins are expected to stabilise at around 13.5%-14% level, given bottoming out of commodity prices in the current year. The implementation of the 7th Pay

Commission is expected to support urban/ semi-urban segments like PV and scooter, whereas rural demand will be driven by expected above-average monsoon. In exports, robust demand for PV in North America as well as Europe is likely to offset expected decline in the M&HCV segment in those markets. Relatively better OE and exports demand, coupled with stable aftermarket demand, is likely to drive overall auto component industry growth in FY17. (ICRA reports)

During the year under review, the Indian Automobile Industry recorded a production growth of 2.58% as compared to 8.68% of the corresponding period last year. The industry produced around 23.96 Million vehicles of which share of two wheelers were 79%, passenger vehicles- 14%, three wheelers- 4% and commercial vehicles- 3%.

In this backdrop, during the year under review, your Company recorded a sales turnover of ₹ 12551.75 Million as against ₹ 11425.59 Million in the corresponding year registering a growth of 9.86%. The profit for the year after tax recorded at ₹ 373.74 Million as compared to ₹ 165.73 Million during the previous year registering an excellent growth of 125.51%.

Capacity Expansion / Modernisation of Facilities

During the year under review, the Company has made investment to the tune of ₹ 518 million towards up-gradation of its Research and Development facilities, modernization of its existing manufacturing facilities including its Bawal, Dharuhera and Chakan plants.

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

Vendor Development

The auto industry is heavily dependent on the auto component manufacturers and thus, the quality of final automobile is replica of the quality of the product supplied by auto component manufacturers. In order to ensure the quality, it becomes essential for the auto component manufacturers that their suppliers should be technologically as well as technically sound, must have capable manufacturing facility and must be using quality management techniques at par with global standard. The Company in its continuous efforts to upgrade its Vendors has started Sadbhav initiative, wherein a supplier council was formed to work closely with them and to support them to work more efficiently.

This initiative is focused towards achieving long-term cooperative effort between the company and its Vendors and to upgrade their technical, quality, delivery and cost capabilities and to foster ongoing improvements. In the auto component industry quality, cost and on-time delivery are considered as most important factors and focus on Vendor development will not only reduce cost but also ensure timely deliveries.

Directors & Key Managerial Personnel

In accordance with the Articles of Association of the Company and the Companies Act, 2013, Mr. Norihisa Sato and Mr. Toru Tanabe, Directors are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The tenure of Mr. Deepak Jain, Managing Director expired on January 31, 2016. The Board reappointed Mr. Deepak Jain as Managing Director for a further period of 5 years w.e.f. February 1, 2016, subject to the approval of the members in the ensuing Annual General Meeting.

Further, the tenure of Mr. Anmol Jain, Joint Managing Director is expiring on July 31, 2016. The Board recommends to reappoint Mr. Anmol Jain as Joint Managing Director for a further period of 5 years w.e.f. August 1, 2016, subject to the approval of the members in the ensuing Annual General Meeting.

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

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Mr. B.S. Bhadauriya, Company Secretary of the Company since January 1, 2007 ceased to be the Company Secretary w.e.f. July 31, 2015 for taking up higher responsibilities at group level after restructuring. The Board has appointed Mr. Shwetank Tiwari as Company Secretary of the Company w.e.f. August 1, 2015. Mr. Shwetank Tiwari is a Law Graduate and an Associate Member of The Institute of Company Secretaries of India (ICSI), having about 10 years of experience and knowledge in secretarial functions.

Extract of Annual Return

In accordance with the requirement of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the annual return in Form MGT 9 is annexed as Annexure - A.

Number of Board Meetings

The Board of Directors met 5 (Five) times in the Financial year 2015-16. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

Directors Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013 the Directors state:

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2016, 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 and 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, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the Annual Accounts on a "going concern" basis.
- (v) that the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees. The Policy is approved by the Nomination & Remuneration Committee and the Board. The Remuneration Policy is stated in the Corporate Governance Report.

Fixed Deposits

During the year under review, the Company has not accepted any Deposit under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Auditors

Statutory Auditors

The members in their meeting held on August 22, 2014 had appointed M/s S.R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company for a period of 3 consecutive years in terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, to hold the office of auditors till the conclusion of the fourth consecutive Annual General Meeting of the Company to be held in the year 2017, subject to ratification by the Members at every Annual General Meeting. Your Directors recommend for ratification of their appointment in the ensuing Annual General Meeting.

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.

Cost Auditors

The Board has re-appointed M/s Jitender, Navneet & Co. as the Cost Auditors of the Company in accordance with Section 148 and other applicable provisions, if any, of the Companies Act, 2013, for the audit of the cost accounts of the Company for the Financial Year 2015-16.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Maneesh Gupta, Practising Company Secretary as the Secretarial Auditor of the Company to undertake the Secretarial Audit for the financial year 2015-16. The Report of the Secretarial Audit is annexed herewith as Annexure - B.

Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of Companies Act, 2013 are given in the Notes to financial statements.

Consolidated Financial Statements

The company has Consolidated the Financials Statements of its Associate Company SL Lumax Limited with its financials first time in accordance with the provisions of Companies Act, 2013. The Consolidated Financial Statements of the Company are prepared in accordance with the Accounting Standards, Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and all other applicable laws for the time being in force and the same forms part of this Annual Report.

The Audited Financial Statements, including the Consolidated Financial Statements and related information are available on the website of the Company i.e. www.lumaxindustries.com. These documents shall also be available for inspection by any shareholder at the registered office of the Company.

Related Party Transaction and Policy

In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 the company has formulated a policy on Related Party Transactions, which is available on the Company's website at <http://www.lumaxindustries.com/pdf/related-party-transaction-policy.pdf>. All Related Party Transactions, which are foreseen and repetitive in nature, are placed before the Audit Committee on a yearly basis for obtaining prior omnibus approval of the committee. The transactions entered into pursuant to the omnibus approval are placed before the Audit Committee for review and approval. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the provisions of Companies Act, 2013 and Listing Regulations.

All related party transactions entered during the financial year were in the ordinary course of business and on arm's length basis. There have been no material related party transactions undertaken by the Company during the year. Accordingly, no transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013.

Vigil Mechanism

The Company has established a vigil mechanism named Whistle Blower Policy, for directors, employees and business associates to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. The mechanism provides for adequate safeguards against unfair treatment of whistle blower who wishes to raise a concern and also provides for direct access to the Chairman of the Audit committee in appropriate/ exceptional cases. The Whistle Blower Policy is uploaded on the website of the Company.

Material Changes and Commitments

No other material changes and commitments affecting the Financial position of the Company have occurred between April 1, 2016 and the date on which this Report has been signed.

Information on Conservation of energy, Technology absorption, Foreign exchange earnings and Outgo

Disclosure of information regarding Conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earning and Outgo etc. under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed separately as Annexure – C.

Risk Management Policy

The Company has adopted an enterprise risk management policy and established a risk management framework with an objective of timely identification, mitigation and control of the risks, which may threaten the existence of the Company, in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. The Company has also constituted a Risk Management Committee to review the risk trend, exposure, potential impact and their mitigation plans and periodically the key risks are also discussed at the Audit Committee.

Corporate Social Responsibility (CSR) Policy and Initiatives

Your Company believes that corporate social responsibility programs reflect the human side of corporates, and the management's personal commitments to contribute to the community and society of which they are a part. A well-managed CSR program creates social and environmental value, while supporting a company's key stakeholders.

Your Company's Corporate Social Responsibility (CSR) programs has been planned with focused approach of community participation. The key focus areas of your Company are education, promotion of girl child and the healthcare of disadvantaged section of the society.

The company's focus areas are largely covered under Schedule VII of the Companies Act, 2013. During the year, the Company has added one more school under its education initiative, besides continuing its support to the existing schools by way of providing financial support in terms of fees of girl children, E-learning centre, contributing towards infrastructure and other facilities for students in the school. Under its healthcare initiatives, the Company is focussing on preventive healthcare by continuously organising health check-up camps, lending financial support to hospitals for juvenile diabetes, cataract operations and partnering in special drives organised by various agencies for this cause.

The Company has constituted a CSR Committee of the Board and also developed & implemented a CSR Policy

in accordance with the provisions of Companies Act, 2013. The Committee monitors and oversees various CSR initiatives and activities of the Company. A detailed Report on Corporate Social Responsibility is annexed herewith as Annexure-D.

Performance Evaluation of Board, Committee and Directors

The Board is committed to transparency in determining its performance, committees and in assessing the performance of members. During the year, the Board with the assistance of Nomination and Remuneration Committee has completed the evaluation exercise, which includes the evaluation of the Board as a whole, committees and Directors, as per the internally designed evaluation process approved by the Board.

The evaluation tested key areas of the board's work including strategy, business performance, risk and governance processes. The need to balance its monitoring activities with discussion on strategic matters was recognized and ought to be continually borne in mind. The evaluation considers the balance of skills, experience, independence and knowledge of the Company and the Board, its overall diversity, and analysis of the Board and its Directors' functioning.

The feedback of the evaluation exercise was collated and discussed with the Board and an action plan to further improve the effectiveness of Board and committees is put in place.

Management Discussion & Analysis Report

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, Management Discussion & Analysis Report is annexed as part of this report separately as Annexure - E.

Significant and Material Orders Passed by the Regulators or Courts

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

Internal Financial Control

The Company has a comprehensive internal control system in place for ensuring reliability of financial reporting, orderly and efficient conduct of business, compliance with policies, procedures, safeguarding of assets and economical and efficient use of resources. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively.

The monitoring and reporting of finance systems is supported by a web-based system SAP, which helps in obtaining accurate and complete accounting records and timely preparation of reliable financial disclosures.

Corporate Governance

The report on Corporate Governance together with the Auditor's Certificate regarding the Compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is annexed and forms part of this Annual Report as Annexure - F.

Particulars of Employees

Information on Particulars of Employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this report as Annexure-G. The information required pursuant to Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the members at the registered office of the Company during business hours on working days up to the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

Acknowledgement

We are confident that our actions will develop a robust business model, which will help the company deliver solid results in the years to come. 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 tireless efforts of its associates and employees across all levels for their wholehearted dedication and contribution for the growth of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : May 12, 2016

D.K. Jain
Chairman
DIN: 00085848

Annexure - A

Form No. MGT -9 Extract of Annual Return

as on the financial year ended on 31st March, 2016
[(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014)]

I. Registration and Other Details:

i)	CIN:-	L74899DL1981PLC012804
ii)	Registration Date	10-12-1981
iii)	Name of the Company	Lumax Industries Limited
iv)	Category/sub-category of the Company	Public listed Company having Share Capital
v)	Address of the Registered office and contact details	B-85-86, Mayapuri Industrial Area, Phase-1, New Delhi - 110064 Ph. +91 11 28111777
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. E-mail id : einward.ris@karvy.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main Products/Services	NIC Code of the Product/ service	% total turnover of the Company
1	Automotive Lamp	2740	92.46 %

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SL Lumax Limited G-15, Sipcot Industrial Park, Irungattukottai, Sriperumbudur-602 105	U34300TN1997PLC048136	Associate	21.28%	2(6)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-03-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	2427555	-	2427555	25.97	2427555	-	2427555	25.97	-	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	951133	-	951133	10.17	944233	-	944233	10.10	(0.07)	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any Other....	-	-	-	-	-	-	-	-	-	
Sub-total (A) (1)	3378688	-	3378688	36.14	3371788	-	3371788	36.07	(0.07)	
(2) Foreign										
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	
b) Other - Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	3505399	-	3505399	37.50	3505399	-	3505399	37.50	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	
e) Any Other....	-	-	-	-	-	-	-	-	-	
Sub-total (A) (2):-	3505399	-	3505399	37.50	3505399	-	3505399	37.50	-	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6884087	-	6884087	73.64	6877187	-	6877187	73.57	(0.07)	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	-	1740	1740	0.02	-	1740	1740	0.02	-	
b) Banks / FI	5010	270	5280	0.05	5840	270	6110	0.06	0.01	
c) Central Govt	-	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) Foreign Institutional Investors	31400	200	31600	0.34	155003	200	155203	1.66	1.32	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
Sub-total (B)(1):-	36410	2210	38620	0.41	160843	2210	163053	1.74	1.33	

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-03-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	912352	1899	914251	9.78	688135	1899	690034	7.38	(2.40)
ii) Overseas	-	80	80	0	-	80	80	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1078680	277774	1356454	14.51	1199552	266825	1466377	15.69	1.18
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	119567	-	119567	1.28	122407	-	122407	1.31	0.03
c) Others (specify)									
i. NRI Repatriation	-	150	150	0	-	150	150	0	-
ii. Non resident indians	23426	90	23516	0.25	24494	90	24584	0.26	0.01
iii. Clearing Members	11007	-	11007	0.12	3860	-	3860	0.04	(0.08)
Sub-total (B)(2):-	2145032	279993	2425025	25.94	2038448	269044	2307492	24.68	(1.26)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2181442	282203	2463645	26.36	2199291	271254	2470545	26.43	0.07
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9065529	282203	9347732	100	9076478	271254	9347732	100	-

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 31-03-2015)			Share holding at the end of the year (As on 31-03-2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Stanley Electric Co. Ltd	3343381	35.77	-	3343381	35.77	-	-
2	Mr. Dhanesh Kumar Jain	1938025	20.73	-	1938025	20.73	-	-
3	Lumax Auto Technologies Limited	525000	5.62	-	525000	5.62	-	-
4	Lumax Finance Pvt. Ltd	417253	4.46	-	417253	4.46	-	-
5	Thai Stanley Electric Public Co. Ltd	162018	1.73	-	162018	1.73	-	-
6	Ms. Usha Jain	144483	1.55	-	144483	1.55	-	-
7	Mr. Deepak Jain	136711	1.46	-	136711	1.46	-	-
8	Mr. Dhanesh Kumar Jain (HUF)	124970	1.34	-	124970	1.34	-	-
9	Mr. Anmol Jain	53778	0.58	-	53778	0.58	-	-
10	Mr. Dhanesh Kumar Jain jointly with Ms. Usha Jain	14230	0.15	-	14230	0.15	-	-
11	Vardhman Agencies Pvt. Ltd	7800	0.08	-	900	0.01	-	(0.07)
12	Ms. Usha Jain jointly with Mr. D.K. Jain	6200	0.07	-	6200	0.07	-	-
13	Mr. Deepak Jain Jointly with Ms. Usha Jain	6000	0.06	-	6000	0.06	-	-
14	Mr. Anmol Jain Jointly with Ms. Usha Jain	1600	0.02	-	1600	0.02	-	-
15	Mr. Umesh Kumar Jain	1558	0.02	-	1558	0.02	-	-
16	Lumax Automotive Systems Ltd	1080	0.01	-	1080	0.01	-	-
Total		6884087	73.64	0.00	6877187	73.57		(0.07)

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Name of the Shareholder	Shareholding at the beginning of the year (31-03-2015)		Cumulative Shareholding during the Year 2015-16	
		No. of Shares	% of total share capital of the Company	No. of Shares	% of total share capital of the Company
1	Vardhman Agencies Pvt. Ltd				
	At the beginning of the year	7800	0.08		
	Increase/Decrease in Shareholding during the year				
	10/04/2015	(500)	0.01	7300	0.07
	01/05/2015	(266)	0.00	7034	0.07
	05/06/2015	(200)	0.00	6834	0.07
	03/07/2015	(300)	0.00	6534	0.07
	24/07/2015	(100)	0.00	6434	0.07
	31/07/2015	(200)	0.00	6234	0.07
	07/08/2015	(234)	0.00	6000	0.07
	14/08/2015	(77)	0.00	5923	0.07
	11/09/2015	(200)	0.00	5723	0.07
	30/09/2015	(100)	0.00	5623	0.07
	02/10/2015	(1000)	0.01	4623	0.06
	09/10/2015	(623)	0.01	4000	0.05
	31/10/2015	(300)	0.00	3700	0.05
	13/11/2015	(150)	0.00	3550	0.05
	20/11/2015	(100)	0.00	3450	0.05
	11/12/2015	(450)	0.01	3000	0.04
	15/01/2016	(600)	0.01	2400	0.03
	05/02/2016	(100)	0.00	2300	0.03
	19/02/2016	(400)	0.01	1900	0.02
	04/03/2016	(150)	0.00	1750	0.02
	25/03/2016	(600)	0.01	1150	0.01
	31/03/2016	(250)	0.00	900	0.01
	At the end of the year			900	0.01

iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Name of the Shareholder	Shareholding at the beginning of the year (31-03-2015)		Cumulative Shareholding during the Year 2015-16	
		No. of Shares	% of total share capital of the Company	No. of Shares	% of total share capital of the Company
1	Kotak Mahindra Investments Ltd#				
	At the beginning of the year	260500	2.79		
	Increase/Decrease in Shareholding during the year				
	22/5/2015	(260000)	(2.78)	500	0.01
	29/5/2015	(500)	(0.01)	0	
	At the end of the year			0	0
2	Param Capital Research Pvt.Ltd*				
	At the beginning of the year	0	0		
	Increase/Decrease in Shareholding during the year				
	22/5/2015	260000	2.78	260000	2.78
	9/10/2015	(20000)	(0.21)	240000	2.57
	16/10/2015	(40000)	(0.43)	200000	2.14
	At the end of the year			200000	2.14
3	Fidelity Northstar Fund*				
	At the beginning of the year	0	0		
	Increase/Decrease in Shareholding during the year				
	1/5/2015	9604	0.10		0.10
	8/5/2015	3800	0.04	13404	0.14
	15/5/2015	7418	0.08	20822	0.22
	22/5/2015	4618	0.05	25440	0.27
	29/5/2015	5185	0.05	30625	0.32
	5/6/2015	3143	0.03	33768	0.35
	12/6/2015	2638	0.03	36406	0.38
	19/6/2015	1879	0.02	38285	0.40
	26/6/2015	4152	0.04	42437	0.44
	30/6/2015	462	0.01	42899	0.45
	3/7/2015	2842	0.03	45741	0.48
	10/7/2015	12397	0.13	58138	0.61
	17/7/2015	10204	0.11	68342	0.72
	24/7/2015	8960	0.10	77302	0.82
	31/7/2015	72698	0.78	150000	1.60
	At the end of the year			150000	1.60

Sl No.	Name of the Shareholder	Shareholding at the beginning of the year (31-03-2015)		Cumulative Shareholding during the Year 2015-16	
		No. of Shares	% of total share capital of the Company	No. of Shares	% of total share capital of the Company
4	Nirmal Bang Financial Services Private Limited#				
	At the beginning of the year	141075	1.51		
	Increase/Decrease in Shareholding during the year				
	10/4/2015	(15403)	(0.17)	125672	1.34
	17/4/2015	(36120)	(0.39)	89552	0.95
	17/7/2015	(3162)	(0.03)	86390	0.92
	24/7/2015	(14757)	(0.16)	71633	0.76
	31/7/2015	(1633)	(0.02)	70000	0.74
	7/8/2015	(34000)	(0.36)	36000	0.38
	11/9/2015	200	0.00	36200	0.38
	30/10/2015	(11528)	(0.12)	24672	0.26
	06/11/2015	(24672)	(0.26)	0	0
	At the end of the year			0	0
5	Indianivesh Securities Pvt.Ltd				
	At the beginning of the year	90580	0.97		
	Increase/Decrease in Shareholding during the year				
	01/5/2015	(7572)	(0.08)	83008	0.89
	08/5/2015	4868	0.05	87876	0.94
	29/5/2015	(27500)	(0.29)	60376	0.65
	5/6/2015	1000	0.01	61376	0.66
	26/6/2015	(55508)	(0.60)	5868	0.06
	31/7/2015	(5868)	(0.06)	0	0
	21/8/2015	9500	0.10	9500	0.10
	28/8/2015	2500	0.03	12000	0.13
	01/1/2016	(5000)	(0.05)	7000	0.08
	08/1/2016	5000	0.05	12000	0.13
	15/1/2016	(1350)	(0.01)	10650	0.12
	29/1/2016	(500)	(0.01)	10150	0.11
	5/2/2016	(500)	(0.01)	9650	0.10
	19/2/2016	(1250)	(0.02)	8400	0.08
	26/2/2016	(500)	(0.01)	7900	0.07
	4/3/2016	(4400)	(0.04)	3500	0.03
	At the end of the year			3500	0.04

Sl No.	Name of the Shareholder	Shareholding at the beginning of the year (31-03-2015)		Cumulative Shareholding during the Year 2015-16	
		No. of Shares	% of total share capital of the Company	No. of Shares	% of total share capital of the Company
6	Kriner Services Pvt.Ltd				
	At the beginning of the year	69748	0.75		
	Increase/Decrease in the shareholding during the year				
	7/8/2015	(5000)	(0.05)	64748	0.70
	23/10/2015	(1978)	(0.02)	62770	0.67
	6/11/2015	(2300)	(0.03)	60470	0.65
	27/11/2015	(2200)	(0.02)	58270	0.62
	At the end of the year			58270	0.62
7	Rajasthan Global Securities Private Limited*				
	At the beginning of the year	0	0		
	Increase/Decrease in the shareholding during the year				
	7/8/2015	15022	0.16		
	21/8/2015	(15022)	(0.16)	0	0
	30/9/2015	1959	0.02		
	27/11/2015	4116	0.04	6075	0.06
	1/12/2015	(1000)	0.01	5075	0.05
	18/12/2015	7697	0.08	12772	0.13
	25/12/2015	5839	0.06	18611	0.19
	31/12/2015	16486	0.18	35097	0.37
	8/1/2016	13854	0.15	48951	0.52
	12/2/2016	(457)	0.00	48494	0.52
	26/2/2016	8766	0.09	57260	0.61
	At the end of the year			57260	0.61
8	Camel Foods Pvt.Ltd*				
	At the beginning of the year	0	0		
	Increase/Decrease in the shareholding during the year				
	7/8/2015	7012	0.08	7012	0.08
	14/8/2015	(2510)	(0.03)	4502	0.05
	4/9/2015	820	0.01	5322	0.06
	11/9/2015	532	0.01	5854	0.07

Sl No.	Name of the Shareholder	Shareholding at the beginning of the year (31-03-2015)		Cumulative Shareholding during the Year 2015-16	
		No. of Shares	% of total share capital of the Company	No. of Shares	% of total share capital of the Company
	18/9/2015	553	0.01	6407	0.08
	9/10/2015	(499)	(0.01)	5908	0.07
	23/10/2015	8509	0.09	14417	0.16
	30/10/2015	852	0.01	15269	0.17
	6/11/2015	5880	0.06	21149	0.23
	13/11/2015	(1600)	(0.02)	19549	0.21
	20/11/2015	11731	0.13	31280	0.34
	4/12/2015	(9978)	(0.11)	21302	0.23
	11/12/2015	4653	0.05	25955	0.28
	18/12/2015	8931	0.06	34886	0.37
	31/12/2015	(4063)	(0.04)	30823	0.33
	8/1/2016	7417	0.08	38240	0.41
	29/1/2016	451	0.00	38691	0.41
	5/2/2016	(2019)	(0.02)	36672	0.39
	26/2/2016	500	0.01	37172	0.40
	18/3/2016	(306)	0.00	36866	0.40
	At the end of the year			36866	0.40
9	CSP Infrastructure Private Limited*				
	At the beginning of the year	0	0		
	Increase/Decrease in the shareholding during the year				
	19/2/2016	30444	0.33		
	At the end of the year			30444	0.33
10	Pulkit N. Sekhsaria				
	At the beginning of the year	49209	0.52		
	Increase/Decrease in the shareholding during the year				
	18/12/2015	(13583)	(0.15)	35626	0.38
	25/12/2015	(7641)	(0.08)	27985	0.30
	31/12/2015	(6203)	(0.07)	21782	0.23
	8/1/2016	(6456)	(0.07)	15326	0.16
	At the end of the year			15326	0.16

SI No.	Name of the Shareholder	Shareholding at the beginning of the year (31-03-2015)		Cumulative Shareholding during the Year 2015-16	
		No. of Shares	% of total share capital of the Company	No. of Shares	% of total share capital of the Company
11	LTS Investments Fund Ltd				
	At the beginning of the year	25500	0.27		
	Increase/Decrease in the shareholding during the year				
	7/08/2015	(25500)	(0.27)	0	0.00
	At the end of the year			0	0.00
12	Lok Prakashan Ltd				
	At the beginning of the year	20000	0.21		
	Increase/Decrease in the shareholding during the year	0	0.00	0	0.00
	At the end of the year			20000	0.21
13	LKP Finance Limited				
	At the beginning of the year	17230	0.18		
	Increase/Decrease in the shareholding during the year				
	10/4/2015	100	0.00	17330	0.18
	26/6/2015	(500)	(0.01)	16830	0.17
	30/6/2015	(1707)	(0.02)	15123	0.15
	3/7/2015	(3239)	(0.03)	11884	0.12
	10/7/2015	(11484)	(0.12)	400	0.00
	31/7/2015	(250)	(0.00)	150	0.00
	7/8/2015	(105)	(0.00)	45	0.00
	14/8/2015	20	0.00	65	0.00
	21/8/2015	(40)	(0.00)	25	0.00
	4/9/2015	(25)	(0.00)	0	0.00
	18/9/2015	7	0.00	7	0.00
	25/9/2015	(7)	(0.00)	0	0
	At the end of the year			0	0
14	Prabhas Dhanuka				
	At the beginning of the year	20000	0.21		
	Increase/Decrease in the shareholding during the year	0	0		
	At the end of the year			20000	0.21

Sl No.	Name of the Shareholder	Shareholding at the beginning of the year (31-03-2015)		Cumulative Shareholding during the Year 2015-16	
		No. of Shares	% of total share capital of the Company	No. of Shares	% of total share capital of the Company
15	Girish Kumar Sharda*				
	At the beginning of the year	2319	0.02		
	Increase/Decrease in the shareholding during the year				
	17/4/2015	5181	0.06	7500	0.08
	1/5/2015	1500	0.02	9000	0.10
	8/5/2015	1000	0.01	10000	0.11
	22/5/2015	3887	0.03	13887	0.14
	29/5/2015	620	0.01	14507	0.15
	5/6/2015	750	0.01	15257	0.16
	25/9/2015	(135)	(0.00)	15122	0.16
	19/2/2016	1246	0.02	16368	0.18
	At the end of the year			16368	0.18
16	Beri Mercurio Private Ltd				
	At the beginning of the year	15880	0.17		
	Increase/Decrease in the shareholding during the year	0	0	0	0
	At the end of the year			15880	0.17

* Not in the list of top 10 shareholders as on 31-03-2015. The same has been reflected above since the shareholder was one of the Top shareholders as on 31-03-2016.

#Ceased to be in the list of top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the top 10 shareholder as on 31-03-2015.

v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Shareholding at the beginning of the year (31-03-2015)		Cumulative shareholding during the year		
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
A Name of the Directors and KMP					
1. Mr. D.K. Jain					
	At the beginning of the year	1952255	20.88	-	-
	Increase/Decrease in the shareholding during the year	-	-	-	-
	At the end of the Year	-	-	1952255	20.88
2. Mr. Deepak Jain					
	At the beginning of the year	142711	1.53	-	-
	Increase/Decrease in the shareholding during the year	-	-	-	-
	At the end of the Year	-	-	142711	1.53
3. Mr. Anmol Jain					
	At the beginning of the year	55378	0.59	-	-
	Increase/Decrease in the shareholding during the year	-	-	-	-
	At the end of the Year	-	-	55378	0.59
B Name of the Key Managerial Personnel					
4. Mr. Shruti Kant Rustagi					
	At the beginning of the year	02	0	-	-
	Increase/Decrease in the shareholding during the year	400	0.00	-	-
	At the end of the Year	-	-	402	0.00

Note: Mr. Eiichi Hirooka, Mr. Norihisa Sato, Mr. Toru Tanabe, Mr. A.P. Gandhi, Mr. Rattan Kapur, Mr. Gursaran Singh, Mr. M.C. Gupta, Mr. Dhiraj Dhar Gupta, Ms. Pallavi Dinodia, Directors and Mr. Shwetank Tiwari, Company Secretary did not hold any shares of the Company during the Financial Year 2015-16.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	15947.11	-	-	15947.11
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii +iii)	15947.11	-	-	15947.11
Change in Indebtedness during the financial year:				
• Addition	4351.30	-	-	4351.30
• Reduction	7567.78	-	-	7567.78
Net Change	(3216.48)	-	-	(3216.48)
Indebtedness at the end of the financial year:				
i) Principal Amount	12730.63	-	-	12730.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	12730.63	-	-	12730.63

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Deepak Jain	Mr. Anmol Jain	Mr. Eiichi Hirooka	Mr. Norihisa Sato	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	92.52	46.80	21.80	24.13	185.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14.57	2.52	0.68	0.40	18.17
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	97.50	43.47	-	-	140.97
5	Others, please specify	-	-	-	-	-
	Total (A)	204.59	92.79	22.48	24.53	344.39
	Ceiling as per the Act	(Being 10% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)				

B. Remuneration to other directors:

(₹ In lacs)

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount	
		Mr. D.K. Jain	Mr. A.P. Gandhi	Mr. M.C. Gupta	Mr. Rattan Kapur	Mr. Gursaran Singh	Mr. D.D. Gupta		Ms. Pallavi Dinodia
1	Independent Directors								
	• Fee for attending board / committee meetings	-	3.00	2.60	2.20	0.20	1.80	1.40	11.20
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	-	3.00	2.60	2.20	0.20	1.80	1.40	11.20
2	Other Non-Executive Directors								
	• Fee for attending board / committee meetings	-	-	-	-	-	-	-	-
	• Commission	45.60	-	-	-	-	-	-	45.60
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	45.60	-	-	-	-	-	-	45.60
	Total (B)=(1+2)	45.60	3.00	2.60	2.20	0.20	1.80	1.40	56.80
	*Total Managerial Remuneration	-	-	-	-	-	-	-	401.19
	Overall Ceiling as per the Act	(Being 11% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)							

*Total remuneration to Managing Director, Whole Time Director and Other Director (being the total of A and B)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ In lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Company Secretary (Mr. Shwetank Tiwari)	Chief Financial Officer (Mr. Shruti Kant Rustagi)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.42	43.20	54.62
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.33	1.01	1.34
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5	Others, please specify	-	-	-
	Total (A)	11.75	44.21	55.96

VII. Penalties / Punishment/ Compounding of Offences:Against the Company, Directors and other Officers in Default under the Companies Act, 2013: **NONE**

Secretarial Audit Report

For the financial year ended March 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Lumax Industries Limited
B-85-86, Mayapuri Industrial Area, Phase-I
New Delhi-110 064

We were appointed by the Board of Directors of Lumax Industries Limited (hereinafter called the Company) to conduct Secretarial Audit for the financial year of the Company ended March 31, 2016.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Management's Responsibility for Secretarial Compliances

The Company's management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations

Auditors Responsibility

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

The secretarial audit report is neither an assurance to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Opinion

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **(Not applicable as the Company has not issued any fresh equity during the year under review);**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – **(Not applicable as the Company has not granted any employee stock option);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,

2008 – **(Not applicable as the Company has not issued any debt securities during the year under review;)**.

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **(Not applicable;)**.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **(Not applicable as the Company has not delisted its shares from any stock exchange during the year under review; and).**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **(Not applicable as the Company has not brought back its securities during the year under review;)**.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2016, complied with the aforesaid laws, material compliances as listed in the Annexure attached to this report.

Based on information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of

the Board of Directors that took place during the financial year under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. The Company has proper Board processes.

Based on the compliances mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on records by the Board of Directors at their meeting(s), we are of the opinion that the management has:

- a) adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- b) Complied with the following laws applicable to the Company:
 - (i) Factories Act, 1948
 - (ii) Standing Order Act, 1946
 - (iii) The Industries (Development and Regulation) Act, 1951
 - (iv) The Contract Labour (Regulation and Abolition) Act, 1970,
 - (v) The Child Labour (Prohibition and Regulation) Act, 1986,
 - (vi) The Workmen's Compensation Act, 1923,
 - (vii) The Environment (Protection) Act, 1986,

Maneesh Gupta

Place : New Delhi
Date : May 12 , 2016

FCS No. 4982
C P No. 2945

ANNEXURE TO SECRETARIAL AUDIT REPORT

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has during the financial year under review, complied with the provisions of the Acts, Rules made thereunder and the Memorandum and Articles of Association of the Company with regard to:

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts, Common Seal and Registered Office and publication of name of the Company;
3. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or such other authorities;
4. Service of documents by the Company on its Members, Directors, Stock Exchanges, Auditors and Registrar of Companies;
5. Constitution of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Share Transfer/Stakeholder Relationship Committee and Corporate Social Responsibility Committee;
6. Appointment, re-appointment and Retirement of Directors including Managing Director and Executive Directors and payment of remuneration to them;
7. Disclosure of interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interest in other entities by Directors;
8. Disclosure requirements in respect to their eligibility for appointment, declaration of their independence, compliance with code of conduct for Directors and Senior Management Personnel;
9. Established a policy on related party transactions. All transactions with related parties were in the ordinary course of business and arms length and were placed before the Audit Committee periodically;
10. Established a vigil mechanism and providing to complainants, if any, unhindered access to the Chairman of the Audit Committee.
11. Constituted the Corporate Social Responsibility Committee formulating and adopting Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company;
12. Appointment of persons as Key Managerial Personnel;
13. Appointment and remuneration of Statutory Auditor and Cost Auditor;
14. Appointment of Internal Auditor;
15. Notice of meetings of the Board and Committee thereof;
16. Minutes of meetings of the Board and Committees thereof including passing of resolutions by circulations;
17. Notice convening annual general meeting held on August 19, 2015 and holding of the meeting on that date;
18. Minutes of General meeting;
19. Approval of members, Board of Directors, Committee of Directors and government authorities, wherever required;
20. Form of balance sheet as at March 31, 2015 as prescribed under Companies Act, 2013;
21. Report of the Board of Directors for the financial year ended March 31, 2015;
22. Borrowings and registration of charges;

Maneesh GuptaPlace : New Delhi
Date : May 12 , 2016FCS No. 4982
C P No. 2945

Annexure - C

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended March 31, 2016.

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.

(i) Steps taken for conservation of energy :

(a) Introduction of Moulding Machine with Servo Motor:

The Company has further converted Moulding Machine with Servo Motor in its Bawal and Dharuhera Plants, thereby expecting to save electricity consumption approximately by 25% to 30% and reduced breakdown in the machines.

(b) Introduction of energy saving LED lighting systems:

The company has started converting all its plant utility lightings into energy saving LED lighting, thereby expecting to save electricity consumption approximately by 35-40%. The company has already converted 70% of conventional lights into LED lighting in its Dharuhera, Pantnagar and Chakan plants.

(c) Reduction in operating motors in Surface Treatment area:

The Company through various Kaizens reduced the use of operating motors in Surface Treatment area ovens in its Pantnagar Plant, thereby reduced use of power consumption by 30 KW per day.

(ii) Steps taken by the Company for utilizing alternate sources of energy :

The Company has initiated activity of installation of Solar Power system with a capacity of 350-500 KW in its different plants located in Haryana, which will help in energy conservation and reduction of overall cost of energy.

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.

(iii) The capital investment on energy conservation equipments :

Your Company encourages capital investment in energy saving equipments, plants or machinery,

and this year the Company has spent approximately ₹ 42 Lacs towards energy saving LED lighting system and Moulding Machine with Servo Motor.

(B) Technology absorption :

(i) The efforts made towards technology absorption :

- a. For the first time in Indian market LED DRL developed with very small size.
- b. In house design and development of LED DRL in a remarkable time period.
- c. In house design team successfully implemented new design of Inner Lens and Housing.
- d. New design of PCB fitted on Housing with Noise plate.
- e. Design in challenging size to meet the optical requirement in 4W LED daytime running light (DRL).
- f. Achievement in meeting the regulation requirements with minimum number of LEDs in 4W DRL function.
- g. For the first time in house design of sleek CHMSL with LED light source and length of 1000 mm with combination of Fresnel and micro optics.
- h. First time in house Design for 2W Tail Lamp with Light guide for Tail function with 6 LEDs for stop function.
- i. First time BI-LED Head Lamp Design (Under Development)
- j. First time LED Head Lamp for 2W (Under Development)
- k. Introduction of Head lamp with LED DRL position for Mahindra & Mahindra.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution :

- a. In line with company's strategy to become self-reliant in design and development, engineering team continued to focus on strengthening in house manpower to bring the required skills for supporting design and development activities and as a result various products in 2W and 4W segments designed in house.

- b. Stanley Electric Co. Ltd, Japan continues with providing extensive support in in-house design and development activities and under the leadership of Stanley’s senior designer stationed at Lumax, company is now able to provide prompt technical solution to customer’s immediate needs.
- c. Following the various activities of product and process maturation and potential failure analysis the company is enhancing its design and process capabilities to establish “Zero defect launch”.
- d. Strengthening project management function through implementation of global development standards with the support from Stanley Electric Co, Ltd, Japan has been initiated to strengthen in house product development system in line with increasing customer expectations for first time first right products. To achieve the above objective, the Company is sending 3 designers to Stanley every year for training.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :

a. Technology Imported	Anti-Mist Coating (Anti Fog Coating)	Direct Metalizing
b. Year of Import	2014-2015	2014-2015
c. Whether the technology been fully absorbed	Absorbed in 4 wheeler head lamp	Absorbed in 4 wheeler head lamps and tail lamps.
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	For future models, this technology will be introduced in front turn indicators and side mirror LED lamps.	Will be introduced in future models across 4 wheeler head lamps and tail lamps.

(iv) 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 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.
 - Designing of BI-LED Projector Headlamp for 4 wheeler.
 - Designing of LED front position lamp for 4 wheeler.

- Designing and Proto developed for a new generation sleek 4 wheeler Headlamp.
 - Designing and development of LED Head Lamp & Tail lamp for 2 Wheeler
 - Designing and development of LED Light Front position for 2 Wheeler
 - Designing and development of new generation Headlamp and Tail lamp for new styled 2 Wheeler.
2. Benefits derived as a result of the above R&D
 - Complete in house designing of HID headlamp, which reduces company’s dependency on Stanley.
 - Strengthening in-house designing capabilities is in line with Company’s strategy to become self-reliant.
 - Thermal simulation done during design validation stages.
 3. Future plan of action

Further enhancing the technology gained

after working on HID and LED based Lamps. Understanding the technology, especially for 4 wheelers using different HID sources for Low beam and High beam.

- Introduction of LED for License plate lamp.
- Introduction of head lamps with LED projector
- Introduction of head lamps with dual beam LED functions
- Alignment with STANLEY design procedures.

4. The expenditure incurred on research and Development:

₹ in million	
(i) Capital	24.62
(ii) Recurring	242.95
Total	267.57
(iii) Total R&D Expenditure as a percentage of Total Turnover (%)	2.13

(C) The Foreign Exchange earned in terms of actual inflows during the year ₹ 436.09 millions and the Foreign Exchange outgo during the year in terms of actual outflows is ₹ 1941.70 millions.

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

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

- Successful introduction of LED High Mounted Stop Lamp to Audi, Germany.
- Securing new business with Audi AG for development of Q2 LED High Mounted Stop Lamp as a global single source.
- Discussions with Truck-Lite Europe for introduction of LED products as the replacement or upgrade version of their existing products.
- Discussions with Audi to increase the share of business in small lamps with LED applications.
- Sustaining the current business in small lamps with Nissan Europe.
- Sustaining the current business in Head Lamps and Tail Lamps with John Deere USA.
- Discussions with John Deere USA for introduction of LED tail lamps as the replacement of their existing running products.
- Continuous conversation with major OEMs in Central Europe and USA to introduce Lumax brand with the target of increasing our OEM Export in 2016.

CSR Report of Lumax Industries Limited

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company through its CSR initiatives is committed to enhance the social and economic development of communities and geographical areas, particularly in the vicinity of the plants location This will include education, skill building for livelihood of people, health, and social welfare etc., particularly targeting at disadvantaged sections of society. CSR activities at Lumax are carried out through Lumax Charitable Foundation.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <http://www.lumaxindustries.com/pdf/CSR-policy.pdf>

2. The Composition of the CSR Committee.

Sl. No.	Name	Category
1	Mr. M.C Gupta	Chairman
2	Mr. A.P Gandhi	Member
3	Mr. D K Jain	Member
4	Mr. Deepak Jain	Member
5	Mr. Anmol Jain	Member

3. Average net profit of the Company for last three financial years : ₹ 1008 Lacs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 20.17 Lacs

5. Details of CSR spent during the financial year.

(a) Total amount spent for the financial year:
₹ 32.59 Lacs

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below.

₹ in lacs

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local area or Other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs. 2. Overheads	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Education Sponsorship / Infrastructure support to School.	a) Education b) Health c) Overheads	Manufacturing site of the Company 1. Gurgaon, Haryana 2. Dharuhera, Haryana 3. Pantnagar, Uttarakhand 4. Pune, Maharashtra	a) 21.09 b) 5.28 c) 5.15	a) 21.09 b) 5.28 c) 5.15	31.52	1. Spent through the CSR arm of the Company namely Lumax Charitable Foundation-₹ 27.00 lacs 2. Spent directly by the Company ₹4.52 Lacs.
Total		-	-	31.52	31.52	31.52	-

*The Company has also spent ₹1.07 Lacs on education of employees' children / onetime expenses, which as per the Company is CSR. However, these expenses are not classifiable as CSR expenditure in terms of Companies Act, 2013 and Rules made thereunder and therefore the same are not included in the above details of CSR expenditure.

6. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in Compliance with the CSR objectives and Policy of the Company.

Deepak Jain
Managing Director

M.C. Gupta
Chairman-CSR Committee

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



Global Economy

Growth analysis

The global economic growth rate for 2015 is estimated to be 2.4%, i.e. 20 basis points lower than last year's GDP. The economic world has been through ups and downs throughout the ongoing financial year. Such a downshift was accelerated because of underperformance of the emerging markets, and slow growth of the advanced economies together with weakened commodity prices and less capital flow.

Volatility in oil price

Some of the emerging countries have witnessed their economy strengthen during the year, while many developed economies showed slow growth. Oil has been the talk of the globe for the entire FY15-16. Turbulent oil prices have largely affected the oil producing nations. The over-production of crude oil along with lessened demand of the same in the global market led to a record decline in the international oil prices. In addition to that, several geopolitical tensions are resulting in disruption of trade and financial growth in the Middle-East countries for oil. Crude price dropped almost 75% from USD 106/Barrel in June 2014 to USD 26/Barrel in February 2016. As per the latest reports price of international crude stands at USD 41.40/Barrel as on March 2016. (Source: NASDAQ)

Advanced economies

Economic growth in the USA has been moderate. America's economy grew by 2.4% in 2015, which is the same rate as the previous financial year. China, on the other hand, reported their GDP growth as the lowest figure in last 25 years. The Chinese GDP was projected to be 6.9%, which is 40 basis points down from 2014. The Chinese economy is mainly known for its manufacturing and supplying capacities. Recently, the economy has been shifting from a manufacturing hub to a service and consumption market. Such a changing trend in the market might be responsible for the nation's low GDP.

Indian Economy

GDP and currency volatility

India has been witnessing some steady growth since the new government took over the centre. During FY15-16, India's GDP growth is projected to be 7.6%, i.e. 30 basis points above the previous financial year. The government is looking forward to promote the nation's GDP growth onto a double digit growth trajectory within 2020. The Indian Rupee has witnessed further fall against dollar, which appreciated by 6.60% during FY 2015-16.

Monetary policies

Reduction in interest rates had been a debate for last few months. After a series of rate cuts, the current base rate for lending money from RBI stands at 6.50%. Another aspect that the new central government has been paying continuous notice is the inflation rate. Currently, the inflation rate in India stands at 5.39% as on April 2016, which is marginally higher than the Government of India's objective of 5% by 2017. (Source: Trading Economics, World Bank)

Oil

India is the third largest consumer of oil in the world, with usage of 4.1 million barrels per day (Forbes). Our country is also amongst the largest importers of crude, ranking third after USA and China (Oil Price). A steady decline in the international crude price had a direct bearing on growth prospect of Indian economy. Domestic oil prices also witnessed periodical decline, that in turn has boosted vehicle sales across the nation.



Government initiatives and taxation

In order to boost the economic scenario of the country, certain policies have been initiated by the Government. The ‘Make in India’ initiative has already attracted investors across the globe. The recent budget stresses on the development of infrastructure, which is expected to provide a boom to the automotive industry. The Government has levied 1% tax on luxury cars and infrastructure cess on passenger cars. While the amount of infrastructure cess for petrol, CNG and LPG cars is 1% of the total price, the same for diesel vehicles and SUVs would vary from 2.5% to 4%. (Source: ACMA)

Per Capita Income

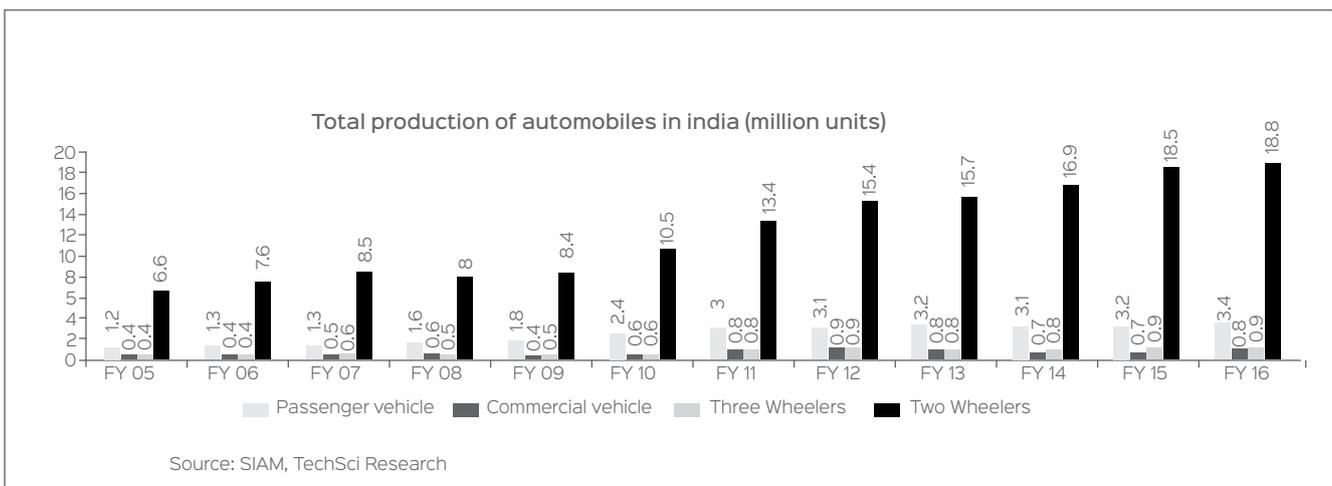
The per capita income of India grew about 7.3% from INR 86,879 in FY2014-15 to INR 93,231 in FY2015-16. It is expected that at current prices, the per capita income would exceed INR 1 lac in FY 2016-17.

Industry Overview

Auto Sector

Market

Almost 7% of the country's GDP is contributed by the automotive sector. In between April 2015 and March 2016, a total of 23.96 million vehicles were produced as compared to the production of 23.35 million in the previous financial year. Out of this huge lot, 79% of the total market share is constituted by two-wheelers, i.e. 18.83 million. The overall passenger vehicle segment has 14% market share. As of FY 2014-15 about 31% of small cars sold globally are manufactured in India. (Source: IBEF)



Growth

Indian automotive sector today is a \$74 billion industry and by 2026, the industry is expected to achieve a turnover of \$300 billion clocking CAGR of ~15%.. The Indian automotive industry has grown by 2.58% during the current financial year. The growth rate has, however declined as compared to that of FY2014-15, i.e. 8.68%. According to the research reports, the decline in growth has been noticed in the third quarter of the current financial year. The reason been portrayed is the reduced demand for motorcycles and tractors, because of unseasonal rainfall in the rural areas that

led to uneven incomes. Domestic sales of passenger vehicles in FY2015-16 grew by 7.24% as compared to FY2014-15. Within this section, sales of passenger cars grew by 7.87%. On the other hand, sales of commercial vehicles have been increased by 11.51%. Within this section, the biggest gainers has been the Medium & Heavy Commercial Vehicles (M&HCVs) which has witnessed a growth of 29.91% (Source: IBEF).

Opportunity

Only 18 people per 1000 own a car in India, which is far from the figures in other developed nations. In the USA, 809 out of 1000 own a vehicle, while the numbers are 519 and 101 in UK and China, respectively. Such a statistic illustrates the possible scope of growth for the automotive sector in the years to come.

Auto Components

The Indian auto component industry registered a turnover of USD 38.5 billion in FY 2014-15, which is nowhere comparable to the largest markets around the globe. However, it is estimated that our country would surpass Japan, Germany and Brazil to become the third largest auto market in the world in the next financial year (The Economic Times, March 2016). Majority of the auto component industry's revenue, i.e. 54% comes through the sales to OEM Segment. The remaining share is with replacement and exports markets that accounts for 17% and 29% respectively. During FY2015-16, the demand for equipments in the international market was on the lower side, which led to less export from the Indian manufacturers. However, the decline in the price of raw materials allowed the companies to increase the margins. According to the estimates, OE demand might grow by 6% in FY 2016-17.



Government initiatives

The government of India has been focusing on the development of the nation as a leading global manufacturing hub and R&D centre in the near future. In order to develop effective and prominent communication between the administration and the automotive industry, different councils have been set up. Setting up of the National Automotive Testing and R&D Infrastructure Project (NATRiP) centres and a National Automotive Board are some of the steps initiated for the overall welfare of the automotive and auto component sector.

Growth of the auto and auto components industry is one of the major thrust area of the Indian Government. The Automotive Mission Plan (AMP 2006-2016) would come to end this year, and during the last 10 years it has proved to be a growth promoter for the auto and auto components industry. Keeping its benefits in mind, the government has been working on re-establishing the AMP for the next 10 years, i.e. 2016-2026. On the other hand, the government is also focusing on policies and opportunities to increase export of small cars, MUVs, two wheelers as well as three wheeler vehicles.

Foreign Direct Investment (FDI)

In order to develop the Indian automotive sector into a global powerhouse, 100% FDI is permitted in the industry. This has undoubtedly opened up newer scopes for the international investors to yield maximum benefits from a potential market like India.

Growth Drivers

Since the automobile industry is directly linked with the auto component industry, growth drivers of auto industry would have a cascading effect on the auto component industry. Here are some of the growth indicators that are likely to strengthen both the industries.

Growing young population: India currently has the largest youth population in the world. According to United Nations (UN), 356 million people in India are in the age group of 10-24 years. This figure indicates that more and more people would be looking forward to buy a vehicle in the coming years, which will ensure sustained growth of the auto industry.

Rising Income levels: The Indian middle-class population is growing steadily, which has led to increased demand for automobiles. As per capita income of people continues to rise, the demand for cars is expected to grow in coming years.

Lower labour cost with high skill set: Many international players are setting up their manufacturing activities in India because of the vast availability of trained labours and that too at cheaper price. It can be estimated that more demand for Indian workforce will be witnessed in the coming years and more foreign auto players would look to settle down in India, which will give rise to auto component sector as well.

Availability of financial assistance: The RBI has cut down the lending rates for the banks to the base rate of 6.50%. It has not only forced the banks to lower their interest rates, but also the private players as well. With the easy availability of finance at a cheaper interest rates, buying a vehicle has become much more affordable than ever. Hence, more number of people would get access to cars, leading to an increased need for auto components.

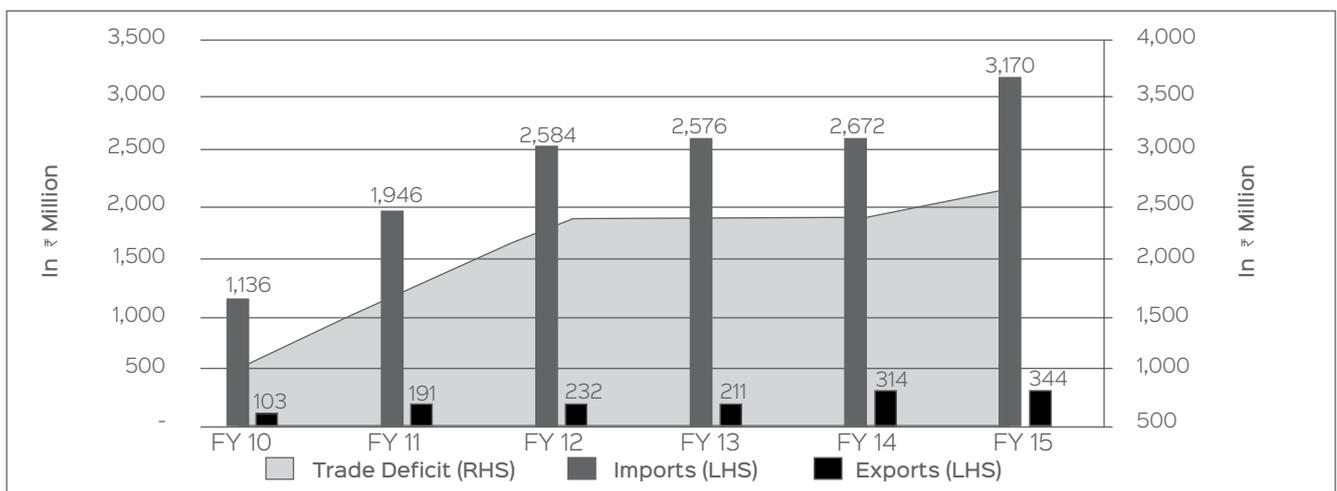
Government Policies: Since the change took place in the Central Legislature, the nation has seen a lot of policy reforms initiated by the Government. One of the major initiatives is aiming the automobile sector one of the main drivers of growth of 'Make in India' programme. The Automotive Mission Plan 2016-26 aims to increase passenger vehicles between 9.4 - 13.4 million units, commercial vehicle between 2.0 - 3.9 million units, two wheeler to grow to 50.6 - 55.5 million, and tractors to 1.5 - 1.7 million units by 2026.

Development of infrastructure: Broader focus has been emphasized on the development of infrastructure, including building roads, bridges, highways and many more. Now that the narrowest parts of the country would be connected, need for vehicles would be felt like never before. Thus, it would be an opportunity for the auto component players to meet rising demand for OE.



Threats and challenges of the auto component sector

Import from China: India's auto component industry turnover of USD 38.5 billion, is merely a fraction of that of China's, i.e. USD 400 billion. A huge portion of the Indian market is occupied by Chinese goods and that too in the auto component sector. Given the fall in the value of Chinese Yuan, more players are willing to import from China at affordable rates. More imports of cheap products from China can emerge to be one of the threats in the path of development of the native industry.



Graph: India's trend in imports and exports to china.(Source: The Economic Times, December 2015)

Appreciation of INR: Many of the foreign companies are paying attention to the potential of India as a manufacturing hub mainly because of the low cost associated with the country. In the near future, if the INR tends to appreciate in terms of foreign exchange, challenges would be faced by the automotive players. In such a scenario, the costs would rise leading to reduced margins.

Low income levels in rural areas: In most of the rural portions of the country, people have to live under low income levels. This has certainly been restricting the auto sector from gaining full attention of the rural consumers.



Business Overview

a) Company Strengths

Customer Satisfaction: We strongly believe in delivering quality products to the customers on time. This has been the reason why our customers trust us as their suppliers.

Market Presence: We enjoy a strong presence in the vehicle lighting segment across domestic and international markets. Our client base consists of many well-known brands. We are growing over the years in terms of business, which is very likely to help us build more relations and strengthen our client base.

Partnership: Our relation with Stanley, Japan has successfully completed 32 years. During this period, we have been able to develop several new products and we will continue to explore more opportunities together in the future.

State-of-the-Art technology: Over the years, we have invested significantly in R&D. We have also made investments in technology that has helped us to stay ahead in terms of competition. Our state-of-the-art plants are all set to help us achieve new milestones in the years to come.

Committed workforce: We have dedicated employees on board who are driven by passion and their eagerness to achieve success. Having such workforce is undoubtedly a weapon for the company's development.

Governance- Strong board and advisors: Expertise and commitment of our board members has been our strength. Over the years they have been passionately guiding the company and driving its success.

Dynamic approach and adaptability: We are well versed with the changing trends of the industry. We are adaptable to changes and deliver performance irrespective of the challenges.

Value System: We follow a strong set of values that drive us to success. Our values cover everything from leadership, innovation, integrity, transparency to welfare of our employees and social sustainability.

b) Quality Assurance

At Lumax, we strive to achieve operational excellence by developing quality products. We are proud of having the best and most modern manufacturing and testing facilities in India. We have been continuously investing in quality and this, in the long run has allowed us to gain high-class certification from many of the best rating associations. Being Quality as our backbone, we are continuously thriving towards 'Customer Delight' and our products see the light of most OEM's in India.



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 (₹ in Million)
Automotive Lamps	11580.18
Tools	872.63
Miscellaneous Items	98.94
Total	12551.75

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 Senior Vice- President (Legal) and the Group 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 implemented adequate risk management approach.

f) Discussion on Financial Performance with Reference to Operational Performance

The auto industry In India has been experiencing one of the most challenging times ever. The production of Automobiles in the financial year 2015-16 has grown by 2.58% as compared to the last financial year ended on March 31, 2015. Your Company clocked a growth of 9.86% 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 ₹ 12551.75 Million for the year ended March 31, 2016 as compared to ₹ 11425.59 Million in the previous year.

PROFITS

Your Company has recorded a Profit Before Tax (PBT) of ₹ 415.90 Million for the year ended March 31, 2016 as compared to Profit Before Tax (PBT) of ₹ 142.74 Million in the previous year.

DIVIDEND

The Company has been declaring dividend for the last 31 years continuously. During the F.Y.2015-16, the company has declared and paid an Interim Dividend @120% (₹ 12 per Equity Share) [₹ 5.50/- per Equity share in the previous year].

The total amount of Dividend distributed is ₹ 112.17 Million (excluding Dividend Tax).

**g) Human Resources**

At Lumax, our people are essential and fundamental to our existence and business objectives can only be achieved through their dedication and professionalism. The rapidly changing economic environment, characterized by the globalization and deregulation of markets, changing customer and investor demands, and ever-increasing product-market competition has an important bearing on our performance. To compete this, we continuously improve our performance by reducing costs, innovating products and processes and improving quality, productivity and speed to market. With special focus on Human Resource Management and organizational performance, we hope to contribute to a better understanding of the role of human resource decisions in creating and sustaining organizational performance and competitive advantage.

Further the improvement activities through Kaizen, Quality Circles, Total Productive Maintenance, 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 believe that the success path of organization is driven by none other than the skilled and competent human resources. As skilled manpower will always give the incremental push to the sustained growth of the organisation.

Keeping in view of the above belief, LUMAX Training School (LTS), which is named as GURUKUL, has been inaugurated on 4th June 2015. GURUKUL established with the objective to “Be a premier Centre for Excellence in Skill Development of Human Resources in Automotive Industries to enable the Company to generate results with sensitivity towards Safety, Quality, Cost, Delivery & Environment and meeting the challenges globally”.

LTS is situated at Bawal Plant as Regional Training Centre for all our plants located in northern India. It is well equipped with all required modern training facilities for developing competent and skilled individual.

The key focus of LTS would be on-

- I. Exposure to Safety Culture Building
- II. Technical Skill Development
- III. Behavior & Soft Skills Training

GURUKUL team is in process of designing specified training modules for people from front line operator to senior management of the Company with emphasis at integration of industry relevant skill set and curriculum for efficient exposure to work place.

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 2241 numbers of employees.



Corporate Governance Report

The Securities and Exchange Board of India (SEBI) regulates Corporate Governance Practices of Companies Listed on the Indian Stock Exchanges. The Corporate Governance framework has been referred to in Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These Regulations 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 Corporate Governance and is complying with the same in its letter and spirit.

The Securities and Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) on September 2, 2015 replacing the earlier Listing Agreement and is aimed to consolidate and streamline the provisions of earlier listing agreements for different segments of Capital Market.

1. Company's Philosophy

The Company 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 organization.

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 consists of twelve (12) Directors. Out of these twelve (12) Directors, Four (4) Directors are Executive Director(s), Two (2) including the Chairman are Non Executive Directors and Six (6) are Non Executive Independent Director(s) including one women Director. The Managing Director is assisted by Joint Managing Director, Senior Executive Director, Executive Director and Senior Managerial Personnel in overseeing the functional matters of the Company. The Board of Directors have met five 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.
- Annual operating plans of business, Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Dividend Declaration.
- Minutes of meetings of audit committee and other committees of the board, as also resolutions passed by circulation.
- 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.
- 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 nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement 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.
- Internal Audit findings and Statutory Auditor Reports (through the Audit Committee).
- Details of any joint venture, acquisition of Companies or collaboration agreement; if any
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- 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.
- Brief on statutory developments, changes in Government policies etc. with impact thereof, Directors' responsibilities arising out of any such developments.

(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. Board Agenda

Detailed agenda and notes on agenda are provided to the Directors 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, 2013 read with the Rules framed 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 March 31, 2016.

Sl. No.	Name of The Directors	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	Non Executive Chairman	5	6	-	1	Yes	Related as Father to Mr. Deepak Jain and Mr. Anmol Jain
2	Mr. Deepak Jain	Managing Director	5	8	1	-	Yes	Related as Son to Mr. D.K. Jain and as Brother to Mr. Anmol Jain
3	Mr. Anmol Jain	Joint Managing Director	5	6	-	2	No	Related as Son to Mr. D.K. Jain and as Brother to Mr. Deepak Jain
4	Mr. Eiichi Hirooka	Sr. Executive Director (Stanley Nominee)	4	-	-	-	Yes	Related as Nominee Directors of Stanley.
5	Mr. Norihisa Sato	Executive Director (Stanley Nominee)	3	-	-	-	Yes	Related as Nominee Directors of Stanley.
6	Mr. Toru Tanabe	Non-Executive Director (Stanley Nominee)	1	-	-	-	No	Related as Nominee Directors of Stanley.
7	Mr. A.P. Gandhi	Non-Executive Independent Director	5	8	2	6	No	Not related to any Director.
8	Mr. Gursaran Singh	Non-Executive Independent Director	1	3	-	-	No	Not related to any Director.
9	Mr. M.C. Gupta	Non-Executive Independent Director	5	2	2	1	No	Not related to any Director.
10	Mr. Dhiraj Dhar Gupta	Non-Executive Independent Director	4	5	-	3	Yes	Not related to any Director.
11	Mr. Rattan Kapur	Non-Executive Independent Director	5	2	-	-	Yes	Not related to any Director.
12	Ms. Pallavi Dinodia	Non-Executive Independent Director	3	-	-	-	No	Not related to any Director

1. Excludes Directorship in Foreign Companies and Companies Registered under Section 8 of the Companies Act, 2013.

2. As per Listing Regulations, Committee here means "Audit Committee" and "Share Transfer/Stakeholders' Relationship Committee" and excludes the Committee positions held in Lumax Industries Limited.

Directors who relinquished office during the year ended March 31, 2016 - NIL

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

The Board of Directors met five times during the Financial Year ended March 31, 2016. The intervening period between two Board Meetings was well within the maximum time gap of 120 days, as prescribed under Listing Regulations. The details of Board Meetings held during the year are as under:-

Sl. No.	Date of board meeting	Board's strength	No. of Directors present
1.	23-05-2015	12	10
2.	24-07-2015	12	8
3.	07-11-2015	12	11
4.	13-02-2016	12	8
5.	12-03-2016	12	9

H. Meeting of Independent Director

During the year, a separate meeting of the Independent Directors of the Company was held on January 12, 2016 to discuss the following matters as prescribed under Schedule IV of Companies Act, 2013 and Regulation 25 of the Listing Regulations:

1. To review the performance of Non-Independent Directors and the Board as whole.
2. To review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
3. To assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

I. Familiarisation Programme for Independent Directors

In accordance with Regulation 25 of the Listing Regulations, the Board has adopted a Familiarization Programme for Independent Directors to familiarize the Independent Directors of the company with the organization.

The Company through its Managing Director/Chief Executive Officer/Senior Managerial Personnel conducts programs/presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company and above all the Industry perspective & issues.

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

The details of such Familiarisation Programme for Independent Director are uploaded on the website of the company and the web link of the same is provided here under: <http://www.lumaxindustries.com/pdf/familiarisation-program.pdf>.

3. Committees of the Board

Currently, the Board has Four Committees: the Audit Committee, the Nomination and Remuneration Committee, the Share Transfer/ Stakeholder Relationship Committee and Corporate Social Responsibility 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, Managing Director and Executive Director. The Composition of the Audit Committee during the Financial Year April 2015 to March 2016 was as follows:

Sl. No.	Name	Status	Category of membership
1.	Mr. A.P. Gandhi	Chairman	Non-Executive Independent Director
2.	Mr. M.C. Gupta	Member	Non-Executive Independent Director
3.	Mr. D.D. Gupta	Member	Non-Executive Independent Director
4.	Mr. Rattan Kapur	Member	Non-Executive Independent Director
5.	Ms. Pallavi Dinodia	Member	Non-Executive Independent Director
6.	Mr. Deepak Jain	Member	Managing Director
7.	Mr. Eiichi Hirooka	Member	Senior Executive Director

The Audit Committee had met five times during the Financial Year April 1, 2015 to March 31, 2016. The attendance of the meetings are as under:

Sl. No.	Directors	No. of Meetings Attended
1.	Mr. A.P. Gandhi	5
2.	Mr. M. C. Gupta	5
3.	Mr. D.D. Gupta	3
4.	Mr. Rattan Kapur	4
5.	Ms. Pallavi Dinodia	3
6.	Mr. Deepak Jain	4
7.	Mr. Eiichi Hirooka	3

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 177 of the Companies Act, 2013 and the guidelines set out in the Listing Regulations. 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 Regulation 18 of the Listing Regulations 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) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - 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 judgment 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. modified opinion(s) in the 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing with the management, performance of the Statutory and Internal Auditors, adequacy of Internal Control systems.
- 13) 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.
- 14) Discussion with Internal Auditors on any significant findings and follow-up thereon.
- 15) 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.

- 16) 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.
- 17) 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.
- 18) To Review the functioning of Whistle Blower mechanism, in case the same is existing.
- 19) 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.
- 20) 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.
- 6) statement of deviations; if any.

B. Nomination and Remuneration Committee

The Nomination and 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 Committee's Constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Nomination and 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 Nomination & Remuneration Committee is as per guidelines set out in Listing Regulations. The constitution of the Nomination and Remuneration Committee Meeting is as under:

Sl. No.	Name of Directors	Status	Category of membership
1.	Mr. Rattan Kapur	Chairman	Non-Executive Independent Director
2.	Mr. A.P. Gandhi	Member	Non-Executive Independent Director
3.	Mr. D.D. Gupta	Member	Non-Executive Independent Director
4.	Mr. Gursaran Singh	Member	Non-Executive Independent Director

The Nomination & Remuneration Committee had met twice during the financial year April 1, 2015 to March 31, 2016 to consider and recommend to the Board:-

1. The Remuneration and Evaluation of the performance of the Board of Directors policy.
2. Re-appointment of Mr. Deepak Jain as Managing Director of the Company for a period of 5 (Five) years.

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

Sl. No.	Name of Directors	No. of Meetings Attended
1.	Mr. Rattan Kapur	2
2.	Mr. A.P. Gandhi	2
3.	Mr. D.D. Gupta	2
4.	Mr. Gursaran Singh	-

Role of Nomination and Remuneration Committee

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

a) Remuneration Policy:

The Nomination and 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 Extract of the Remuneration and Evaluation of the Performance of the Board of Directors Policy is given below:

1.1 Purpose

The Board of Directors believes that an equitable remuneration to the Executive Management helps ensure that the company can attract and retain key employees. Efforts are made to ensure that the remuneration of the Board of Directors, Key Managerial Personnel and other employees matches the level in comparable companies, whilst also taking into consideration board members' required competencies, effort and the scope of the board work, including the number of meetings.

The policy shall ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations provides that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

This policy on remuneration of Directors and Key Managerial Personnel has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

1.2 Objective

The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP and other employees.

1.3 Definition

"Board" means Board of Directors of the Company.

"Key Managerial Personnel" means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary

1.4 Applicability & Accountability

This Policy is applicable to :

- a) Directors viz. Executive and Non-Executive and Independent
- b) Key Managerial Personnel
- c) Other Employees of the Company

1.5 Nomination and Remuneration Committee

The Committee shall have at least 4 non-executive directors, out of which one-half shall be independent directors. If the chairperson of the company appointed as a member of the Committee, he shall not chair such Committee.

The members of the Committee are :

Sl. No.	Name	Category
1	Mr. Rattan Kapur	Chairman
2	Mr. A.P. Gandhi	Member
3	Mr. D.D. Gupta	Member
4	Mr. Gursaran Singh	Member

1.6 Committee's Responsibility

The key responsibilities of the Committee would be as follows :

- To guide the Board in relation to appointment and removal of Directors and Key Managerial Personnel.
- To evaluate the performance of the members of the Board and provide necessary report to the Board in this regard.
- To determine the remuneration of Directors and Key Managerial Personnel in such a manner that involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- To recommend to the Board on Remuneration payable to the Directors and Key Managerial Personnel.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee

1.7 Frequency Of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

1.8 Matter Relating To Appointment Of Director And Key Managerial Personnel

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend to the Board his / her appointment. While recommending any person for appointment as Director, Committee shall keep in view the issue with respect to Board diversity;
- b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Committee shall ensure that any appointment of a person as an independent director

of the Company shall be made in accordance with the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the Listing Regulations.

1.9 Matter Relating to the Remuneration for the Directors and Key Managerial Personnel

- a) The Committee shall determine remuneration structure for Directors and Key Managerial Personnel taking into account factors it deems relevant, including but not limited to market scenario, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and Government/other guidelines.
- b) The remuneration / commission etc. to the Managing Director, Whole-time Director and Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- c) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Executive/ Whole-time Director(s) in accordance with the provisions of Schedule V of the Companies Act, 2013 and if the remuneration paid is not in compliance with such provisions, the same shall be subject to the previous approval of the Central Government.
- d) Increments to the existing remuneration structure may be recommended by the Committee to the Board, which shall be within the overall limits of remuneration as prescribed under Companies Act, 2013.
- e) Where any insurance is taken by the Company on behalf of its Managing Director/ Executive/ Whole-time Director, Key Managerial Personnel and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Independent Director:

The Independent Director shall be paid sitting fees for attending meetings of Board or Committees thereof as may be decided by the Board from time to time. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee.

Remuneration to Other Employees of the Company

Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration is determined within the appropriate grade and is based on an individual's experience, skill, competencies and knowledge relevant to the job and an individual's performance and potential contribution to the Company.

Term / Tenure

- a) Managing Director/Whole-time Director:
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive/ Whole Time Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.
- b) Independent Director:
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the shareholders of the Company.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of

three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The Terms and conditions of appointment of Independent Directors are uploaded on the website of the company and the web link of the same is <http://www.lumaxindustries.com/pdf/letter-of-appointment.pdf>.

Performance evaluation criteria for Independent Directors.

The Board is responsible for undertaking a formal annual evaluation of its own performance, its committees and individual Directors as per the provisions of Companies Act, 2013 and Listing Regulations, with a view to ensure that individual Directors and the Board as a whole work efficiently and effectively in achieving Company's objectives. During the year, the Board with the assistance of Nomination and Remuneration Committee has completed the evaluation exercise as per the internally designed evaluation process approved by the Board. The Independent directors were evaluated on various performance indicators including aspects relating to:

- Ethical standards of integrity and probity
- Willingness to devote time and effort to understand the Company and its business
- Adherence to applicable code of conduct and fulfilment of director's obligations.
- Independent judgement during Board deliberations on strategy, performance etc.
- Interpersonal relationships with fellow Board members and senior management

b) The details of Remuneration paid to Whole Time Directors during the financial year ended March 31, 2016 are as follows:

Sl. No.	Name of the Directors	Salary (₹)	Perquisites and other benefits (₹)	Commission (₹)	Total (₹)
1.	Mr. Deepak Jain	6,168,000	5,327,967	9,750,189	21,246,156
2.	Mr. Anmol Jain	3,120,000	2,246,405	4,347,715	9,714,120
3.	Mr. Eiichi Hirooka	288,000	1,932,412	-	2,220,412
4.	Mr. Norihisa Sato	288,000	2,170,623	-	2,458,623

c) Details of Commission paid to Non Executive Chairman during the financial year ended March 31, 2016 are as under:

Name of Director	Commission (₹)
Mr. D.K. Jain	4,560,511

None of the Non-Executive Directors held shares in the Company except Mr. D.K. Jain who is holding 1938025 (20.73%) equity shares of the Company. The Company has no Stock Option Scheme and hence, no Stock Options are granted to Non-Executive Directors.

The Criteria of making payments to Non-Executive Directors has been given on the Company's Website i.e. www.lumaxindustries.com

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

The Company did not have any pecuniary relationship or transactions with the Non-Executive Independent Directors during the year 2015-16.

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

C. Share Transfer/Stakeholder Relationship Committee

The Company has a Share Transfer/Stakeholder Relationship 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 of Managing Director, Senior Executive Director, Non-Executive Director and Non-Executive Independent Director. The composition of this Committee during the year April 2015 to March 2016 is as under:

Sl. No.	Name of Directors	Status	Category of membership
1.	Mr. D.D. Gupta	Chairman	Non-Executive Independent Director
2.	Mr. D.K. Jain	Member	Non- Executive Chairman
3.	Mr. Deepak Jain	Member	Managing Director
4.	Mr. Eiichi Hirooka	Member	Senior Executive Director

The functioning and terms of reference of the Committee are, as prescribed under the Listing Regulations 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 /or Company Secretary of the Company. A summary of transfer, transmission of shares of the Company so approved by the Chairman/ or Company Secretary is placed at every Share Transfer /Stakeholders Relationship Committee meeting. The Company obtains from a Company Secretary in practice half-yearly certificate of Compliance with the share transfer formalities as required under regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges within the prescribed time.

The total complaints received and replied to the shareholders during the year ended March 31, 2016 were 39. 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:

Sl. No.	Name of Director	No. of Meetings Attended
1	Mr. D.D. Gupta	4
2.	Mr. D.K. Jain	4
3.	Mr. Deepak Jain	4
4	Mr. Eiichi Hirooka	3

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the company from time to time.

The Corporate Social Responsibility Committee comprises of Managing Director, Joint Managing Director, Non-Executive Chairman and Non-Executive Independent Directors. The Chairman of the Committee is Mr. M.C. Gupta, Non-Executive Independent Director. The Composition of Corporate Social Responsibility Committee during the year April 2015 to March 2016 is as under:

Sl. No.	Name of Directors	Status	Category of Membership	No. of meeting attended
1.	Mr. M.C. Gupta	Chairman	Non-Executive Independent Director	2
2.	Mr. A.P Gandhi	Member	Non-Executive Independent Director	2
3.	Mr. D.K. Jain	Member	Non Executive Chairman	1
4.	Mr. Deepak Jain	Member	Managing Director	-
5.	Mr. Anmol Jain	Member	Joint Managing Director	-

E. Policy on Sexual Harassment

In accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted the "Prevention of Sexual Harassment at Workplace Policy" and constituted an Internal Complaints Committee for Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the related aspects. During the year, no such complaints were received by the Company.

4. Compliance Officer of the Company

Mr. Shwetak Tiwari, 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
2012-13	06-08-2013	10.30 A.M	Air Force Auditorium, Subroto Park, New Delhi
2013-14	22-08-2014	10.30 A.M	Air Force Auditorium, Subroto Park, New Delhi
2014-15	19-08-2015	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 06-08-2013:

- Re-structure of the salary of Mr. Eiichi Hirooka, Senior Executive Director to comply with employment visa norms in India.
- Re-structure of the salary of Mr. Toshio Masuda, Executive Director to comply with employment visa norms in India.

(ii) AGM held on 22-08-2014:

- Appointment of Mr. Norihisa Sato as Director as well as Executive Director of the Company.
- Special Resolution under section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 for the Borrowing powers of the Board of Directors and creation of security on assets of the Company.

(iii) AGM held on 19-08-2015:

- Re-appointment of Mr. Eiichi Hirooka as Senior Executive Director for a period of 3 years.
- Increase in Remuneration of Mr. Deepak Jain, Managing Director of the Company.
- Change in designation of Mr. Anmol Jain to Joint Managing Director of the Company.

There were no ordinary or special resolution that needed to be passed through Postal Ballot process during the year 2015-16.

6. Code of Conduct

The Company has adopted a Code of Conduct for all Board Members and Senior Employees of the Company. 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 Managing Director of the Company. The Code of Conduct has already been posted on the website of Company for general viewing.

7. Other Disclosures

- a. During 2015-16, 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 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 transactions undertaken by the Company.
- c. The Senior Employees have made disclosures to the 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 Listing Regulations 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 has a Whistle Blower Policy to enable its Directors and Employees to report to the Management their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company promotes a favorable environment for employees to have an open access to the respective functional Heads, Executive Directors, Chairman and Managing Director, so as to ensure ethical and fair conduct of the business of the Company.
- h. The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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) Regulations, 2015.

8. Means Of Communication

The quarterly/yearly results of the Company are published in leading and widely circulated English dailies viz. (1) The Financial Express – All Editions (English) (2) Jansatta, New Delhi (Hindi Edition)

NSE Electronic Application System (NEAPS)

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

BSE Corporate Compliance & Listing Centre (the Listing Centre)

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

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

9. Management Discussion and Analysis report forms part of the Directors Report

10. General Shareholders Information

- a) Annual General Meeting** : The 35th Annual General Meeting is scheduled as under:
 Date : August 08, 2016
 Time : 10.30 AM
 Venue : Air Force Auditorium, Subroto Park, New Delhi-110010
- b) Date of Book Closure** : August 1, 2016 to August 8, 2016
 (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 2015-16 results were announced on:

Adoption of Quarterly Results Ended	Dates
June 30, 2015	July 24, 2015
September 30, 2015	November 07, 2015
December 31, 2015	February 13, 2016
March 31, 2016 (Audited Annual Accounts)	May 12, 2016

f) Financial Calendar for 2016-17 (Provisional).

Adoption of Quarterly Results Ended	Tentative Calendar #
June 30, 2016	2nd week of August 2016
September 30, 2016	2nd week of November 2016
December 31, 2016	2nd week of February 2017
March 31, 2017 (Audited Annual Accounts)	4th week of May 2017

Within 45 days of the end of the Quarter, as per Listing Regulations.

g) Dividend & Dividend Payment Date:

An Interim dividend of ₹ 12/- per share (120%) has been declared by the Board of Directors on March 12, 2016 and distributed to the shareholders for the Financial Year 2015-16. For Demat shareholders and physical shareholders who have opted for NECS/ECS Dividend amount of ₹ 12/- per share was credited directly to their respective bank accounts through NECS/ECS on March 29, 2016. For others, dividend warrant was dispatched on April 06, 2016.

h) Unclaimed Dividends:

Unclaimed Dividend for the Financial year 2008-2009 shall become transferable to the Investor Education & Protection Fund by last week of October, 2016. 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 Financial year 2008-09 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 Share 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 Company Secretary on fortnightly basis and the same were approved and ratified by the Share Transfer/ Stakeholder Relationship Committee.

The total number of shares transferred/transmitted during the Financial Year 2015-16 was 6433, which were registered and returned to the respective transferees within a period ranging from one to two weeks, provided the documents lodged with the Registrars/Company are clear in all respects.

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

Address : M/s Karvy Computershare Pvt. Ltd.
Unit: Lumax Industries Limited
Karvy Selenium Tower-B, Plot No.31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad-500008

Tel : 040 -67162222
Fax : 040 -23001153
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
Plot No.16, Sector-18, Maruti Complex, Gurgaon, Haryana

Tel : 0124-2341090, 2341324
Fax : 0124-2342149
E-mail : lumaxshare@lumaxmail.com
Website : www.lumaxindustries.com

l) Listing on Stock Exchanges:

Stock Exchange	Scrip Code
BSE Limited	517206
National Stock Exchange of India Limited	LUMAXIND

m) ISIN No. : INE162B01018

Listing Fee for the Financial Year 2016-17 has been paid to the BSE Limited and National Stock Exchange of India Limited.

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, 2016

Sl No.	Category	No. of Shares held	% age of Shareholding
A. Promoters' Holding			
1. Promoters			
	Indian Promoters	3,371,788	36.07
	Foreign Promoters	3,505,399	37.50
2.	Persons acting in concert	-	-
Sub – Total (A)		6,877,187	73.57
B. Non-Promoters Holding			
3. Institutional Investors			
a	Mutual Funds and UTI	1,740	0.02
b	Banks, Financial Institutions, Insurance Companies, Central/ State Govt. Institutions/Non-Government Institutions.	6,110	0.06
c.	Foreign Institutional Investors.	155,203	1.66
Sub – Total (B3)		163,053	1.74
4. Others:-			
a	Bodies Corporate & Clearing Member	693,894	7.42
b	Indian Public	1,588,784	17.00
c	NRIs (Including Foreign Company)	24,814	0.27
Sub – Total (B4)		2,307,492	24.69
Sub –Total (B) (B3+B4)		2,470,545	26.43
Grand Total (A + B)		9,347,732	100.00

p) Distribution of Shareholding as on March 31, 2016

Range of Shares	No. of Shareholders	% of Shareholders	Amount (₹)	% of Equity Capital	
1	5,000	20169	97.54	9506550	10.17
5,001	10,000	269	1.30	2044010	2.19
10,001	20,000	106	0.51	1569810	1.68
20,001	30,000	46	0.22	1142010	1.22
30,001	40,000	21	0.10	755050	0.81
40,001	50,000	12	0.06	562980	0.60
50,001	1,00,000	27	0.13	1925750	2.06
1,00,001	& above	29	0.14	75971160	81.27
Total	20679	100.00	93477320	100.00	

q) Dematerialization 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 Dematerialization & Liquidity as on March 31, 2016:

Dematerialisation:

No. of Shares Dematerialised	9,076,478 (97.10% of the total share capital)
No. of Shareholders in Demat form	11649 (56.33% of the total No. of Shareholders)

Liquidity:

The Numbers of Shares of the Company traded in the Stock Exchange for the financial year 2015-2016 is given below:

Particulars	BSE	NSE	Total
No of shares Traded	1,359,254	4,098,785	5,458,039
% of total Equity	14.54%	43.85%	58.39%

s) Stock Market Data during the Financial Year 2015-16

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

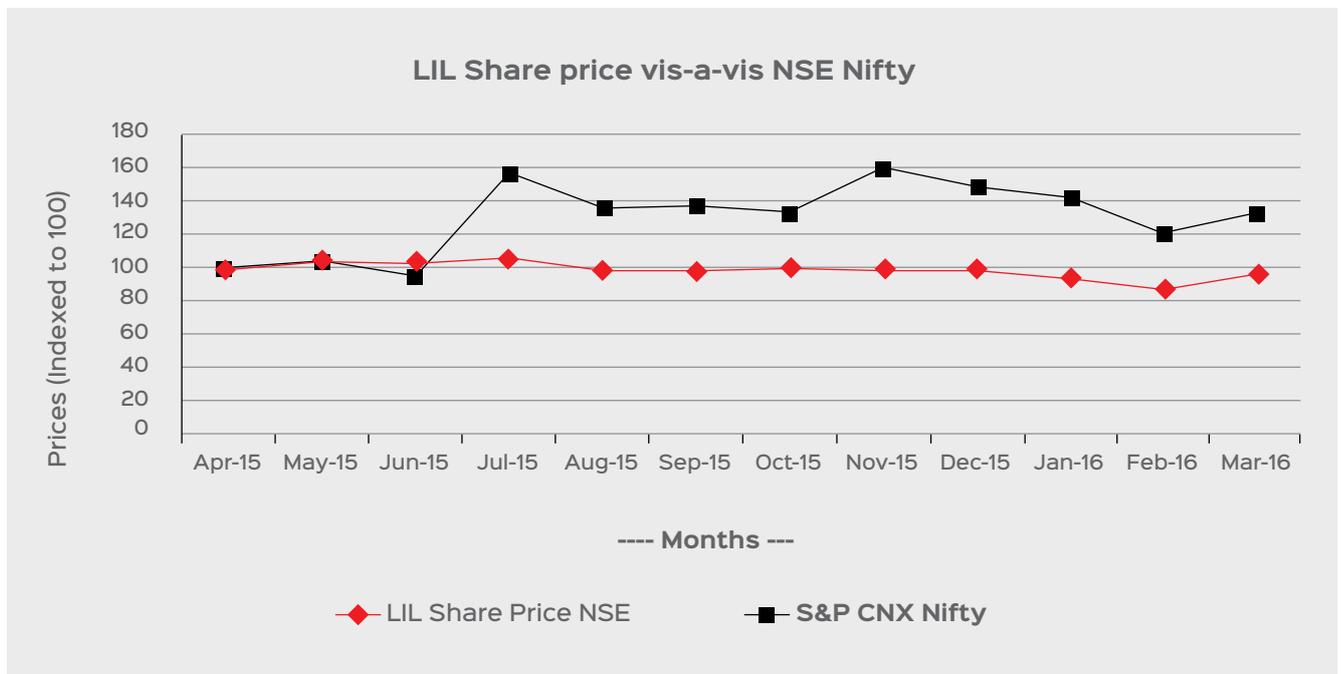
MONTH	BSE				NSE			
	Share Price		Sensex		Share Price		S&P CNX Nifty	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April 2015	351.80	290.00	29094.61	26897.54	351.00	298.00	8844.80	8144.75
May 2015	350.00	312.00	28071.16	26423.99	341.50	310.50	8489.55	7997.15
June 2015	322.90	282.50	27968.75	26307.07	359.00	280.00	8467.15	7940.30
July 2015	512.20	282.50	28578.33	27416.39	511.05	284.25	8654.75	8315.40
August 2015	554.70	395.10	28417.59	25298.42	554.00	392.00	8621.55	7667.25
September 2015	442.00	385.00	26471.82	24833.54	440.00	380.00	8055.00	7539.50
October 2015	482.00	412.60	27618.14	26168.71	480.00	412.00	8336.30	7930.65
November 2015	539.10	421.10	26824.30	25451.42	539.80	415.40	8116.10	7714.50
December 2015	526.80	427.80	26256.42	24867.73	525.05	423.05	7979.30	7551.05
January 2016	476.10	384.10	26197.27	23839.76	477.00	380.00	7972.55	7241.50
February 2016	456.00	356.50	25002.32	22494.61	458.00	352.60	7600.45	6825.80
March 2016	444.90	376.00	25479.62	23133.18	448.00	372.00	7777.60	7035.10

(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 2015 to March 2016 is given below:

Monthly Closing Share Price on BSE & NSE along with Sensex and Nifty Points

MONTH	BSE (₹)	SENSEX	NSE (₹)	NIFTY
April 2015	318.80	27011.31	315.80	8181.50
May 2015	319.70	27828.44	318.75	8433.65
June 2015	295.50	27780.83	295.05	8368.50
July 2015	492.60	28114.56	490.20	8532.85
August 2015	428.20	26283.09	425.20	7971.30
September 2015	430.70	26154.83	429.75	7948.90
October 2015	415.10	26656.83	415.00	8065.80
November 2015	497.20	26145.67	497.85	7935.25
December 2015	466.70	26117.54	467.35	7946.35
January 2016	444.20	24870.69	443.90	7563.55
February 2016	374.00	23002.00	375.80	7029.75
March 2016	419.70	25341.86	414.60	7738.40

The performance of the Company's Share related to Nifty (April 2015 to March 2016) is given in the chart below:



u) Plant Locations of the Company as on March 31, 2016

The Company has following manufacturing units:

Sl. 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, Distt. Rewari, Haryana.
4.	Plot No. 51, Sector11, IIE, Pant Nagar, Distt. Udham Singh Nagar, Uttarakhand.
5.	Plot No. 5, Industrial Park-II, Village Salempur Mehdood, Haridwar, Uttarakhand
6.	608-609, Chakan Talegaon Road, Mahalunge Ingle, Chakan, Pune, Maharashtra.
7.	D2-43/2, M.I.D.C. Industrial Area, Chinchwad, Pune, Maharashtra.
8.	Plot No. D-1, Vendors Park, Sanand, Distt. Ahmedabad, Gujarat.
9.	Plot No.69, Phase-II, Bidadi Industrial Area, Sector 2, Bangalore, Karnataka

11. Unclaimed Suspense Account

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

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares at the beginning of the year i.e. as on April 1, 2015	669	20886
Number of shareholders who approached for issue/transfer of Shares during the year 2015-16	8	349
Number of shareholders to whom shares were issued/transferred	8	349
Aggregate number of shareholders and the Outstanding shares lying at the end of the year i.e. March 31, 2016	661	20537

The members who have not claimed the shares from the above returned undelivered cases are requested to contact the Registrar-M/s Karvy Computershare Pvt Ltd at the address given above. The voting rights on the 20,537 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 Chairman of the Company is Non- Executive and is entitled to maintain a separate office space at the Company's expenses.

13. CEO/CFO Certificate

The Managing Director, Mr. Deepak Jain and the Chief Financial Officer, Mr. Shruti Kant Rustagi have furnished the requisite certificate to the Board of Directors pursuant to Regulation 17 (8) of the Listing Regulations.

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 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2015 are requested to submit to the Company nomination in the prescribed Form SH-13 for this purpose.

Annexure - G

A. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median remuneration of all employees
Mr. Deepak Jain	Managing Director	86:1
Mr. Anmol Jain	Joint Managing Director	39:1
Mr. Eiichi Hirooka	Senior Executive Director	10:1
Mr. Norihisa Sato	Executive Director	11:1
Mr. Shruti Kant Rustagi	Chief Financial Officer	19:1
Mr. Shwetank Tiwari	Company Secretary	5:1

Notes:

- The number of permanent employees as on 31st March, 2016 was 2241.
- Compared to the previous year 2014-15, the figures for the current year 2015-16 reflects that:
 - Gross Turnover, PBT and EPS has grown by 11.09 %, 191.37 % & 125.49 % respectively.
 - Median remuneration and average remuneration of all employees has increased by 13.47% and 6.45% respectively.
 - Average remuneration of employees excluding Key Managerial Personnel has increased by 6.39%.
 - Remuneration of Key Managerial Personnel has increased by 38.24%.
- The Percentage increase in remuneration of each director, chief financial officer, company secretary ranges between 2% to 99%. The remuneration components in case of directors includes commission which is linked with the profitability of the Company.
- The ratio of remuneration of the highest paid Director to that of the employee's, who are not Directors but receive remuneration in excess of the highest paid Director during the year - Not Applicable. There is no such employee who received remuneration is excess of the highest paid director during the year.
- The remuneration of the Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company provided under the section 'Report on Corporate Governance' which forms part of the Report and Accounts.
- The market capitalisation of the Company as on 31st March, 2016 increased by 24.84% when compared to that of 31st March, 2015. The Company has not made any public offer in the recent past and accordingly, comparison of Public Offer Price and the current market price of the Company's shares will not be relevant.
- The PE ratio as on 31st March, 2016 stood at 10.37 (31st March, 2015: 18.73).

CEO and CFO Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- a. We certify to the Board that we have reviewed Financial Statements and Cash Flow Statement for the year ended March 31, 2016 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: New Delhi
Date: May 12, 2016

(Shruti Kant Rustagi)
Chief Financial Officer

(Deepak Jain)
Managing Director

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

I, Deepak Jain, 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 Financial Year 2015 - 2016.

Place: New Delhi
Date: May 12, 2016

(Deepak Jain)
Managing Director

Auditors' Certificate

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, 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchange(s).

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 provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

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 & CO., LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

Per **Vikas Mehra**
Partner
Membership No.: 94421

Place: New Delhi
Date: May 12, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of
Lumax Industries Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Lumax Industries Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit/loss, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Vikas Mehra

Partner

Membership Number: 94421

Place of Signature: New Delhi

Date: May 12, 2016

Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report.(Annexure 1)

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) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company except One immovable property having Gross Block value of ₹16,050,000 and Net Block of ₹ 14,652,901 as at March 31, 2016 for which title deed were not available with the Company and hence we are unable to comment on the same.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order 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, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of auto components (electricals or electronic machinery), and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, 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, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	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	72,55,448	July 1994 to February 1999	High Court, Chandigarh
The Central Excise Act, 1944	Excise duty demand against excess credit taken against the material procured from 100% EOU	2,026,701	1999-2000 to 2001-02	Joint Commissioner of Central Excise, Gurgaon
The Central Excise Act, 1944	Excise duty demand against excess credit taken against the material procured from 100% EOU	461,370	1999-2000 to 2001-02	Supreme Court

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Service Tax, Finance Act, 1994	Demand for disallowance of Cenvat credit in respect of service tax paid on certain services i.e. catering and CHA (export).	927,306	2010-11 and 2012-13	Deputy Commissioner Central excise
Service Tax, Finance Act, 1994	Demand for disallowance of Cenvat credit against outward transportation.	3,209,812	2011- 2015	Commissioner (Appeals), central excise and custom,Pune
The Central Sales Tax Act, 1956	Demand against non- submission of C Forms	3,911,059	From 1997-98 to 2010-11	Joint Sales Tax Commissioner and Sales Tax Appellate Tribunal
Income Tax Act, 1961	Income tax demand on various disallowances	9,20,000	Assessment year 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax demand on various disallowances	38,49,400	Assessment year 2011-12	Income Tax Appellate Tribunal
Service Tax, Finance Act, 1994	Demand of Propotionate cenvat credit reversal @ 0.6% against providing the exempted services i.e trading	1,088,154	2011-12 to 2014-15	Commissioner Appeals (Pune)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution or bank or debentures or any other government dues during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud /material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration hasbeen paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188

of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Vikas Mehra

Partner

Membership Number: 94421

Place of Signature: New Delhi

Date: May 12, 2016

ANNEXURE -2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LUMAX INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of
Lumax Industries Limited

We have audited the internal financial controls over financial reporting of Lumax Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Vikas Mehra

Partner

Membership Number: 94421

Place of Signature: New Delhi

Date: May 12, 2016

Balance Sheet As at March 31, 2016

Particulars	Notes	Amount in ₹	
		As at March 31, 2016	As at March 31, 2015
I EQUITY & LIABILITIES			
Shareholders' funds			
(a) Share capital	3	93,477,320	93,477,320
(b) Reserves and surplus	4	1,948,304,949	1,709,573,654
		2,041,782,269	1,803,050,974
Non-Current Liabilities			
(a) Long term borrowings	5	105,728,944	376,156,902
(b) Deferred tax liabilities (net)	6	194,418,367	152,266,917
(c) Other long term liabilities	7	248,712,544	251,164,294
(d) Long term provisions	8	92,716,007	91,963,492
		641,575,862	871,551,605
Current Liabilities			
(a) Short term borrowings	9	848,253,641	787,704,336
(b) Trade payables	10		
- Total outstanding due of micro enterprises and small enterprises		722,444	643,833
- Total outstanding due of creditors other than micro enterprises and small enterprises		3,071,045,229	2,960,761,066
(c) Other current liabilities	11	1,284,420,745	1,119,621,684
(d) Short term provisions	8	55,912,545	93,703,958
		5,260,354,604	4,962,434,877
TOTAL		7,943,712,735	7,637,037,456
II ASSETS			
Non-Current Assets			
(a) Fixed assets			
Tangible assets	12	4,054,223,293	3,932,512,277
Intangible assets	13	25,673,979	25,926,663
Capital work in progress		170,377,539	262,314,112
(b) Non-Current Investments	14	45,074,204	45,074,204
(c) Long term loans and advances	15	306,077,094	188,636,895
(d) Other Non-Current assets	16.2	12,148,876	55,968,188
		4,613,574,985	4,510,432,339
Current Assets			
(a) Current investments	17	987,000	987,000
(b) Inventories	18	1,045,501,751	1,098,959,811
(c) Trade receivables	16.1	1,811,903,475	1,442,119,422
(d) Cash and bank balances	19	34,552,286	190,125,992
(e) Short-term loans and advances	15	366,211,993	305,514,965
(f) Other current assets	16.2	70,981,245	88,897,927
		3,330,137,750	3,126,605,117
TOTAL		7,943,712,735	7,637,037,456
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 & CO. LLP**

Chartered Accountants

ICAI firm registration number: 301003E/E300005

per **Vikas Mehra**
Partner
Membership No. 94421

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

D. K. Jain
Chairman
DIN: 00085848

Deepak Jain
Managing Director
DIN: 00004972

Place : New Delhi
Date : May 12, 2016

Shruti Kant Rustagi
Chief Financial Officer

Shwetank Tiwari
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Notes	Year ended March 31, 2016	Amount in ₹ Year ended March 31, 2015
INCOME			
Revenue from Operations (Gross)	20	14,036,404,103	12,635,353,289
Less: Excise duty		(1,484,651,738)	(1,209,759,855)
Revenue from Operations (Net)		12,551,752,365	11,425,593,434
Other income	21	43,763,640	55,565,112
TOTAL REVENUE (I)		12,595,516,005	11,481,158,546
EXPENDITURE			
Cost of raw material and components consumed	22.1	7,592,758,636	7,413,763,468
Cost of moulds, tools & dies	22.2	706,270,842	441,799,757
Purchase of traded goods	23	78,726,759	105,898,778
(Increase)/ decrease in inventories of finished goods work-in-progress and traded goods	23	19,412,408	(41,264,367)
Employee benefits expense	24	1,426,657,724	1,246,308,869
Other expenses	25	1,842,419,058	1,666,029,265
Depreciation and amortisation expense	26	378,987,980	361,872,302
Less: recoupment from revaluation reserve		-	(288,474)
Net depreciation and amortisation expense		378,987,980	361,583,828
Finance costs	27	134,378,847	144,303,218
TOTAL (II)		12,179,612,254	11,338,422,816
Profit before tax (I-II)		415,903,751	142,735,730
Tax expenses			
Minimum alternate tax		87,820,983	28,666,479
Less : MAT credit entitlement		(87,820,983)	(28,666,479)
Net current tax liability		-	-
Current Tax for earlier years		12,558	5,942,642
Deferred tax		42,151,450	(28,935,221)
Total tax expense		42,164,008	(22,992,579)
Profit for the year		373,739,743	165,728,309
Earnings per equity share - Basic and diluted {Nominal value of share ₹10 (Previous year : ₹10)}	28	39.98	17.73
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 & CO. LLP**
Chartered Accountants
ICAI firm registration number: 301003E/E300005

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

per **Vikas Mehra**
Partner
Membership No. 94421

D. K. Jain
Chairman
DIN: 00085848

Deepak Jain
Managing Director
DIN: 00004972

Place : New Delhi
Date : May 12, 2016

Shruti Kant Rustagi
Chief Financial Officer

Shwetank Tiwari
Company Secretary

Cash Flow for the year ended March 31, 2016

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash flow from operating activities		
Profit before tax	415,903,751	142,735,730
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortisation	378,987,980	361,583,828
Provision for doubtful debts / advances	109,901	1,485,348
Loss on sale of fixed assets	-	63,456
Profit on sale of fixed assets	(1,284,459)	-
Provision against diminution in the value of current investments	-	(422,765)
Unrealised foreign exchange (gain)/ loss	1,877,281	(5,973,504)
Finance cost	134,378,847	144,303,218
Interest income	(2,113,612)	(11,459,510)
Dividend income	(5,206,188)	(5,209,820)
Operating profit before working capital changes	922,653,501	627,105,981
Movements in working capital:		
Decrease/ (increase) in inventories	53,458,060	(326,824,565)
Decrease/ (increase) in trade receivables	(371,891,787)	(135,059,381)
Decrease/ (increase) in loans and advances	(65,507,093)	61,449,223
Decrease/ (increase) in other current assets	-	77,554,555
Increase/ (decrease) in liabilities and provisions	413,963,328	290,900,997
Cash generated from operations	952,676,009	595,126,810
Direct taxes paid	81,152,115	4,670,211
Net cash flow from operating activities (A)	871,523,894	590,456,599
B. Cash flow from investing activities		
Purchase of fixed assets	(457,464,163)	(455,492,105)
Proceeds from sales of fixed assets	18,748,306	784,071
Interest received	1,783,419	20,286,959
Dividends received	5,206,188	5,209,820
Redemption/ maturity of bank deposits (having original maturity of more than three months)	7,258,876	132,812,959
Net cash flow used in investing activities (B)	(424,467,374)	(296,398,296)

Cash Flow for the year ended March 31, 2016

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year ended March 31, 2015
C. Cash flow from financing activities		
Proceeds from long term borrowings	31,050,847	17,955,935
Repayment of long term borrowings	(350,443,996)	(358,662,362)
Proceeds from/(repayment) of bank borrowings and short term loans (net)	60,549,305	407,738,920
Repayment of sales tax deferment	-	(15,472,001)
Interest Paid	(138,901,651)	(144,252,364)
Dividend Paid	(163,585,310)	(32,717,062)
Tax on dividend paid	(33,302,045)	(5,560,265)
Net cash flow from/ (used in) financing activities (C)	(594,632,850)	(130,969,199)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(147,576,330)	163,089,104
Cash and cash equivalents at the beginning of the year	182,128,616	19,039,512
Cash and cash equivalents at the end of the year	34,552,286	182,128,616
Components of cash and cash equivalents		
Cash on hand	2,764,506	1,867,559
Cheques on Hand	5,026,725	5,144,589
Balances with banks:		
On current accounts	19,014,978	121,530,018
On unpaid dividend accounts*	7,746,077	3,586,450
On deposits with original maturity of less than three months	-	50,000,000
Total cash and cash equivalents (note 19)	34,552,286	182,128,616

*The Company can utilize these balances only toward settlement of the respective unpaid dividend

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration number: 301003E/E300005

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

per Vikas Mehra
Partner
Membership No. 94421

D. K. Jain
Chairman
DIN: 00085848

Deepak Jain
Managing Director
DIN: 00004972

Place : New Delhi
Date : May 12, 2016

Shruti Kant Rustagi
Chief Financial Officer

Shwetank Tiwari
Company Secretary

Notes to financial Statements for the year ended March 31, 2016

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 and presented in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply with all material respects with the accounting standards specified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements are in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses during the reported 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, liabilities, revenue and expenses in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to accounts.

b. 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 & Machinery existing on

different dates. These Land, Building and Plant & Machinery 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 de-recognition 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.

c. Depreciation on Tangible fixed assets

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

Depreciation on other fixed assets is calculated on a straight line basis using rates arrived at based on the useful lives estimated by the management. The Company has used following estimated useful life to provide depreciation on its fixed assets:

Particulars	Estimated useful life (Years)
-Factory building	30
-Other building	60
-Plant and Machinery (i, ii)	3-21
-Furniture and fixtures	10
-Vehicles (ii)	5
-Office equipment	5

i) The management has estimated supported by independent assessment, the useful life of certain plant and machinery as 21 years, which is higher than those indicated in schedule II of the Companies Act 2013.

Notes to financial Statements for the year ended March 31, 2016

- ii) The management has estimated, based on past experience, the useful life of these blocks of assets as lower than the life indicated for respective block of assets in schedule II of the Companies Act 2013.

d. 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.

Intangibles 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 de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e. Research costs

Research costs are expensed as incurred.

f. 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 of leased property 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. 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 or the lease term.

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 statement of profit and loss 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.

g. 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

Notes to financial Statements for the year ended March 31, 2016

respective asset. All other borrowing costs are expensed in the period they occur.

h. Government Grant and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, the grant is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the statement of profit and loss over the useful life of a depreciable asset by way of a reduced depreciation charge.

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.

Notes to financial Statements for the year ended March 31, 2016

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 includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis. 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.

Notes to financial Statements for the year ended March 31, 2016

iv. Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

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 company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

ii. Gratuity Liability is a defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Actuarial gain and loss for defined benefit plan is recognized in full in the period in which it occur in the statement of profit and loss.

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.

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

Notes to financial Statements for the year ended March 31, 2016

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 assets 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
Business Segment

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.

Geographical 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.

Notes to financial Statements for the year ended March 31, 2016

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.

3. Share Capital

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Authorized shares		
12,000,000 (Previous year 12,000,000) equity shares of ₹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 ₹10/- each	93,477,320	93,477,320

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2016		As at March 31, 2015	
	Nos.	Amount in ₹	Nos.	Amount in ₹
At the beginning of the year	9,347,732	93,477,320	9,347,732	93,477,320
Issued during the year	-	-	-	-
Outstanding at the end of the year	9,347,732	93,477,320	9,347,732	93,477,320

b Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended March 31, 2016, the Company declared and paid an interim dividend of ₹12 per share which is considered to be final (Previous year dividend: ₹5.50).

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.

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of ₹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%

Notes to financial Statements for the year ended March 31, 2016

4 Reserves and Surplus

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Capital reserve	65,138	65,138
Securities premium account	679,665,909	679,665,909
Revaluation reserve		
Balance as per the last financial statements	77,346,536	77,635,010
Less: amount transferred to General Reserve	(279,268)	(288,474)
Closing Balance	77,067,268	77,346,536
General reserve		
Balance as per the last financial statements	599,300,000	582,700,000
Add: amount transferred from surplus balance in the statement of profit and loss	37,500,000	16,600,000
Add: amount transferred from Revaluation Reserve	279,268	-
Closing Balance	637,079,268	599,300,000
Surplus as per the statement of profit and loss		
Balance as per the last financial statements	353,196,071	299,255,067
Less: Adjustment related to transitional provision in the Previous year as per schedule II of the Companies Act 2013 (net of tax impact of ₹17,628,105)	-	(33,308,398)
Add: Profit for the year	373,739,743	165,728,309
Less:- Appropriations		
Final equity dividend (amount per share ₹12 (Previous year: ₹5.50))	(112,172,784)	(51,412,526)
Tax on equity dividend	(22,835,664)	(10,466,381)
Transfer to general reserve	(37,500,000)	(16,600,000)
Total appropriations	(172,508,448)	(78,478,907)
Net surplus in the statement of profit and loss	554,427,366	353,196,071
Total reserves and surplus	1,948,304,949	1,709,573,654

5 Long Term Borrowings

Particulars	Amount in ₹			
	Non-current portion		Current maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Term loans				
Indian rupee loan from banks (secured)	64,319,574	83,188,156	49,919,430	40,225,246
Foreign currency loan from banks (secured)	41,409,370	292,968,746	269,160,938	390,625,000
	105,728,944	376,156,902	319,080,368	430,850,246
The above amount includes				
Secured borrowings	105,728,944	376,156,902	319,080,368	430,850,246
Amount disclosed under the head "other current liabilities" (Note 11)			(319,080,368)	(430,850,246)
Net amount	105,728,944	376,156,902	-	-

Notes:

1 Indian Rupee Loan from Bank includes:

- ₹ 50,287,500/- (Previous year ₹ 72,637,500/-) taken in the Financial Year 2013-14 carries interest @ 10% p.a. at present. The loan is repayable in 16 equal quarterly installments of ₹ 5,587,500/- (excluding interest) after one year moratorium period from the disbursement date i.e. from 04.04.2013. The Loan is secured by way of first pari passu charge on the land and building situated at Sohna, Gurgaon (Haryana) unit.
- ₹ 23,343,750/- (Previous year ₹ 33,718,750) taken in the Financial Year 2014-15 carries interest @ 10.70% p.a. at present. The loan is repayable in 16 equal quarterly installments of ₹ 2,593,750/- (excluding interest) from the disbursement date i.e. from 10.06.2014. The Loan is secured by way of first pari passu charge on the land and building situated at Sohna, Gurgaon (Haryana) unit.

Notes to financial Statements for the year ended March 31, 2016

- c) ₹ 40,607,754/- (Previous year ₹ 17,057,152/-) vehicle loans from banks at interest @ 9.35% - 11.50% aggregating to are secured by way of hypothecation of the respective vehicles acquired out of the proceeds thereof. These loans are repayable over a period of three years from the date of availment.
- 2 Foreign Currency Loan from Bank includes:
- (a) ₹ 20,704,683/- (Previous year ₹ 97,656,246/-) taken in the financial year 2011-12 carries interest @ LIBOR plus 260 BSP. The loan is repayable in 16 quarterly installments of ₹ 14,026,563/- after one year moratorium period from the disbursement date i.e. from 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) ₹ 82,818,750/- (Previous year ₹ 234,375,000/-) taken in the financial year 2011-12 carries interest @ LIBOR plus 260 BSP. The loan is repayable in 16 quarterly installments of ₹ 30,568,750/- after one year moratorium period from the disbursement date i.e. from 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) ₹ 82,818,750/- (Previous year ₹ 156,250,000/-) taken in the financial year 2011-12 carries interest @ LIBOR plus 350 BSP. The loan is repayable in 16 quarterly installments of ₹ 15,521,875/- after one year moratorium period from the disbursement date i.e. from 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 (Uttarakhand) unit both present and future.
- (d) ₹ 124,228,125/- (Previous year ₹ 195,312,500/-) taken in the financial year 2012-13 carries interest @ LIBOR plus 350 BSP. The loan is repayable in 16 quarterly installments of ₹ 17,437,500/- after one year moratorium period from the disbursement date i.e. from 28.08.2013. 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 Haridwar (Uttarakhand) and all other movable fixed assets of Bangalore (Karnataka) unit both present and future.

6 Deferred tax liabilities (net)

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Deferred tax Liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	438,453,197	411,153,031
Unrealised forex gain of capital nature	762,082	168,849
Gross deferred tax liability (A)	439,215,279	411,321,880
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss but allowable for tax purposes on payment basis	56,219,678	41,741,339
Provision for doubtful debts and advances	2,818,016	2,779,981
Unabsorbed depreciation	185,759,218	214,533,643
Gross deferred tax asset (B)	244,796,912	259,054,963
Net deferred tax liability (A-B)	194,418,367	152,266,917

7 Other long-term liabilities

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Payable for capital goods (including payable towards leasehold land)	220,657,500	223,109,250
Security deposits (Interest free)	28,055,044	28,055,044
	248,712,544	251,164,294

Notes to financial Statements for the year ended March 31, 2016

8 Provisions

Particulars	Amount in ₹			
	Long-term		Short-term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits				
Provision for leave benefits	92,716,007	91,963,492	9,180,439	10,271,697
Provision for gratuity (Note 29)	-	-	39,715,106	14,419,354
	92,716,007	91,963,492	48,895,545	24,691,051
Other provisions				
Provision for warranties {Refer point (a) below}	-	-	7,017,000	7,134,000
Proposed equity dividend {Refer point (b) below}	-	-	-	51,412,526
Provision for tax on proposed equity dividend	-	-	-	10,466,381
	-	-	7,017,000	69,012,907
	92,716,007	91,963,492	55,912,545	93,703,958

(a) 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. It is expected that all of these costs will be incurred in the next financial year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and 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.

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
At the beginning of the year	7,134,000	15,323,000
Arising during the year	11,791,544	5,364,712
Utilized during the year	(11,908,544)	(13,553,712)
At the end of the year (current portion)	7,017,000	7,134,000

(b) Provision for dividend

The Board of Directors recommended a final dividend of ₹ 5.50/- per share of ₹ 10/- each in the Previous year.

9 Short-term borrowings

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Cash credit/Working Capital facility from banks (secured)	450,891,414	388,104,246
Vendor finance facility from banks (unsecured)	397,362,227	399,600,090
	848,253,641	787,704,336

Notes:

- Cash credit facility of ₹ Nil (Previous year ₹ 2,466,665/-) was secured by way of first pari passu charge on all current assets of the Company. This facility was 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 & carried interest @ 12.30%. The amount has been repaid during the year.
- Cash credit facility of ₹ 8,670,747/- (Previous year ₹ 38,468,402/-) is secured by way of first pari passu charge on all current assets of the Company. 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 Unit of the Company, repayable on demand & carries interest @ 10.45%.
- WCDL Facility of ₹ 150,000,000/- (Previous year ₹ 100,000,000/-) 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 @ 9.35%.

Notes to financial Statements for the year ended March 31, 2016

- (d) Cash Credit Facility of ₹ Nil (Previous year ₹ 97,169,179/-) was secured by way of first pari passu charge on all current assets of the Company. This facility was 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 & carried interest @ 11.75%. The amount has been repaid during the year.
- (e) Cash Credit facility of ₹ 92,220,667/- (Previous year ₹ Nil) & WCDL Facility of ₹ Nil (Previous year ₹ 150,000,000/-) 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 @ 9.65% for the current year & 10.60% respectively for the previous year.
- (f) WCDL Facility of ₹ 200,000,000/- (Previous year ₹ 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 @ 9.50%
- (g) Vendor Finance Facility from MSIL of ₹ 397,362,227/- (Previous year ₹ 399,600,090/-) is repayable on 60 days from respective drawdown & carries interest @ 9.90%.

10 Trade payables

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Trade payables*		
- Total outstanding due of micro enterprises and small enterprises (refer note 37 for details of dues to micro and small enterprises)	722,444	643,833
- Total outstanding due of creditors other than micro enterprises and small enterprises #	3,071,045,229	2,960,761,066
	3,071,767,673	2,961,404,899

* Refer note 33 for related party transactions

Trade payables include acceptances of ₹ 188,015,774/- (Previous year ₹ 345,318,700/-)

11 Other Current liabilities

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Current maturities of long term borrowings (Note 5)	319,080,368	430,850,246
Interest accrued but not due on borrowings	5,603,606	9,361,816
Interest accrued and due on borrowings	-	764,594
Investor Education and Protection Fund will be credited by following amounts (as and when due) {Refer point (a)}		
Unpaid dividend	7,746,077	3,586,450
Other Payables		
Payable for capital goods	93,843,383	33,177,329
Interest free deposits from customers #	233,390	483,390
Advances from customers *	582,535,250	461,573,980
Statutory dues payable	77,289,962	76,665,643
Other liabilities {Refer point (b)}	198,088,709	103,158,236
	1,284,420,745	1,119,621,684

* Refer note 33 for related party transactions

Customer deposits are repayable on demand.

- (a) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. Accordingly, the Company has transferred ₹ 426,572/- during the current year (Previous year ₹ 447,526/-) to the Investor Education and Protection Fund.
- (b) Other liabilities (net) represents amount towards rate provision payable to the customers net off amounts receivable from customers in respect of price increase not yet debited.

Notes to financial Statements for the year ended March 31, 2016

12. Tangible Fixed Assets

Particulars	Amount in ₹							Total
	Land		Buildings	Plant and Machinery	Furniture & Fixtures	Office Equipment	Vehicles	
	Leased	Freehold	Owned					
Cost or Valuation								
At 01.04.2014	280,236,142	259,094,226	1,109,652,637	4,645,194,997	85,422,963	7,763,462	89,268,039	6,476,632,466
Additions	-	-	11,367,575	479,749,283	4,210,754	1,588,068	14,719,761	511,635,441
Deductions/adjustments	-	-	-	(2,094,277)	(20,200)	-	(1,600,868)	(3,715,345)
At 31.03.2015	280,236,142	259,094,226	1,121,020,212	5,122,850,003	89,613,517	9,351,530	102,386,932	6,984,552,562
Additions	-	-	586,796	449,397,805	3,465,327	3,738,986	46,945,068	504,133,982
Deductions/adjustments	-	-	-	(22,822,578)	(45,244)	-	(25,637,972)	(48,505,794)
At 31.03.2016	280,236,142	259,094,226	1,121,607,008	5,549,425,230	93,033,600	13,090,516	123,694,028	7,440,180,750
Depreciation / Amortisation								
At 01.04.2014	39,857,423	-	212,133,134	2,331,554,956	41,988,549	897,658	35,369,174	2,661,800,894
For the year	7,211,595	-	37,297,825	269,866,740	7,069,928	2,265,527	18,459,091	342,170,706
Set off from Retained Earnings	-	-	7,138,619	22,882,332	8,327,648	-	12,587,904	50,936,503
Deductions/adjustments	-	-	-	(1,328,552)	(18,441)	-	(1,520,825)	(2,867,818)
At 31.03.2015	47,069,018	-	256,569,578	2,622,975,476	57,367,684	3,163,185	64,895,344	3,052,040,285
For the year	7,211,595	-	37,743,178	296,790,072	5,382,666	2,400,982	15,430,626	364,959,119
Deductions/adjustments	-	-	-	(15,104,735)	(44,340)	-	(15,892,872)	(31,041,947)
At 31.03.2016	54,280,613	-	294,312,756	2,904,660,813	62,706,010	5,564,167	64,433,098	3,385,957,457
Net Block								
At 31.03.2015	233,167,124	259,094,226	864,450,634	2,499,874,527	32,245,833	6,188,345	37,491,588	3,932,512,277
At 31.03.2016	225,955,529	259,094,226	827,294,252	2,644,764,417	30,327,590	7,526,349	59,260,930	4,054,223,293

Notes :

- Fixed Assets comprising of Land, Buildings and Plant & Machinery were revalued by a firm of valuers on different dates in earlier years, resulting in increase in their net values by ₹ 82,669,280, ₹ 1,351,067 and ₹ 24,251,565 respectively, which was credited to Revaluation Reserve.
- Depreciation for the year includes ₹ 140,245 (Previous Year ₹ 242,175) being depreciation either capitalised / transferred on in-house development of tools.
- Leasehold land includes ₹ 16,050,000 (Previous Year ₹ 16,050,000) pending registration in the name of the company (refer note 45).
- Written down value of Building constructed on Leasehold land is ₹ 208,380,634 (Previous Year ₹ 216,532,997).

13. Intangible Fixed Assets

Particulars	Amount in ₹		
	Computer software	Technical know how	Total
Cost or Valuation			
At 01.04.2014	95,717,880	34,441,989	130,159,869
Additions	12,348,711	-	12,348,711
At 31.03.2015	108,066,591	34,441,989	142,508,580
Additions	13,916,422	-	13,916,422
At 31.03.2016	121,983,013	34,441,989	156,425,002
Depreciation / Amortisation			
At 01.04.2014	65,871,528	30,766,618	96,638,146
For the year	16,268,400	3,675,371	19,943,771
At 31.03.2015	82,139,928	34,441,989	116,581,917
For the year	14,169,106	-	14,169,106
At 31.03.2016	96,309,034	34,441,989	130,751,023
Net Block			
At 31.03.2015	25,926,663	-	25,926,663
At 31.03.2016	25,673,979	-	25,673,979

Notes to financial Statements for the year ended March 31, 2016

14. Non-Current investments

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
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 ₹ 10 each fully paid-up in SL Lumax Limited	35,474,204	35,474,204
Other		
15,832 (Previous year 15,832) equity shares of ₹ 10 each fully paid-up in Caparo Power Limited	158,320	158,320
ii) Preference shares (unquoted)		
944,168, (Previous year 944,168) 2% Redeemable Preference shares of ₹ 10 each fully paid-up in Caparo Power Limited	9,441,680	9,441,680
Aggregate amount of unquoted investment	45,074,204	45,074,204

15 Loans and Advances

Particulars	Amount in ₹			
	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(A) Capital advances*				
Unsecured, considered good (A)	42,168,002	10,677,425	-	-
(B) Security deposit*				
Unsecured, considered good (B)	21,777,829	17,470,926	-	-
(C) Advances recoverable in cash or kind*				
Unsecured, considered good	-	-	253,963,483	191,553,140
Unsecured, considered doubtful	2,516,938	2,516,938	-	-
	2,516,938	2,516,938	253,963,483	191,553,140
Provision for doubtful advances	(2,516,938)	(2,516,938)	-	-
(C)	-	-	253,963,483	191,553,140
(D) Other loans and advances (unsecured, considered good)				
Advance income-tax (net of provision for taxation)	1,270,553	7,974,892	-	-
MAT credit entitlement	239,219,298	151,375,402	-	-
Prepaid expenses	-	-	34,680,245	16,823,096
Loans to employees	1,641,412	1,138,250	9,770,322	7,957,438
Balances with statutory/ government authorities	-	-	67,797,943	89,181,291
(D)	242,131,263	160,488,544	112,248,510	113,961,825
TOTAL (A+B+C+D)	306,077,094	188,636,895	366,211,993	305,514,965

* Refer note 33 for related party transactions

Notes to financial Statements for the year ended March 31, 2016

16 Trade receivables and other current assets

16.1 Trade receivables *

Particulars	Amount in ₹			
	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
A) Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	15,069,282	8,801,680
Unsecured, considered doubtful	5,625,734	5,515,833	-	-
	5,625,734	5,515,833	15,069,282	8,801,680
Provision for doubtful receivables	(5,625,734)	(5,515,833)	-	-
(A)	-	-	15,069,282	8,801,680
(B) Other receivables				
Unsecured, considered good	-	-	1,796,834,193	1,433,317,742
(B)	-	-	1,796,834,193	1,433,317,742
TOTAL (A + B)	-	-	1,811,903,475	1,442,119,422

* Refer note 33 for related party transactions

16.2 Other current assets

Particulars	Amount in ₹			
	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(A) Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 19) (A)	5,614,500	4,876,000	-	-
(B) 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	-	-	2,256,770	1,926,577
Derivative assets	6,534,376	51,092,188	62,159,375	80,406,250
(B)	6,534,376	51,092,188	70,981,245	88,897,927
TOTAL (A+B)	12,148,876	55,968,188	70,981,245	88,897,927

17 Current Investments

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Valued at lower of cost and fair value, unless stated otherwise		
Quoted equity instruments		
43,866 (Previous year 43,866) equity shares of ₹10 each fully paid up in PNB Gilts Limited *	987,000	987,000
	987,000	987,000
* Aggregate amount of quoted equity investments		
Cost	987,000	987,000
Market Value	987,000	987,000
Provision for diminution in value of investment	-	-

Notes to financial Statements for the year ended March 31, 2016

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

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Raw materials and components {including stock in transit ₹ 44,968,311 (Previous year ₹ 22,947,056)} (refer note 22.1)	534,805,354	470,228,897
Work-in-progress (refer note 23)	65,959,140	70,598,472
Finished goods {including transit stock ₹ 50,771,780 (Previous year ₹ 45,539,724)} (refer note 23)	134,925,273	149,795,987
Traded goods (refer note 23)	35,171,173	35,073,535
Stores and spares (including packing material) {including transit stock ₹ 1,786,122 (Previous year ₹ Nil)}	76,765,267	65,545,953
Moulds, tools and dies in process {including transit stock ₹ 16,898,438 (Previous year ₹ 74,462,988)} (refer note 22.2)	197,875,544	307,716,967
	1,045,501,751	1,098,959,811

19 Cash and bank balances

Particulars	Amount in ₹			
	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	19,014,978	121,530,018
Deposits with original maturity of less than three months	-	-	-	50,000,000
On unpaid dividend account*	-	-	7,746,077	3,586,450
Cash on hand	-	-	2,764,506	1,867,559
Cheques on Hand	-	-	5,026,725	5,144,589
	-	-	34,552,286	182,128,616
Other bank balances				
Deposits having remaining maturity of more than 12 months #	5,614,500	4,876,000	-	-
Deposits having remaining maturity of less than 12 months #	-	-	-	7,997,376
	5,614,500	4,876,000	-	7,997,376
Amount disclosed under non-current assets (note 16.2)	(5,614,500)	(4,876,000)	-	-
	-	-	34,552,286	190,125,992

* The Company can utilize the balance only towards settlement of unclaimed dividend.

Deposits include ₹ 5,614,500 (Previous year ₹ 12,873,376/-) pledged with banks for guarantees given.

20 Revenue from operations

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year Ended March 31, 2015
Sale of products		
Finished goods #	12,894,075,425	11,898,767,733
Traded goods	89,687,246	87,817,773
Moulds, tools and dies	953,695,721	550,549,698
Sale of services	70,345,756	70,553,854
Other operating revenue		
Scrap sales	21,130,286	20,557,208
Other	7,469,669	7,107,023
Revenue from operations (gross)	14,036,404,103	12,635,353,289
Excise duty*	1,484,651,738	1,209,759,855
Revenue from operations (net)	12,551,752,365	11,425,593,434

* Excise duty on sales amounting to ₹ 1,484,651,738 (Previous year: ₹ 1,209,759,855) has been reduced from sales in statement of profit & loss and excise duty on (increase)/decrease in inventory amounting to ₹ (2,045,717) (Previous year: ₹ 5,044,964) {note 25} has been considered as expense/(income).

Notes to financial Statements for the year ended March 31, 2016

20 Revenue from operations (Contd..)

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year Ended March 31, 2015
Details of products sold		
Finished goods sold #		
Automotive Lamps	12,889,052,831	11,864,791,119
Gear shifter	5,022,594	33,976,614
Total	12,894,075,425	11,898,767,733
# Includes Raw material & components amounting to ₹ 420,092,749 (Previous year ₹ 358,236,195)		
Traded goods sold		
Automotive Lamps	89,687,246	87,817,773
Total	89,687,246	87,817,773
Tools, moulds & dies sold		
Tools & moulds	953,695,721	550,549,698
Total	953,695,721	550,549,698
Details of services rendered		
Sale of designs	70,345,756	70,553,854
Total	70,345,756	70,553,854

21 Other Income

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year Ended March 31, 2015
Interest income on		
Bank deposits	1,158,907	6,815,756
Others	954,705	4,643,754
Dividend income on long-term investments	5,206,188	5,209,820
Profit on sale / discard of fixed assets (net)	1,284,459	-
Change in carrying value of current investment (quoted)	-	422,765
Rent	23,918,588	20,200,696
Provisions/creditors no longer required written back	5,570,487	10,479,199
Other non-operating income	5,670,306	7,793,122
Total	43,763,640	55,565,112

22.1 Cost of raw material and components consumed

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year Ended March 31, 2015
Inventory at the beginning of the year	470,228,897	426,832,467
Add: Purchases	7,657,335,093	7,457,159,898
	8,127,563,990	7,883,992,365
Less: Inventory at the end of the year (Note 18)	534,805,354	470,228,897
	7,592,758,636	7,413,763,468
Details of raw material and components consumed		
Plastic Powder	1,486,789,728	1,446,024,923
Bulbs	1,068,934,727	1,243,152,658
Adjustor Motors	705,782,386	791,510,032
Others	4,331,251,795	3,933,075,855
Total	7,592,758,636	7,413,763,468

Notes to financial Statements for the year ended March 31, 2016

22.1 Cost of raw material and components consumed (Contd.)

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Details of inventory		
Raw material and components		
Plastic Powder	122,528,343	109,441,802
Bulbs	85,367,099	70,602,467
Adjustor Motors	28,132,854	38,398,442
Others	298,777,058	251,786,186
Total	534,805,354	470,228,897

22.2 Cost of moulds, tools & dies

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year Ended March 31, 2015
Inventory at the beginning of the year	307,716,967	64,039,286
Add: Purchases	596,429,419	685,477,438
	904,146,386	749,516,724
Less: Inventory at the end of the year (Note 18)	197,875,544	307,716,967
	706,270,842	441,799,757

23 (Increase)/ decrease in Inventories

Particulars	Amount in ₹		
	As at March 31, 2016	As at March 31, 2015	(Increase)/ Decrease
Inventories at the end of the year			
Work-in-progress (Note 18)	65,959,140	70,598,472	4,639,332
Finished goods (Note 18)	134,925,273	149,795,987	14,870,714
Traded goods (Note 18)	35,171,173	35,073,535	(97,638)
	236,055,586	255,467,994	19,412,408
Inventories at the beginning of the year			
Work-in-progress	70,598,472	66,419,985	(4,178,487)
Finished goods	149,795,987	141,195,517	(8,600,470)
Traded goods	35,073,535	6,588,125	(28,485,410)
	255,467,994	214,203,627	(41,264,367)
	19,412,408	(41,264,367)	

Details of purchase of traded goods

Particulars	Amount in ₹	
	year ended March 31, 2016	year ended March 31, 2015
Automotive Lamps	78,726,759	105,898,778
Total	78,726,759	105,898,778

Details of Inventory

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Work-in-progress		
Automotive Lamps	58,491,290	63,175,684
Gear shifter	7,467,850	7,422,788
Total	65,959,140	70,598,472
Finished goods		
Automotive Lamps	127,179,668	139,288,911
Gear shifter	7,745,605	10,507,076
Total	134,925,273	149,795,987
Traded Goods		
Automotive Lamps	35,171,173	35,073,535
Total	35,171,173	35,073,535

Notes to financial Statements for the year ended March 31, 2016

24 Employee benefits expense

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year Ended March 31, 2015
Salaries, wages and bonus	1,205,738,921	1,068,077,902
Contribution to provident and other fund	50,334,742	47,295,758
Gratuity expense (note 29)	31,860,027	16,351,530
Staff welfare expenses	124,626,130	114,583,679
Commission to Directors	14,097,904	-
	1,426,657,724	1,246,308,869

25 Other expenses

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year Ended March 31, 2015
Consumption of stores and spares	52,815,108	52,342,763
Packing material consumed	237,183,710	208,680,591
Power and fuel	443,494,504	440,902,035
Rent	16,510,452	16,623,328
Rates and taxes	15,974,692	18,808,438
Insurance	9,170,488	9,918,627
Repairs and maintenance		
-Plant and machinery	120,168,868	93,325,342
-Buildings	13,830,214	19,621,575
-Others	109,309,667	90,664,874
Freight and forwarding charges	224,789,472	207,080,014
Discount, rebates and claims	2,146,626	4,114,581
Cash discount on sales	27,349,136	58,565,325
Commission on sales - other than sole selling agent	5,331,879	2,060,589
Travelling and conveyance	110,962,414	91,777,578
Legal and Professional Fees	20,630,174	10,427,313
Management Support fees	123,628,508	46,579,125
Design, support and testing charges	21,337,846	37,208,131
Directors' sitting fees	1,122,100	800,000
Payment to auditors (Refer details below)	6,128,033	5,253,359
Donations	2,100	34,200
Royalty	174,453,661	161,855,721
Warranty costs	11,791,544	5,364,712
(Increase)/ decrease of excise duty on inventory (note 20)	(2,045,717)	5,044,964
Exchange difference (net)	3,006,669	1,389,859
Loss on sale / discard of fixed assets (net)	-	63,456
Provision for doubtful debts / advances (net)	109,901	1,485,348
Miscellaneous expenses	89,957,960	74,758,045
Contribution towards Corporate Social Responsibility (note 44)	3,259,049	1,279,372
	1,842,419,058	1,666,029,265
Payment to Auditor		
As auditor:		
Audit fee	3,224,300	3,220,000
Tax audit fee	350,000	350,000
Limited Review	1,290,000	1,290,000
In other capacity:		
Certification fees	790,000	40,000
Reimbursement of expenses	473,733	353,359
	6,128,033	5,253,359

Notes to financial Statements for the year ended March 31, 2016

26 Depreciation and amortization expense

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year Ended March 31, 2015
Depreciation of tangible assets	364,818,874	341,928,531
Amortization of intangible assets	14,169,106	19,943,771
	378,987,980	361,872,302
Less: recoupmnt from revaluation reserve	-	(288,474)
	378,987,980	361,583,828

27 Finance costs

Particulars	Amount in ₹	
	Year ended March 31, 2016	Year Ended March 31, 2015
Interest to banks		
- on term loans	52,585,682	84,374,690
- on cash credit	69,705,542	44,632,350
Interest others	1,673,315	4,064,814
Bank charges	10,414,308	11,231,364
	134,378,847	144,303,218

28 Earnings per share (EPS)

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
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	373,739,743	165,728,309
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 ₹ 10 (Previous year : ₹ 10))}	39.98	17.73

29. Gratuity benefit plan

The Company operates defined benefit 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 ₹ 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

Particulars	Amount in ₹	
	Gratuity	
	March 31, 2016	March 31, 2015
Current service cost	11,779,340	10,627,337
Interest cost on benefit obligation	9,355,669	8,734,422
Expected return on plan assets	(9,107,168)	(9,525,607)
Net actuarial (gain) / loss recognized in the year	19,832,186	6,515,378
Net (benefit) / expense (Refer Note 24)	31,860,027	16,351,530
Actual return on plan assets	9,296,805	9,937,985

Notes to financial Statements for the year ended March 31, 2016

Balance sheet

Benefit asset / (liability)

Amount in ₹

Gratuity

Particulars	Gratuity	
	March 31, 2016	March 31, 2015
Present value of defined benefit obligation	147,962,874	133,082,909
Fair value of plan assets	108,247,768	118,663,555
Plan asset / (liability)	(39,715,106)	(14,419,354)

Amount in ₹

Gratuity

Particulars	Gratuity	
	March 31, 2016	March 31, 2015
Opening defined benefit obligation	133,082,909	112,940,497
Current service cost	11,779,340	10,627,337
Interest cost	9,355,669	8,734,422
Benefits paid	(26,276,867)	(6,147,103)
Actuarial (gains) / losses on obligation	20,021,823	6,927,756
Closing defined benefit obligation	147,962,874	133,082,909

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

Amount in ₹

Gratuity

Particulars	Gratuity	
	March 31, 2016	March 31, 2015
Opening fair value of plan assets	118,663,555	102,954,582
Expected return	9,107,168	9,525,607
Contributions by employer	6,179,474	11,918,446
Benefits paid	(25,892,066)	(6,147,458)
Actuarial gains / (losses)	189,637	412,378
Closing fair value of plan assets	108,247,768	118,663,555

The Company expects to contribute ₹ 14,789,453 to gratuity in the next year (Previous year: ₹ 6,175,334)

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

Amount in ₹

Gratuity

Particulars	Gratuity	
	March 31, 2016	March 31, 2015
Investments with insurer	100%	100%

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

Amount in ₹

Gratuity

Particulars	Gratuity	
	March 31, 2016	March 31, 2015
Discount rate	7.80%	7.95%
Expected rate of return on assets	8.37%	9.00%
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.

Notes to financial Statements for the year ended March 31, 2016

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

Particulars	Amount in ₹				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Gratuity					
Defined benefit obligation	147,962,874	133,082,909	112,940,497	103,391,956	85,058,345
Plan assets	108,247,768	118,663,555	102,954,582	87,213,530	71,075,716
Surplus / (deficit)	(39,715,106)	(14,419,354)	(9,985,915)	(16,178,426)	(13,982,629)
Experience adjustments on plan liabilities	20,021,823	6,927,756	2,769,944	2,796,180	6,913,810
Experience adjustments on plan assets	189,637	412,378	490,903	449,071	(5,794)

30. Leases

Operating lease: Company as lessee

The Company had entered into commercial leases on Plant & machinery (DG Set). There were no contingent rents in the lease agreements. The lease terms was for 1-5 years and were renewable at the mutual agreements of both the parties. There were no restrictions imposed by lease arrangements. There was no sublease and all the leases were non-cancellable in nature. The lease tenure has been completed in the current Financial Year.

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Within one year	-	1,550,000
After one year but not more than five years	-	-
More than five years	-	-
Total	-	1,550,000

31. 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	Amount in ₹	
	March 31, 2016	March 31, 2015
Salaries, wages and bonus	429,901	733,501
Repair and Maintenance – Plant & Machinery	67,524	9,593
Repair and Maintenance – Others	5,032,367	2,667,749
Deprecation	140,245	242,175
Miscellaneous Expenses	23,768,269	14,829,730
Total	29,438,306	18,482,748

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:

Revenue from operations by Geographical Market (Net of Excise Duties)

S. No.	Particulars	Amount in ₹	
		Year ended March 31, 2016	Year Ended March 31, 2015
1	Domestic Market	12,252,216,443	11,135,052,197
2	Overseas Market	299,535,922	290,541,237
	Total	12,551,752,365	11,425,593,434

Notes to financial Statements for the year ended March 31, 2016

Trade Receivables: The following table shows the distribution of the Company's trade receivables by geographical market:

S. Particulars No.	Amount in ₹	
	Year ended March 31, 2016	Year Ended March 31, 2015
1 Domestic	1,724,817,408	1,350,877,370
2 Overseas	87,086,067	91,242,052
Total	1,811,903,475	1,442,119,422

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. Particulars No.	Name of Related Parties
1. Enterprise having significant influence	Stanley Electric Co. Ltd., Japan
2. Associate	SL Lumax Limited
3. Key Management Personnel	Mr. D. K. Jain (Chairman) Mr. Deepak Jain (Managing Director) Mr. Anmol Jain (Joint Managing Director) Mr. E. Hirooka (Sr. Executive Director) Mr. N. Sato (Executive Director)
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 owned or significantly influenced by Key Management Personnel or their Relatives	Lumax Auto Technologies Limited Lumax DK Auto Industries Limited Lumax Tours & Travels Limited Lumax Finance Private Limited Lumax Ancillary Limited Mahavir Udyog D.K. Jain & Sons (HUF) Lumax Automotive Systems Limited Bharat Enterprises Lumax Cornaglia Auto Technologies Private Limited Lumax Mannoh Allied Technologies Limited Lumax Management Services Private Limited Lumax Energy Solutions Private Limited

Notes to financial Statements for the year ended March 31, 2016

Detail of Related Party Transactions for the Financial Year 2015-16

S . Account Head
No

Enterprise having significant influence

Key Management Personnel

Relatives of Key Management Personnel

Enterprises owned or significantly influenced by key management personnel or their relatives

Associate

Amount in ₹
Total

	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
A) TRANSACTIONS												
i) Sale of Raw Materials and Components												
Lumax Auto Technologies Ltd.	-	-	-	-	-	-	72,104,208	54,010,126	-	-	72,104,208	54,010,126
Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	15,389,363	13,071,573	-	-	15,389,363	13,071,573
Lumax Ancillary Ltd.	-	-	-	-	-	-	27,982,772	26,625,569	-	-	27,982,772	26,625,569
Bharat Enterprises Technologies Ltd.	-	-	-	-	-	-	320,443	102,659	-	-	320,443	102,659
Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	-	2,419,516	1,194,061	-	-	2,419,516	1,194,061
Total (i)	-	-	-	-	-	-	118,216,302	95,003,988	-	-	118,216,302	95,003,988
ii) Sale of finished goods												
Lumax Auto Technologies Ltd.	-	-	-	-	-	-	539,229,421	537,819,389	-	-	539,229,421	537,819,389
Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	7,180,918	2,570,410	-	-	7,180,918	2,570,410
Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	-	5,219,005	41,563,005	-	-	5,219,005	41,563,005
Stanley Electric Co. Ltd	-	67,846	-	-	-	-	-	-	-	-	-	67,846
Total (ii)	-	67,846	-	-	-	-	551,629,344	581,952,804	-	-	551,629,344	582,020,650
iii) Sale of Fixed Assets												
Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	9,214	20,874	-	-	9,214	20,874
Lumax Auto Technologies Ltd.	-	-	-	-	-	-	4,204,578	-	-	-	4,204,578	-
Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	-	-	632,973	-	-	-	632,973
Lumax Management Services P.Ltd.	-	-	-	-	-	-	9,268,726	-	-	-	9,268,726	-
Mahavir Udyog	-	-	-	-	-	-	142,682	-	-	-	142,682	-
Total (iii)	-	-	-	-	-	-	13,625,200	653,847	-	-	13,625,200	653,847
iv) Sale of services												
Lumax Auto Technologies Ltd.	-	-	-	-	-	-	884,880	622,693	-	-	884,880	622,693
Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	153,530	387,216	-	-	153,530	387,216
Lumax Ancillary Ltd.	-	-	-	-	-	-	125,207	901,545	-	-	125,207	901,545
Stanley Electric Co. Ltd.	8,109,016	853,298	-	-	-	-	-	-	-	-	8,109,016	853,298
Mahavir Udyog	-	-	-	-	-	-	21,671	899	-	-	21,671	899
Bharat Enterprises	-	-	-	-	-	-	28,437	-	-	-	28,437	-
Total (iv)	8,109,016	853,298	-	-	-	-	1,213,725	1,912,353	-	-	9,322,741	2,765,651

Notes to financial Statements for the year ended March 31, 2016

Detail of Related Party Transactions for the Financial Year 2015-16

S . Account Head No	Enterprise having significant influence	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Associate	Amount in ₹	
						2015-16	2014-15
v) Purchase of Raw Materials, Components and Moulds							
Lumax Auto Technologies Ltd.	-	-	-	241,022,144	-	321,665,390	241,022,144
Lumax DK Auto Industries Ltd.	-	-	-	882,213,415	-	994,031,437	882,213,415
Lumax Ancillary Ltd.	-	-	-	372,021,653	-	453,026,614	372,021,653
Bharat Enterprises	-	-	-	183,317,814	-	162,301,096	183,317,814
Mahavir Udyog	-	-	-	16,714,227	-	16,714,227	16,788,558
Stanley Electric Co. Ltd.	79,696,539	92,660,619	-	-	-	79,696,539	92,660,619
Lumax Mamoh Allied Technologies Ltd.	-	-	-	118,212	-	183,568	118,212
SL Lumax Ltd.	-	-	-	-	53,948	-	53,948
Total (v)	79,696,539	92,660,619	-	1,695,481,796	-	2,027,618,871	1,788,196,363
vi) Purchase of Packing Material							
Mahavir Udyog	-	-	-	122,285,872	-	134,942,334	122,285,872
Total (vi)	-	-	-	122,285,872	-	134,942,334	122,285,872
vii) Purchase of Spares & Samples							
Stanley Electric Co. Ltd.	756,282	222,069	-	-	-	756,282	222,069
Lumax DK Auto Industries Ltd.	-	-	-	199,637	-	1,323,688	199,637
Total (vii)	756,282	222,069	-	199,637	-	2,079,970	421,706
viii) Purchase of Fixed Assets							
Lumax DK Auto Industries Ltd.	-	-	-	123,431	-	-	123,431
Stanley Electric Co. Ltd.	-	2,880,755	-	-	-	-	2,880,755
Total (viii)	-	2,880,755	-	123,431	-	-	3,004,186
ix) Purchase of Finished Goods							
Stanley Electric Co. Ltd.	46,570	122,943	-	-	-	46,570	122,943
Total (ix)	46,570	122,943	-	-	-	46,570	122,943
x) Purchase Of Services							
Lumax Tours & Travels Ltd.	-	-	-	33,817,503	-	39,319,316	33,817,503
Total (x)	-	-	-	33,817,503	-	39,319,316	33,817,503
xi) Technical Charges Design, Drawing & Testing Charges							

Notes to financial Statements for the year ended March 31, 2016

Detail of Related Party Transactions for the Financial Year 2015-16

S . Account Head No	Enterprise having significant influence		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Associate		Amount in ₹ Total		
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	
Stanley Electric Co. Ltd.	130,061,632	150,894,180	-	-	-	-	-	-	-	-	-	130,061,632	150,894,180
Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	-	-	37,791	-	-	-	-	-	37,791
Management Support Fee													
Stanley Electric Co. Ltd.	61,104,275	46,579,125	-	-	-	-	-	-	-	-	-	61,104,275	46,579,125
Lumax Management Services P.Ltd.	-	-	-	-	-	-	71,283,579	-	-	-	-	71,283,579	-
Total (xi)	191,165,907	197,473,305	-	-	-	-	71,321,370	-	-	-	-	262,487,277	197,473,305
xii) Rent Received													
Lumax Auto Technologies Ltd.	-	-	-	-	-	-	9,206,993	8,262,474	-	-	-	9,206,993	8,262,474
Lumax Tours & Travels Ltd.	-	-	-	-	-	-	225,063	201,852	-	-	-	225,063	201,852
Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	-	-	4,441,840	4,382,040	-	-	-	4,441,840	4,382,040
Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	300,079	269,133	-	-	-	300,079	269,133
Lumax Energy Solutions P.Ltd.	-	-	-	-	-	-	14,313	-	-	-	-	14,313	-
Total (xii)	-	-	-	-	-	-	14,188,288	13,115,499	-	-	-	14,188,288	13,115,499
xiii) Dividend Received													
SL Lumax Ltd.	-	-	-	-	-	-	-	-	4,948,389	4,948,389	-	4,948,389	4,948,389
Total (xiii)	-	-	-	-	-	-	-	-	4,948,389	4,948,389	-	4,948,389	4,948,389
xiv) Rent Paid													
Mr. D.K. Jain	-	-	1,640,896	1,571,466	-	-	-	-	-	-	-	1,640,896	1,571,466
Lumax DK Auto Industries Ltd.	-	-	-	-	-	-	13,734,595	12,152,870	-	-	-	13,734,595	12,152,870
Total (xiv)	-	-	1,640,896	1,571,466	-	-	13,734,595	12,152,870	-	-	-	15,375,491	13,724,336
xv) Managerial Remuneration													
Mr. Deepak Jain	-	-	11,495,966	9,069,975	-	-	-	-	-	-	-	11,495,966	9,069,975
Mr. Anmol Jain	-	-	5,366,405	4,680,000	-	-	-	-	-	-	-	5,366,405	4,680,000
Mr. E.Hirooka	-	-	2,220,412	2,162,809	-	-	-	-	-	-	-	2,220,412	2,162,809
Mr. N.Sato	-	-	2,458,623	2,329,063	-	-	-	-	-	-	-	2,458,623	2,329,063
Total (xv)	-	-	21,541,406	18,241,847	-	-	13,734,595	12,152,870	-	-	-	21,541,406	18,241,847
xvi) Royalty (gross)													
Stanley Electric Co. Ltd.	174,453,661	161,855,721	-	-	-	-	-	-	-	-	-	174,453,661	161,855,721
Total (xvi)	174,453,661	161,855,721	-	-	-	-	-	-	-	-	-	174,453,661	161,855,721
xvii) Commission													
Mr. D. K. Jain	-	-	4,560,511	1,328,949	-	-	-	-	-	-	-	4,560,511	1,328,949
Mr. Deepak Jain	-	-	9,750,189	-	-	-	-	-	-	-	-	9,750,189	-
Mr. Anmol Jain	-	-	4,347,715	-	-	-	-	-	-	-	-	4,347,715	-
Total (xvii)	-	-	18,658,415	1,328,949	-	-	-	-	-	-	-	18,658,415	1,328,949

Notes to financial Statements for the year ended March 31, 2016

Detail of Related Party Transactions for the Financial Year 2015-16

S . Account Head No	Enterprise having significant influence	Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Associate	Amount in ₹ Total		
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15		2015-16	2014-15	
xviii) Dividend Paid											
Mr. D. K. Jain	-	33,915,438	6,832,893	-	-	-	-	-	-	33,915,438	6,832,893
Mr. Deepak Jain	-	2,392,443	499,489	-	-	-	-	-	-	2,392,443	499,489
Mr. Anmol Jain	-	941,115	193,823	-	-	-	-	-	-	941,115	193,823
Mr. M. K. Jain	-	-	-	10,500	609,553	-	-	-	-	10,500	609,553
Mr. U. K. Jain	-	-	-	27,265	5,453	-	-	-	-	27,265	5,453
Mrs. Usha Jain	-	-	-	2,528,453	527,391	-	-	-	-	2,528,453	527,391
DK Jain and Sons (HUF)	-	-	-	-	-	2,186,975	437,395	-	-	2,186,975	437,395
Lumax Finance Pvt. Ltd.	-	-	-	-	-	7,301,928	1,460,386	-	-	7,301,928	1,460,386
Lumax Auto Technologies Ltd.	-	-	-	-	-	9,187,500	1,837,500	-	-	9,187,500	1,837,500
Lumax Automotive Systems Ltd.	-	-	-	-	-	18,900	3,780	-	-	18,900	3,780
Stanley Electric Co. Ltd.	58,509,168	11,701,834	-	-	-	-	-	-	-	58,509,168	11,701,834
Others	-	-	-	490,525	-	-	-	-	-	490,525	-
Total (xviii)	58,509,168	11,701,834	7,526,205	3,056,743	1,142,397	18,695,303	3,739,061	-	-	117,510,210	24,109,497
xix) Others (Net of Income/ Expenditure)											
Lumax Auto Technologies Ltd.	-	-	-	-	-	(777,216)	(179,584)	-	-	(777,216)	(179,584)
Lumax DK Auto Industries Ltd.	-	-	-	-	-	(508,303)	(865,246)	-	-	(508,303)	(865,246)
Lumax Ancillary Ltd.	-	-	-	-	-	(292,802)	(411,944)	-	-	(292,802)	(411,944)
Lumax Cornaglia Auto Technologies	-	-	-	-	-	-	114,574	-	-	-	114,574
Lumax Mamoh Allied Technologies Ltd.	-	-	-	-	-	(61,612)	(97,056)	-	-	(61,612)	(97,056)
Lumax Automotive Systems Ltd.	-	-	-	-	-	875,088	-	-	-	875,088	-
Lumax Management Services P.Ltd	-	-	-	-	-	(268,904)	-	-	-	(268,904)	-
Lumax Energy Solutions P.Ltd.	-	-	-	-	-	(769,586)	-	-	-	(769,586)	-
SL Lumax Ltd.	-	-	-	-	-	-	-	(17,850)	-	-	(17,850)
Stanley Electric Co. Ltd.	1,605,617	(2,971,080)	-	-	-	-	-	-	-	1,605,617	(2,971,080)
Total (xix)	1,605,617	(2,971,080)	-	-	-	(1,803,335)	(1,439,256)	-	(17,850)	(197,718)	(4,428,186)
xx) Leave Liability and Gratuity Transfer											
Lumax Management Services P.Ltd	-	-	-	-	-	(20,502,525)	-	-	-	(20,502,525)	-
Total (xx)	-	-	-	-	-	(20,502,525)	-	-	-	(20,502,525)	-

Notes to financial Statements for the year ended March 31, 2016

Detail of Related Party Transactions for the Financial Year 2015-16

S . Account Head No	Enterprise having significant influence	Key Management Personnel	Relatives of Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives	Associate	Amount in ₹		
			2015-16	2014-15			2015-16	2014-15	2015-16
B) BALANCES AT THE YEAR END									
i) Receivables									
Lumax Auto Technologies Ltd.	-	-	-	-	178,079,135	-	-	-	178,079,135
Lumax DK Auto Industries Ltd.	-	-	-	-	12,070,974	-	-	-	12,070,974
Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	-	679,250	-	-	-	679,250
Lumax Tours & Travels Ltd	-	-	-	-	34,256	-	-	-	34,256
Bharat Enterprises	-	-	-	-	67,683	-	-	-	67,683
Lumax Ancillary Ltd.	-	-	-	-	4,302,198	-	-	-	4,302,198
Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	994,556	-	-	-	994,556
Total (i)	-	-	-	-	196,228,042	-	-	-	196,228,042
ii) Payables									
Lumax Auto Technologies Ltd.	-	-	-	-	113,657,020	-	-	-	113,657,020
Lumax DK Auto Industries Ltd.	-	-	-	-	349,492,019	-	-	-	349,492,019
Lumax Mannoh Allied Technologies Ltd.	-	-	-	-	9,848	-	-	-	9,848
Lumax Tours & Travels Ltd.	-	-	-	-	3,792,535	-	-	-	3,792,535
Lumax Ancillary Ltd.	-	-	-	-	120,045,127	-	-	-	120,045,127
Bharat Enterprises	-	-	-	-	45,088,996	-	-	-	45,088,996
Mahavir Udyog	-	-	-	-	46,239,326	-	-	-	46,239,326
Lumax Management Services PLtd	-	-	-	-	15,400,857	-	-	-	15,400,857
Lumax Energy Solutions PLtd.	-	-	-	-	769,586	-	-	-	769,586
Lumax Automotive Systems Ltd.	-	-	-	-	-	-	-	-	-
Stanley Electric Co. Ltd.	153,620,892	147,173,621	-	-	-	-	-	-	153,620,892
Total (ii)	153,620,892	147,173,621	-	-	694,495,314	-	-	-	848,116,206
iii) Security Deposit Payable									
Lumax Auto Technologies Ltd.	-	-	-	-	25,000,000	-	-	-	25,000,000
Total (iii)	-	-	-	-	25,000,000	-	-	-	25,000,000

Notes to financial Statements for the year ended March 31, 2016

34. Capital and other commitments

Amount in ₹

S. No.	Particulars	March 31, 2016	March 31, 2015
1.	Estimated amount of contracts (Net of advances paid during the year ₹ 42,168,002 (previous year ₹ 10,677,425)) remaining to be executed on capital account and not provided for	63,366,133	60,689,758

35. Contingent liabilities

Amount in ₹

S. No.	Particulars	March 31, 2016	March 31, 2015
(i)	Bills of exchange discounted from a bank	247,106,673	315,014,169
(ii)	Various other claims of Sales Tax Matters made against the Company not acknowledged as debts, being disputed by the Company	-	1,488,551
(iii)	Various other claims of Sales Tax Matters made against the Company on account of non-submission of statutory forms etc. being disputed by the Company.	2,520,457	2,520,457
(iv)	Demand of Central Sales Tax for FY 2010-11 which is subject to submission of C-Form & H-Form.	2,140,602	2,140,602
(v)	Demand in respect of non-reversal of proportionate cenvat credit @ 0.6% against providing exempt services i.e. trading	1,088,154	986,000
(vi)	Demand of Cenvat Credit for 2011-2015 in respect of service tax paid on the outward transportation	3,209,812	-
(vii)	In respect of additions made by the Assessing officer for Assessment Year 2004-05 for which the department has filed an appeal before Hon'ble High Court against the order of Income Tax Appellate Tribunal (ITAT) and the high court has decided the case in favour of the company vide Order dated 28.10.2015 and department has not gone to the supreme court.	-	1,243,823
(viii)	In respect of additions made by the Assessing officer for Assessment Year 2005-06 for which the department has filed an appeal before Hon'ble High Court against the order of Income Tax Appellate Tribunal (ITAT) and the high court has decided the case in favour of the company vide Order dated 28.10.2015 and department has not gone to the supreme court.	-	11,535,338
(ix)	Income Tax demand in respect of Assessment Year 2006-07 for which the Company has filed an appeal before Income Tax Appellate Tribunal and ITAT has passed the order in favour of the company. Department appeal filed if any will be decided by High Court in favour of company	-	4,022,761
(x)	In respect of additions made by the Assessing officer for Assessment Year 2007-08 for which the department has filed an appeal before Hon'ble High Court against the order of Income Tax Appellate Tribunal (ITAT) and the high court has decided the case in favour of the company vide Order dated 28.10.2015 and department has not gone to the supreme court.	-	14,444,388
(xi)	In respect of additions made by the Assessing officer for Assessment Year 2008-09 for which the department has filed an appeal before Hon'ble High Court against the order of Income Tax Appellate Tribunal (ITAT) and the high court has decided the case in favour of the company vide Order dated 28.10.2015 and department has not gone to the supreme court.	-	20,973,571
(xii)	In respect of additions made by the Assessing officer for Assessment Year 2009-10 and confirmed by DRP for which the Company has filed an appeal before ITAT and ITAT has decided in favour of the company vide order dated 22.04.2016	563,918	23,322,834
(xiii)	In respect of additions made by the Assessing officer for Assessment Year 2010-11 and confirmed by DRP for which the Company has filed an appeal before ITAT	177,323	31,909,776
(xiv)	In respect of additions made by the Assessing officer for Assessment Year 2011-12 and confirmed by DRP for which the Company has filed an appeal before ITAT.	-	40,567,463
(xv)	Liability of Customs duty towards export obligation undertaken by the Company under EPCG licenses	150,404,202	184,810,876
(xvi)	Letter of credit	21,552,216	17,845,664
(xvii)	Bank Guarantees	287,364,400	349,747,839

The current year amount relating to income tax does not include interest.

Based on the favourable decisions in similar cases/advice taken by the Company & based on management's internal assessment, the Company believes that it has good case in respect of all the items listed above and hence no provision there against is considered necessary

Notes to financial Statements for the year ended March 31, 2016

36. Derivative instruments and unhedged foreign currency exposure

(a) Derivatives outstanding as at the reporting date

Particulars	Purpose
Cross Currency cum interest rate swap – USD 4,687,500 (March 31, 2015: USD 10,937,500) Notional amount ₹ 310,570,312 (March 31, 2015: ₹ 683,593,749)	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

Particulars	Foreign Currency	Amount (in ₹)		Amount (in Foreign Currency)		Exchange Rate (in ₹)	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Trade Payable	EUR	365,054	18,740,289	4,842	278,915	75.40	67.19
	GBP	-	48,547	-	525	-	92.47
	JPY	50,141,073	14,934,406	85,006,482	28,651,139	0.5899	0.5213
	USD	166,495,082	246,764,476	2,512,944	3,948,232	66.26	62.50
	CHF	505,347	-	7,326	-	68.98	-
	SGD	123,943	-	2,516	-	49.27	-
Advance Recoverable	EUR	2,354,835	4,461,416	31,233	66,400	75.40	67.19
	CHF	3,088,235	-	44,770	-	68.98	-
Trade Receivable	JPY	-	6,022,301	-	11,553,575	-	0.5213
	USD	183,301,669	142,908,500	2,766,609	2,286,536	66.26	62.50
	EUR	7,915,290	4,971,854	104,984	73,997	75.40	67.19
	GBP	19,064,364	23,597,081	199,684	255,186	95.47	92.47
	USD	60,106,413	47,799,362	907,198	764,790	66.26	62.50

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

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
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	722,444	643,833
Interest due on above	19,716	5,196
	742,160	649,029
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.	212,582	70,784
The amount of interest accrued and remaining unpaid at the end of each accounting year.	589,595	357,297
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	-	-

Notes to financial Statements for the year ended March 31, 2016

38. Value of imports calculated on CIF basis

Amount in ₹

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Raw materials	676,064,647	839,813,389
Components and spare parts	46,493,605	36,976,881
Capital goods	493,505,670	639,291,255
Traded Goods	78,172,998	102,272,874
Total	1,294,236,920	1,618,354,399

39. Expenditure in foreign currency (accrual basis)

Amount in ₹

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Royalty	174,453,661	163,661,896
Management Support Fees	61,104,275	46,579,125
Travelling Expenses	24,287,607	13,006,580
Packing & Forwarding Expenses	1,775,553	3,146,821
Salary & Allowances	3,711,282	6,496,004
Finance Cost	2,633,370	6,638,719
Commission	769,568	731,640
Repair & Maintenance	1,058,132	785,499
Design & Testing Charges	131,022,960	154,806,299
Legal & Professional Expenses	54,059	1,312,802
Miscellaneous Expenses	4,040,552	2,691,307
Warranty Expense	612,878	-
Total	405,523,897	399,856,692

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

Particulars	% of total consumption		% of total consumption	
	March 31, 2016	Value (₹) March 31, 2016	March 31, 2015	Value (₹) March 31, 2015
Raw Materials & Components				
Imported	7.92	601,067,883	10.25	759,630,016
Indigenously obtained	92.08	6,991,690,753	89.75	6,654,133,452
Total	100.00	7,592,758,636	100.00	7,413,763,468
Spare parts				
Imported	1.85	979,072	0.19	99,128
Indigenously obtained	98.15	51,836,036	99.81	52,243,635
Total	100.00	52,815,108	100.00	52,342,763

41. Net dividend remitted in foreign exchange

Year of remittance (ending on)	March 31, 2016		March 31, 2015
Period to which it relates	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014
Number of non-resident shareholders	2	2	2
Number of equity shares held on which dividend was due	3,505,399	3,505,399	3,505,399
Amount remitted (in USD)	616,695	284,193	197,439

42. Earnings in foreign currency (accrual basis)

Amount in ₹

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
Exports at F.O.B. Value	268,627,226	270,551,025
Recovery of testing charges/Service Income	15,121,522	10,704,736
Total	283,748,748	281,255,761

Notes to financial Statements for the year ended March 31, 2016

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

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

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
a. Capital Expenditure		
Capital expenditure	17,154,739	14,615,808
b. Revenue Expenditure		
Salaries, Allowances and Bonus	73,028,979	60,285,552
Contribution to Provident Fund	3,586,926	3,183,232
Contribution to Other Funds	206,830	205,111
Staff Welfare	12,120,633	9,124,926
Provision for Retirement Benefit	2,110,993	3,084,066
Insurance	346,346	376,544
Repair & Maintenance	12,277,078	6,968,406
Travelling & Conveyance	29,025,564	23,473,864
Research & Development	1,120	396,661
Electricity	808,238	517,878
Miscellaneous	4,676,826	5,889,926
Design, Support & Testing Charges	1,522,488	222,320
Material/Consumable/Spares	95,830	-
Depreciation	15,153,808	16,607,575
Financial Cost	745,982	337,024
Total	155,707,641	130,673,085

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

Particulars	Amount in ₹	
	March 31, 2016	March 31, 2015
a. Capital expenditure		
Capital expenditure	7,463,762	45,329,358
b. Revenue Expenditure		
Salaries, Allowances and Bonus	44,708,512	30,545,058
Contribution to Provident Fund	2,147,793	1,484,628
Contribution to Other Funds	189,125	168,965
Staff Welfare	5,474,640	4,131,218
Provision for Retirement Benefit	1,333,692	1,276,256
Insurance	170,070	179,932
Repair & Maintenance	5,091,501	4,894,030
Travelling & Conveyance	11,521,068	8,157,193
Research & Development	61,383	18,500
Legal & Professional Expenses	3,596,647	33,708
Design, Support & Testing Charges	387,948	31,128
Material / Consumables / Spares	40,538	70,575
Electricity	2,337,783	1,718,459
Miscellaneous	1,821,636	806,496
Depreciation	8,137,997	7,883,475
Financial Cost	218,462	183,623
Total	87,238,795	61,583,244

Notes to financial Statements for the year ended March 31, 2016

44. Corporate Social Responsibility (CSR)

As per the provisions of section 135 of the Companies Act, 2013, the Company had to spend atleast 2% of the average profits of the preceding three financial years towards CSR. Accordingly, a CSR committee has been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013 which amounts to ₹2,016,882 (Previous year ₹2,188,228). The Company has spend an amount of ₹3,259,049 (Previous year ₹1,279,372) and has accordingly charged the same to the statement of Profit & Loss.

45. 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.

46. The assets of ₹239,219,298 (Previous year ₹151,375,402) recognized by the Company as 'MAT Credit Entitlement' under 'Loans and Advances' represents that portion of MAT, 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.

47. Previous year's figures have been regrouped/reclassified, where necessary, to conform to this year's classification

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI firm registration number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No. 94421

Place : New Delhi

Date : May 12, 2016

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

D. K. Jain

Chairman

DIN: 00085848

Shruti Kant Rustagi

Chief Financial Officer

Deepak Jain

Managing Director

DIN: 00004972

Shwetank Tiwari

Company Secretary

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company

Name of the Associate	SL Lumax Limited	(Amount in ₹)
1. Latest audited balance sheet date	31.03.2016	
2. No. of shares of associate held by the Company in the year end	3,298,986	
Amount of Investment in Associate	677,361,061	
Extent of holding %	21.28	
3. Description of how there is significant influence	Due to percentage (%) of Share Capital	
4. Net worth attributable to shareholding as per latest audited balance sheet	671,384,263	
5. Profit/(Loss) for the year		
i. Considered in consolidation	151,468,612	
ii. Not considered in consolidation	-	
6. Reason why the associate is not consolidated	-	

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI firm registration number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No. 94421

Place : New Delhi

Date : May 12, 2016

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

D. K. Jain

Chairman

DIN: 00085848

Shruti Kant Rustagi

Chief Financial Officer

Deepak Jain

Managing Director

DIN: 00004972

Shwetank Tiwari

Company Secretary

**CONSOLIDATED
FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

To the Members of
Lumax Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Lumax Industries Limited ("the Holding Company"), its associate (the Holding Company and its associate together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing,

issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates as at March 31, 2016, their consolidated profit/loss, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We /the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its associate company incorporated in India, none of the directors of the Group's companies, its associates incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its associate company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its

consolidated financial position of the Group, its associates- Refer Note 34 to the consolidated financial statements;

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer (a) Note 35 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and (b) the Group's share of net profit/loss in respect of its associates;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, associates companies incorporated in India.

Other Matter

- (a) We did not audit the financial information of an associate, the proportionate share of the group being ₹ 15,14,68,612 for the year ending March 31 ,2016. This financial information has been audited by other auditor whose reports has been furnished to us, and our opinion is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Vikas Mehra

Partner

Membership Number: 94421

Place of Signature: New Delhi

Date: May 12, 2016

ANNEXURE-1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LUMAX INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Lumax Industries Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Lumax Industries Limited (hereinafter referred to as the "Holding Company") its associate company which are the companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company ,its associate company which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal

financial controls over financial reporting of the Holding Company,insofar as it relates to the one associate company, which is the company incorporated in India, is based on the corresponding report of the auditors of such, associate company incorporated in India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Vikas Mehra

Partner

Membership Number: 94421

Place of Signature: New Delhi

Date: May 12, 2016

Consolidated Balance Sheet as at March 31, 2016

Particulars	Notes	(Amount in ₹)
		As at March 31, 2016
I EQUITY & LIABILITIES		
Shareholders' funds		
(a) Share capital	3	93,477,320
(b) Reserves and surplus	4	2,590,191,806
		2,683,669,126
Non-Current Liabilities		
(a) Long term borrowings	5	105,728,944
(b) Deferred tax liabilities (net)	6	194,418,367
(c) Other long term liabilities	7	248,712,544
(d) Long term provisions	8	92,716,007
		641,575,862
Current Liabilities		
(a) Short term borrowings	9	848,253,641
(b) Trade payables	10	
- Total outstanding due of micro enterprises and small enterprises		722,444
- Total outstanding due of creditors other than micro enterprises and small enterprises		3,071,045,229
(c) Other current liabilities	11	1,284,420,745
(d) Short term provisions	8	55,912,545
		5,260,354,604
TOTAL		8,585,599,592
II ASSETS		
Non-Current Assets		
(a) Fixed assets		
Tangible assets	12	4,054,223,293
Intangible assets	13	25,673,979
Capital work in progress		170,377,539
(b) Non-Current Investments	14	686,961,061
(c) Long term loans and advances	15	306,077,094
(d) Other Non-Current assets	16.2	12,148,876
		5,255,461,842
Current Assets		
(a) Current investments	17	987,000
(b) Inventories	18	1,045,501,751
(c) Trade receivables	16.1	1,811,903,475
(d) Cash and bank balances	19	34,552,286
(e) Short-term loans and advances	15	366,211,993
(f) Other current assets	16.2	70,981,245
		3,330,137,750
TOTAL		8,585,599,592
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 & CO. LLP**

Chartered Accountants

ICAI firm registration number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No. 94421

Place : New Delhi

Date : May 12, 2016

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

D. K. Jain

Chairman

DIN: 00085848

Shruti Kant Rustagi

Chief Financial Officer

Deepak Jain

Managing Director

DIN: 00004972

Shwetank Tiwari

Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Notes	(Amount in ₹) Year ended March 31, 2016
INCOME		
Revenue from Operations (Gross)	20	14,036,404,103
Less: Excise duty		(1,484,651,738)
Revenue from Operations (Net)		12,551,752,365
Other income	21	38,815,251
TOTAL REVENUE (I)		12,590,567,616
EXPENDITURE		
Cost of raw material and components consumed	22.1	7,592,758,636
Cost of moulds, tools & dies	22.2	706,270,842
Purchase of traded goods	23	78,726,759
(Increase)/ decrease in inventories of finished goods work-in-progress and traded goods	23	19,412,408
Employee benefits expense	24	1,426,657,724
Other expenses	25	1,842,419,058
Depreciation and amortisation expense	26	378,987,980
Finance costs	27	134,378,847
TOTAL (II)		12,179,612,254
Profit before tax (I-II)		410,955,362
Tax expenses		
Minimum alternate tax		87,820,983
Less : MAT credit entitlement		(87,820,983)
Net current tax liability		-
Current Tax for earlier years		12,558
Deferred tax		42,151,450
Total tax expense		42,164,008
Profit for the year before share of Profit of associate		368,791,354
Add : Investor's share of Profit in associate		151,468,612
Net Profit for the year		520,259,966
Earnings per equity share - Basic and diluted [Nominal value of share ₹10]	28	55.66
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 & CO. LLP**
Chartered Accountants
ICAI firm registration number: 301003E/E300005

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

per **Vikas Mehra**
Partner
Membership No. 94421

D. K. Jain
Chairman
DIN: 00085848

Deepak Jain
Managing Director
DIN: 00004972

Place : New Delhi
Date : May 12, 2016

Shruti Kant Rustagi
Chief Financial Officer

Shwetank Tiwari
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2016

Particulars	(Amount in ₹) Year ended March 31, 2016
A. Cash flow from operating activities	
Profit before tax	410,955,362
Non-cash adjustment to reconcile profit before tax to net cash flows	
Depreciation/ amortisation	378,987,980
Provision for doubtful debts / advances	109,901
Profit on sale of fixed assets	(1,284,459)
Unrealised foreign exchange (gain)/ loss	1,877,281
Finance cost	134,378,847
Interest income	(2,113,612)
Dividend income	(257,799)
Operating profit before working capital changes	922,653,501
Movements in working capital:	
Decrease/ (increase) in inventories	53,458,060
Decrease/ (increase) in trade receivables	(371,891,787)
Decrease/ (increase) in loans and advances	(65,507,093)
Increase/ (decrease) in liabilities and provisions	413,963,328
Cash generated from operations	952,676,009
Direct taxes paid	81,152,115
Net cash flow from operating activities (A)	871,523,894
B. Cash flow from investing activities	
Purchase of fixed assets	(457,464,163)
Proceeds from sales of fixed assets	18,748,306
Interest received	1,783,419
Dividends received	5,206,188
Redemption/ maturity of bank deposits (having original maturity of more than three months)	7,258,876
Net cash flow used in investing activities (B)	(424,467,374)

Consolidated Cash Flow Statement for the year ended March 31, 2016

Particulars	(Amount in ₹) Year ended March 31, 2016
C. Cash flow from financing activities	
Proceeds from long term borrowings	31,050,847
Repayment of long term borrowings	(350,443,996)
Proceeds from/(repayment) of bank borrowings and short term loans (net)	60,549,305
Interest Paid	(138,901,651)
Dividend Paid	(163,585,310)
Tax on dividend paid	(33,302,045)
Net cash flow from/ (used in) financing activities (C)	(594,632,850)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(147,576,330)
Cash and cash equivalents at the beginning of the year	182,128,616
Cash and cash equivalents at the end of the year	34,552,286
Components of cash and cash equivalents	
Cash on hand	2,764,506
Cheques on Hand	5,026,725
Balances with banks:	
On current accounts	19,014,978
On unpaid dividend accounts*	7,746,077
Total cash and cash equivalents (note 19)	34,552,286

* The Company can utilize these balances only toward settlement of the respective unpaid dividend.

The Company has done consolidation of Associate from the current year.

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI firm registration number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No. 94421

Place : New Delhi

Date : May 12, 2016

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

D. K. Jain

Chairman

DIN: 00085848

Shruti Kant Rustagi

Chief Financial Officer

Deepak Jain

Managing Director

DIN: 00004972

Shwetank Tiwari

Company Secretary

Notes to Consolidated financial Statements for the year ended March 31, 2016

1. Corporate information and principles of consolidation

The consolidated financial statements relates to Lumax Industries Limited ('Parent Company') and its associate company. 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. The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the parent company and its associate have been combined as per equity method from the date on which it falls within the definition of an associate as per Accounting Standard – 21, on Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules, 2014. On acquisition of the investment, any difference between the cost of acquisition and the Company's share of the equity of the associate has been described as goodwill or capital reserve, as the case may be.
- b. The parent Company has prepared the accompanying consolidated financial statements by including the parent Company's proportionate share in the associate's net profit (after taxes) as per equity method. Unrealised profits and losses resulting from transactions between the parent Company and the associate have been eliminated to the extent of parent Company's proportionate share.
- c. Details of the associate Company is as follows:

Name	Country of Incorporation	Percentage Holding as at March 31, 2016
SL Lumax Limited	India	21.28%

- d. The Parent Company and its associate follow a uniform accounting period and as far as possible, the Consolidated Financial Statements have been prepared using accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

2. Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these

financial statements to comply with all material respects with the accounting standards specified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are given below.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements are in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses during the reported 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, liabilities, revenue and expenses in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in notes to accounts.

b. Goodwill/ capital reserve

Goodwill/ capital reserve represents the difference between the parent's Company share in the net worth of the associate company and the cost of acquisition at the time of making the investment in the associate company. For this purpose, the Parent Company's share of net worth of the associate company is determined on the basis of the latest financial statements of the associate company prior to acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

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.

Notes to Consolidated financial Statements for the year ended March 31, 2016

The Company has revalued some of the Land, Building and Plant & Machinery existing on different dates. These Land, Building and Plant & Machinery 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 de-recognition 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

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

Depreciation on other fixed assets is calculated on a straight line basis using rates arrived at based on the useful lives estimated by the management. The Company has used following estimated useful life to provide depreciation on its fixed assets:

Particulars Estimated useful life (Years)

-Factory building	30
-Other building	60
-Plant and Machinery (i, ii)	3-21
-Furniture and fixtures	10
-Vehicles (ii)	5
-Office equipment	5

- i) The management has estimated supported by independent assessment, the useful life of certain plant and machinery as 21 years,

which is higher than those indicated in schedule II of the Companies Act 2013.

- ii) The management has estimated, based on past experience, the useful life of these blocks of assets as lower than the life indicated for respective block of assets in schedule II of the Companies Act 2013.

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.

Intangibles 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 de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f. Research costs

Research costs are expensed as incurred.

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 of leased property 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

Notes to Consolidated financial Statements for the year ended March 31, 2016

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. 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 or the lease term.

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 statement of profit and loss 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. Government Grant and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, the grant is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the statement of profit and loss over the useful life of a depreciable asset by way of a reduced depreciation charge.

j. 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

Notes to Consolidated financial Statements for the year ended March 31, 2016

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.

k. 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.

l. 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 includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis. 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.

Notes to Consolidated financial Statements for the year ended March 31, 2016

m. 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.

n. 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 entered into to hedge foreign currency risk of an existing asset/ liability

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.

o. Retirement and other Employee Benefits

i. Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

ii. Gratuity Liability is a defined benefit plan and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Actuarial gain and loss for defined benefit plan is recognized in full in the period in which it occur in the statement of profit and loss.

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

Notes to Consolidated financial Statements for the year ended March 31, 2016

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.

- 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.

p. 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 assets 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-

Notes to Consolidated financial Statements for the year ended March 31, 2016

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.

q. Segment Reporting Policies Business Segment

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.

Geographical 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.

r. 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.

s. 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.

t. 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.

u. 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.

v. 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

Notes to Consolidated financial Statements for the year ended March 31, 2016

3. Share Capital

(Amount in ₹)

Particulars	As at March 31, 2016	
	Nos.	(Amount in ₹)
Authorized shares		
12,000,000 equity shares of ₹10/- each		120,000,000
Issued, subscribed and fully paid up shares		
9,347,732 equity shares of ₹10/- each		93,477,320

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2016	
	Nos.	(Amount in ₹)
At the beginning of the year	9,347,732	93,477,320
Issued during the year	-	-
Outstanding at the end of the year	9,347,732	93,477,320

b Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended March 31, 2016, the Company declared and paid an interim dividend of ₹12 per share which is considered to be final.

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.

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

Particulars	As at March 31, 2016	
	Nos.	% holding in the class
Equity shares of ₹10 each fully paid		
Stanley Electric Co. Limited	3,343,381	35.77%
Dhanesh Kumar Jain	1,938,025	20.73%
Lumax Auto Technologies Limited	525,000	5.62%

Notes to Consolidated financial Statements for the year ended March 31, 2016

4 Reserves and Surplus

Particulars	(Amount in ₹)	
	As at March 31, 2016	
Capital reserve	65,138	
Capital Reserve in Associates	105,965,591	
Securities premium account	679,665,909	
Revaluation reserve		
Balance as per the last financial statements	77,346,536	
Less: amount transferred to general reserve	(279,268)	
Closing Balance	77,067,268	
General reserve		
Balance as per the last financial statements	599,300,000	
Add: amount transferred from surplus balance in the statement of profit and loss	3,75,00,000	
Add: amount transferred from Revaluation Reserve	2,79,268	
Closing Balance	637,079,268	
Surplus as per the statement of profit and loss		
Opening share of Profit of Associate	389,401,043	
Balance as per the last financial statements	353,196,071	
Add: Profit for the year	520,259,966	
Less:- Appropriations		
Final equity dividend (amount per share ₹12)	(112,172,784)	
Tax on equity dividend	(22,835,664)	
Transfer to general reserve	(37,500,000)	
Total appropriations	(172,508,448)	
Net surplus in the statement of profit and loss	1,090,348,632	
Total reserves and surplus	2,590,191,806	

5 Long Term Borrowings

Particulars	(Amount in ₹)	
	As at March 31, 2016	
	Non-current portion	Current maturities
Term loans		
Indian rupee loan from banks (secured)	64,319,574	49,919,430
Foreign currency loan from banks (secured)	41,409,370	269,160,938
	105,728,944	319,080,368
The above amount includes		
Secured borrowings	105,728,944	319,080,368
Amount disclosed under the head "other current liabilities" (Note 11)	-	(319,080,368)
Net amount	105,728,944	-

Notes:

1 Indian Rupee Loan from Bank includes:

- ₹ 50,287,500/- taken in the Financial Year 2013-14 carries interest @ 10% p.a. at present. The loan is repayable in 16 equal quarterly installments of ₹ 5,587,500/- (excluding interest) after one year moratorium period from the disbursement date i.e. from 04.04.2013. The Loan is secured by way of first pari passu charge on the land and building situated at Sohna, Gurgaon (Haryana) unit.
- ₹ 23,343,750/- taken in the Financial Year 2014-15 carries interest @ 10.70% p.a. at present. The loan is repayable in 16 equal quarterly installments of ₹ 2,593,750/- (excluding interest) from the disbursement date i.e. from 10.06.2014. The Loan is secured by way of first pari passu charge on the land and building situated at Sohna, Gurgaon (Haryana) unit.

Notes to Consolidated financial Statements for the year ended March 31, 2016

- c) ₹ 40,607,754/- vehicle loans from banks at interest @ 9.35% - 11.50% aggregating to are secured by way of hypothecation of the respective vehicles acquired out of the proceeds thereof. These loans are repayable over a period of three years from the date of availment.
- 2 Foreign Currency Loan from Bank includes:
- (a) ₹ 20,704,683/- taken in the financial year 2011-12 carries interest @ LIBOR plus 260 BSP. The loan is repayable in 16 quarterly installments of ₹ 14,026,563/- after one year moratorium period from the disbursement date i.e. from 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) ₹ 82,818,750/- taken in the financial year 2011-12 carries interest @ LIBOR plus 260 BSP. The loan is repayable in 16 quarterly installments of ₹ 30,568,750/- after one year moratorium period from the disbursement date i.e. from 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) ₹ 82,818,750/- taken in the financial year 2011-12 carries interest @ LIBOR plus 350 BSP. The loan is repayable in 16 quarterly installments of ₹ 15,521,875/- after one year moratorium period from the disbursement date i.e. from 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 (Uttarakhand) unit both present and future.
- (d) ₹ 124,228,125/- taken in the financial year 2012-13 carries interest @ LIBOR plus 350 BSP. The loan is repayable in 16 quarterly installments of ₹ 17,437,500/- after one year moratorium period from the disbursement date i.e. from 28.08.2013. 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 Haridwar (Uttarakhand) and all other movable fixed assets of Bangalore (Karnataka) unit both present and future.

6 Deferred tax liabilities (net)

Particulars	(Amount in ₹)
	As at March 31, 2016
Deferred tax Liability	
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	438,453,197
Unrealised forex gain of capital nature	762,082
Gross deferred tax liability (A)	439,215,279
Deferred tax asset	
Impact of expenditure charged to the statement of profit and loss but allowable for tax purposes on payment basis	56,219,678
Provision for doubtful debts and advances	2,818,016
Unabsorbed depreciation	185,759,218
Gross deferred tax asset (B)	244,796,912
Net deferred tax liability (A-B)	194,418,367

7 Other long-term liabilities

Particulars	(Amount in ₹)
	As at March 31, 2016
Payable for capital goods (including payable towards leasehold land)	220,657,500
Security deposits (Interest free)	28,055,044
	248,712,544

Notes to Consolidated financial Statements for the year ended March 31, 2016

8 Provisions

Particulars	(Amount in ₹)	
	As at March 31, 2016	
	Long-term	Short-term
Provision for employee benefits		
Provision for leave benefits	92,716,007	9,180,439
Provision for gratuity (Note 29)	-	39,715,106
	92,716,007	48,895,545
Other provisions		
Provision for warranties {Refer point (a) below}	-	7,017,000
	-	7,017,000
	92,716,007	55,912,545

(a) 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. It is expected that all of these costs will be incurred in the next financial year after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and 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.

Particulars	(Amount in ₹)
	As at March 31, 2016
At the beginning of the year	7,134,000
Arising during the year	11,791,544
Utilized during the year	(11,908,544)
At the end of the year (current portion)	7,017,000

9 Short-term borrowings

Particulars	(Amount in ₹)
	As at March 31, 2016
Cash credit/Working Capital facility from banks (secured)	450,891,414
Vendor finance facility from banks (unsecured)	397,362,227
	848,253,641

Notes:

- Cash credit facility of ₹ 8,670,747/- is secured by way of first pari passu charge on all current assets of the Company. 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 Unit of the Company, repayable on demand & carries interest @ 10.45%.
- WCDL Facility of ₹ 150,000,000/- 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 @ 9.35%.
- Cash Credit facility of ₹ 92,220,667/- 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 @ 9.65%.

Notes to Consolidated financial Statements for the year ended March 31, 2016

- (d) WCDL Facility of ₹ 200,000,000/- 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 @ 9.50%
- (e) Vendor Finance Facility from MSIL of ₹ 397,362,227/- is repayable on 60 days from respective drawdown & carries interest @ 9.90%.

10 Trade payables

Particulars	(Amount in ₹)
	As at March 31, 2016
Trade payables*	
- Total outstanding due of micro enterprises and small enterprises (refer note 36 for details of dues to micro and small enterprises)	7,22,444
- Total outstanding due of creditors other than micro enterprises and small enterprises #	3,07,10,45,229
	3,071,767,673

* Refer note 32 for related party transactions

Trade payables include acceptances of ₹ 188,015,774 /-

11 Other Current liabilities

Particulars	(Amount in ₹)
	As at March 31, 2016
Current maturities of long term borrowings (Note 5)	319,080,368
Interest accrued but not due on borrowings	5,603,606
Investor Education and Protection Fund will be credited by following amounts (as and when due) {Refer point (a)}	
Unpaid dividend	7,746,077
Other Payables	
Payable for capital goods	93,843,383
Interest free deposits from customers #	233,390
Advances from customers *	582,535,250
Statutory dues payable	77,289,962
Other liabilities {Refer point (b)}	198,088,709
	1,284,420,745

* Refer note 32 for related party transactions

Customer deposits are repayable on demand.

- (a) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. Accordingly, the Company has transferred ₹ 426,572/- during the current year to the Investor Education and Protection Fund.
- (b) Other liabilities (net) represents amount towards rate provision payable to the customers net off amounts receivable from customers in respect of price increase not yet debited.

Notes to Consolidated financial Statements for the year ended March 31, 2016

12. Tangible Fixed Assets

Particular	(Amount in ₹)							Total
	Land		Buildings	Plant and Machinery	Furniture & Fixtures	Office Equipment	Vehicles	
	Leased	Freehold	Owned					
Cost or Valuation								
At 01.04.2015	28,02,36,142	25,90,94,226	1,12,10,20,212	5,12,28,50,003	8,96,13,517	93,51,530	10,23,86,932	6,98,45,52,562
Additions	-	-	5,86,796	44,93,97,805	34,65,327	37,38,986	4,69,45,068	50,41,33,982
Deductions/adjustments	-	-	-	(2,28,22,578)	(45,244)	-	(2,56,37,972)	(4,85,05,794)
At 31.03.2016	28,02,36,142	25,90,94,226	1,12,16,07,008	5,54,94,25,230	9,30,33,600	1,30,90,516	12,36,94,028	7,44,01,80,750
Depreciation / Amortisation								
At 01.04.2015	4,70,69,018	-	25,65,69,578	2,62,29,75,476	5,73,67,684	31,63,185	6,48,95,344	3,05,20,40,285
For the year	72,11,595	-	3,77,43,178	29,67,90,072	53,82,666	24,00,982	1,54,30,626	36,49,59,119
Deductions/adjustments	-	-	-	(1,51,04,735)	(44,340)	-	(1,58,92,872)	(3,10,41,947)
At 31.03.2016	5,42,80,613	-	29,43,12,756	2,90,46,60,813	6,27,06,010	55,64,167	6,44,33,098	3,38,59,57,457
Net Block								
At 31.03.2016	22,59,55,529	25,90,94,226	82,72,94,252	2,64,47,64,417	3,03,27,590	75,26,349	5,92,60,930	4,05,42,23,293

Notes :

- Fixed Assets comprising of Land, Buildings and Plant & Machinery were revalued by a firm of valuers on different dates in earlier years, resulting in increase in their net values by ₹82,669,280, ₹ 1,351,067 and ₹ 24,251,565 respectively, which was credited to Revaluation Reserve.
- Depreciation for the year includes ₹140,245 being depreciation either capitalised / transferred on in-house development of tools.
- Leasehold land includes ₹ 16,050,000 pending registration in the name of the company (refer note 39).
- Written down value of Building constructed on Leasehold land is ₹208,380,634.

13. Intangible Fixed Assets

Particulars	(Amount in ₹)		
	Computer Software	Technical know how	Total
Cost or Valuation			
At 01.04.2015	10,80,66,591	3,44,41,989	14,25,08,580
Additions	1,39,16,422	-	1,39,16,422
Deductions/adjustments	-	-	-
At 31.03.2016	12,19,83,013	3,44,41,989	15,64,25,002
Depreciation / Amortisation			
At 01.04.2015	8,21,39,928	3,44,41,989	11,65,81,917
For the year	1,41,69,106	-	1,41,69,106
At 31.03.2016	9,63,09,034	3,44,41,989	13,07,51,023
Net Block			
At 31.03.2016	2,56,73,979	-	2,56,73,979

Notes to Consolidated financial Statements for the year ended March 31, 2016

14. Non-Current investments

(Amount in ₹)

Particulars	As at March 31, 2016	
Trade investments (valued at cost unless stated otherwise)		
i) Unquoted equity instruments		
Investment in associates		
SL Lumax Limited		
3,298,986 equity shares of ₹10 each fully paid-up.	35,474,204	
Add: Capital Reserve at the time of acquisition	105,965,591	
Add: Profit earned Post acquisition upto March 31, 2015	389,401,043	
Add: Profit for the year	151,468,612	
Less: Received in form of dividend distribution during the current year	4,948,389	
Total investment in associates		677,361,061
Other		
15,832 equity shares of ₹10 each fully paid-up in Caparo Power Limited		158,320
ii) Preference shares (unquoted)		
944,168, 2% Redeemable Preference shares of ₹10 each fully paid-up in Caparo Power Limited		9,441,680
Aggregate amount of unquoted investment		686,961,061

15 Loans and Advances

(Amount in ₹)

As at March 31, 2016

Particulars	As at March 31, 2016	
	Non-current	Current
Capital advances*		
Unsecured, considered good (A)	42,168,002	-
Security deposit*		
Unsecured, considered good (B)	21,777,829	-
Advances recoverable in cash or kind*		
Unsecured, considered good	-	253,963,483
Unsecured, considered doubtful	2,516,938	-
	2,516,938	253,963,483
Provision for doubtful advances	(2,516,938)	-
	-	253,963,483
Other loans and advances (unsecured, considered good)		
Advance income-tax (net of provision for taxation)	1,270,553	-
MAT credit entitlement	239,219,298	-
Prepaid expenses	-	34,680,245
Loans to employees	1,641,412	9,770,322
Balances with statutory/ government authorities	-	67,797,943
	242,131,263	112,248,510
TOTAL (A+B+C+D)	306,077,094	366,211,993

* Refer note 32 for related party transactions

Notes to Consolidated financial Statements for the year ended March 31, 2016

16 Trade receivables and other current assets

16.1 Trade receivables *

Particulars	(Amount in ₹)	
	As at March 31, 2016	
	Non-current	Current
(A) Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	15,069,282
Unsecured, considered doubtful	5,625,734	-
	5,625,734	15,069,282
Provision for doubtful receivables	(5,625,734)	-
(A)	-	15,069,282
(B) Other receivables		
Unsecured, considered good	-	1,796,834,193
(B)	-	1,796,834,193
TOTAL (A + B)	-	1,811,903,475

* Refer note 32 for related party transactions

16.2 Other current assets

Particulars	(Amount in ₹)	
	As at March 31, 2016	
	Non-current	Current
Unsecured, considered good unless stated otherwise		
Non-current bank balances (note 19) (A)	5,614,500	-
Others		
Fixed assets held for sale (at net book value or estimated net realisable value, whichever is lower)	-	6,565,100
Interest accrued on fixed deposits	-	2,256,770
Derivative assets	6,534,376	62,159,375
(B)	6,534,376	70,981,245
TOTAL (A+B)	12,148,876	70,981,245

17 Current Investments

Particulars	(Amount in ₹)	
	As at March 31, 2016	
Valued at lower of cost and fair value, unless stated otherwise		
Quoted equity instruments		
43,866 equity shares of ₹10 each fully paid up in PNB Gilts Limited *		987,000
		987,000
* Aggregate amount of quoted equity investments		
Cost		987,000
Market Value		987,000
Provision for diminution in value of investment		-

Notes to Consolidated financial Statements for the year ended March 31, 2016

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

(Amount in ₹)

Particulars	As at March 31, 2016
	Raw materials and components {including stock in transit ₹ 44,968,311} (refer note 22.1)
Work-in-progress (refer note 23)	65,959,140
Finished goods {including transit stock ₹ 50,771,780} (refer note 23)	134,925,273
Traded goods (refer note 23)	35,171,173
Stores and spares (including packing material) {including transit stock ₹ 1,786,122}	76,765,267
Moulds, tools and dies in process {including transit stock ₹ 16,898,438} (refer note 22.2)	197,875,544
	1,045,501,751

19 Cash and bank balances

(Amount in ₹)

As at March 31, 2016

Particulars	As at March 31, 2016	
	Non-current	Current
Cash and cash equivalents		
Balances with banks:		
On current accounts	-	19,014,978
On unpaid dividend account*	-	7,746,077
Cash on hand	-	2,764,506
Cheques on Hand	-	5,026,725
	-	34,552,286
Other bank balances		
Deposits having remaining maturity of more than 12 months #	5,614,500	-
	5,614,500	-
Amount disclosed under non-current assets (note 16.2)	(5,614,500)	-
	-	34,552,286

* The Company can utilize the balance only towards settlement of unclaimed dividend.

Deposits include ₹ 5,614,500 pledged with banks for guarantees given.

20 Revenue from operations

(Amount in ₹)

Particulars	Year ended March 31, 2016
	Sale of products
Finished goods #	12,894,075,425
Traded goods	89,687,246
Moulds, tools and dies	953,695,721
Sale of services	70,345,756
Other operating revenue	
Scrap sales	21,130,286
Other	7,469,669
Revenue from operations (gross)	14,036,404,103
Excise duty*	1,484,651,738
Revenue from operations (net)	12,551,752,365

* Excise duty on sales amounting to ₹ 1,484,651,738 has been reduced from sales in statement of profit & loss and excise duty on (increase)/decrease in inventory amounting to ₹ (2,045,717) {note 25} has been considered as expense/(income).

Notes to Consolidated financial Statements for the year ended March 31, 2016

20 Revenue from operations (Contd..)

Particulars	(Amount in ₹)
	Year ended March 31, 2016
Details of products sold	
Finished goods sold #	
Automotive Lamps	12,889,052,831
Gear shifter	5,022,594
Total	12,894,075,425
# Includes Raw material & components amounting to ₹ 420,092,749.	
Traded goods sold	
Automotive Lamps	89,687,246
Total	89,687,246
Tools, moulds & dies sold	
Tools & moulds	953,695,721
Total	953,695,721
Details of services rendered	
Sale of designs	70,345,756
Total	70,345,756

21 Other Income

Particulars	(Amount in ₹)
	Year ended March 31, 2016
Interest income on	
Bank deposits	1,158,907
Others	954,705
Dividend income on long-term investments	257,799
Profit on sale / discard of fixed assets (net)	1,284,459
Rent	23,918,588
Provisions/creditors no longer required written back	5,570,487
Other non-operating income	5,670,306
Total	38,815,251

22.1 Cost of raw material and components consumed

Particulars	(Amount in ₹)
	Year ended March 31, 2016
Inventory at the beginning of the year	470,228,897
Add: Purchases	7,657,335,093
	8,127,563,990
Less: Inventory at the end of the year (Note 18)	534,805,354
	7,592,758,636
Details of raw material and components consumed	
Plastic Powder	1,486,789,728
Bulbs	1,068,934,727
Adjustor Motors	705,782,386
Others	4,331,251,795
Total	7,592,758,636

Notes to Consolidated financial Statements for the year ended March 31, 2016

22.1 Cost of raw material and components consumed (Contd.)

(Amount in ₹)

Particulars	As at March 31, 2016
Details of inventory	
Raw material and components	
Plastic Powder	122,528,343
Bulbs	85,367,099
Adjustor Motors	28,132,854
Others	298,777,058
Total	534,805,354

22.2 Cost of moulds, tools & dies

(Amount in ₹)

Particulars	Year ended March 31, 2016
Inventory at the beginning of the year	307,716,967
Add: Purchases	596,429,419
	904,146,386
Less: Inventory at the end of the year (Note 18)	197,875,544
	706,270,842

23 (Increase)/ decrease in Inventories

(Amount in ₹)

Particulars	As at March 31, 2016
Inventories at the end of the year	
Work-in-progress (Note 18)	65,959,140
Finished goods (Note 18)	134,925,273
Traded goods (Note 18)	35,171,173
	236,055,586
Inventories at the beginning of the year	
Work-in-progress	70,598,472
Finished goods	149,795,987
Traded goods	35,073,535
	255,467,994
	19,412,408

Particulars	(Amount in ₹) Year ended March 31, 2016
Details of purchase of traded goods	
Automotive Lamps	78,726,759
Total	78,726,759

Particulars	(Amount in ₹) As at March 31, 2016
Details of Inventory	
Work-in-progress	
Automotive Lamps	58,491,290
Gear shifter	7,467,850
Total	65,959,140
Finished goods	
Automotive Lamps	127,179,668
Gear shifter	7,745,605
Total	134,925,273
Traded Goods	
Automotive Lamps	35,171,173
Total	35,171,173

Notes to Consolidated financial Statements for the year ended March 31, 2016

24 Employee benefits expense

Particulars	(Amount in ₹)
	Year ended March 31, 2016
Salaries, wages and bonus	1,205,738,921
Contribution to provident and other fund	50,334,742
Gratuity expense (note 29)	31,860,027
Staff welfare expenses	124,626,130
Commission to Directors	14,097,904
	1,426,657,724

25 Other expenses

Particulars	(Amount in ₹)
	Year ended March 31, 2016
Consumption of stores and spares	52,815,108
Packing material consumed	237,183,710
Power and fuel	443,494,504
Rent	16,510,452
Rates and taxes	15,974,692
Insurance	9,170,488
Repairs and maintenance	
-Plant and machinery	120,168,868
-Buildings	13,830,214
-Others	109,309,667
Freight and forwarding charges	224,789,472
Discount, rebates and claims	2,146,626
Cash discount on sales	27,349,136
Commission on sales - other than sole selling agent	5,331,879
Travelling and conveyance	110,962,414
Legal and Professional Fees	20,630,174
Management Support fees	123,628,508
Design, support and testing charges	21,337,846
Directors' sitting fees	1,122,100
Payment to auditors (Refer details below)	6,128,033
Donations	2,100
Royalty	174,453,661
Warranty costs	11,791,544
(Increase)/ decrease of excise duty on inventory (note 20)	(2,045,717)
Exchange difference (net)	3,006,669
Provision for doubtful debts / advances (net)	109,901
Miscellaneous expenses	89,957,960
Contribution towards Corporate Social Responsibility (note 38)	3,259,049
	1,842,419,058
Payment to Auditor	
As auditor:	
Audit fee	3,224,300
Tax audit fee	350,000
Limited Review	1,290,000
In other capacity:	
Certification fees	790,000
Reimbursement of expenses	473,733
	6,128,033

Notes to Consolidated financial Statements for the year ended March 31, 2016

26 Depreciation and amortization expense

(Amount in ₹)

Particulars	Year ended March 31, 2016
Depreciation of tangible assets	364,818,874
Amortization of intangible assets	14,169,106
	378,987,980

27 Finance costs

(Amount in ₹)

Particulars	Year ended March 31, 2016
Interest to banks	
- on term loans	52,585,682
- on cash credit	69,705,542
Interest others	1,673,315
Bank charges	10,414,308
	134,378,847

28 Earnings per share (EPS)

(Amount in ₹)

Particulars	March 31, 2016
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	520,259,966
Weighted average number of equity shares in calculating basic and diluted EPS	9,347,732
Basic and Diluted Earnings per share {Nominal value of shares of ₹ 10}	55.66

29. Gratuity benefit plan

The Company operates defined benefit 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 ₹ 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 ₹)
Gratuity

Particulars	March 31, 2016
Current service cost	11,779,340
Interest cost on benefit obligation	9,355,669
Expected return on plan assets	(9,107,168)
Net actuarial (gain) / loss recognized in the year	19,832,186
Net (benefit) / expense (Refer Note 24)	31,860,027
Actual return on plan assets	9,296,805

Notes to Consolidated financial Statements for the year ended March 31, 2016

Balance sheet

Benefit asset / (liability)

Particulars	(Amount in ₹)
	Gratuity
	March 31, 2016
Present value of defined benefit obligation	147,962,874
Fair value of plan assets	108,247,768
Plan asset / (liability)	(39,715,106)

Particulars	(Amount in ₹)
	Gratuity
	March 31, 2016
Opening defined benefit obligation	133,082,909
Current service cost	11,779,340
Interest cost	9,355,669
Benefits paid	(26,276,867)
Actuarial (gains) / losses on obligation	20,021,823
Closing defined benefit obligation	147,962,874

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

Particulars	(Amount in ₹)
	Gratuity
	March 31, 2016
Opening fair value of plan assets	118,663,555
Expected return	9,107,168
Contributions by employer	6,179,474
Benefits paid	(25,892,066)
Actuarial gains / (losses)	189,637
Closing fair value of plan assets	108,247,768

The Company expects to contribute ₹ 14,789,453 to gratuity in the next year.

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

Particulars	(Amount in ₹)
	Gratuity
	March 31, 2016
Investments with insurer	100%

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

Particulars	(Amount in ₹)
	Gratuity
	March 31, 2016
Discount rate	7.80%
Expected rate of return on assets	8.37%
Attrition rate / Employee turnover	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.

Notes to Consolidated financial Statements for the year ended March 31, 2016

Amounts for the current period are as follows:

(Amount in ₹)

Particulars

March 31, 2016

Gratuity

Defined benefit obligation	147,962,874
Plan assets	108,247,768
Surplus / (deficit)	(39,715,106)
Experience adjustments on plan liabilities	20,021,823
Experience adjustments on plan assets	189,637

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.

(Amount in ₹)

Particulars

**Year ended
March 31, 2016**

Salaries, wages and bonus	429,901
Repair and Maintenance – Plant & Machinery	67,524
Repair and Maintenance – Others	5,032,367
Deprecation	140,245
Miscellaneous Expenses	23,768,269
Total	29,438,306

31. 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:

Revenue from operations by Geographical Market (Net of Excise Duties)

(Amount in ₹)

S. Particulars

No.

March 31, 2016

1 Domestic Market	12,252,216,443
2 Overseas Market	299,535,922
Total	12,551,752,365

Trade Receivables: The following table shows the distribution of the Company's trade receivables by geographical market:

(Amount in ₹)

S. Particulars

No.

March 31, 2016

1 Domestic	1,724,817,408
2 Overseas	87,086,067
Total	1,811,903,475

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

Notes to Consolidated financial Statements for the year ended March 31, 2016

32. Related party disclosures

Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

S. Particulars No.	Name of Related Parties
1. Enterprise having significant influence	Stanley Electric Co. Ltd., Japan
2. Key Management Personnel	Mr. D. K. Jain (Chairman) Mr. Deepak Jain (Managing Director) Mr. Anmol Jain (Joint Managing Director) Mr. E. Hirooka (Sr. Executive Director) Mr. N. Sato (Executive Director)
3. 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)
4. Enterprise owned or significantly influenced by Key Management Personnel or their Relatives	Lumax Auto Technologies Limited Lumax DK Auto Industries Limited Lumax Tours & Travels Limited Lumax Finance Private Limited Lumax Ancillary Limited Mahavir Udyog D.K. Jain & Sons (HUF) Lumax Automotive Systems Limited Bharat Enterprises Lumax Cornaglia Auto Technologies Private Limited Lumax Mannoh Allied Technologies Limited Lumax Management Services Private Limited Lumax Energy Solutions Private Limited

Notes to Consolidated financial Statements for the year ended March 31, 2016

Detail of Related Party Transactions for the Financial Year 2015-16

S. Account Head No	(Amount in ₹)				
	Enterprise having significant influence	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	2015-16	2015-16	2015-16	2015-16	2015-16
A) TRANSACTIONS					
i) Sale of Raw Materials and Components					
Lumax Auto Technologies Ltd.	-	-	-	72,104,208	72,104,208
Lumax DK Auto Industries Ltd.	-	-	-	15,389,363	15,389,363
Lumax Ancillary Ltd.	-	-	-	27,982,772	27,982,772
Bharat Enterprises	-	-	-	320,443	320,443
Lumax Mannoh Allied Technologies Ltd.	-	-	-	2,419,516	2,419,516
Total (i)	-	-	-	118,216,302	118,216,302
ii) Sale of finished goods					
Lumax Auto Technologies Ltd.	-	-	-	539,229,421	539,229,421
Lumax DK Auto Industries Ltd.	-	-	-	7,180,918	7,180,918
Lumax Mannoh Allied Technologies Ltd.	-	-	-	5,219,005	5,219,005
Total (ii)	-	-	-	551,629,344	551,629,344
iii) Sale of Fixed Assets					
Lumax DK Auto Industries Ltd.	-	-	-	9,214	9,214
Lumax Auto Technologies Ltd.	-	-	-	4,204,578	4,204,578
Lumax Management Services PLtd.	-	-	-	9,268,726	9,268,726
Mahavir Udyog	-	-	-	142,682	142,682
Total (iii)	-	-	-	13,625,200	13,625,200
iv) Sale of services					
Lumax Auto Technologies Ltd.	-	-	-	884,880	884,880
Lumax DK Auto Industries Ltd.	-	-	-	153,530	153,530
Lumax Ancillary Ltd.	-	-	-	125,207	125,207
Stanley Electric Co. Ltd.	8,109,016	-	-	-	8,109,016
Mahavir Udyog	-	-	-	21,671	21,671
Bharat Enterprises	-	-	-	28,437	28,437
Total (iv)	8,109,016	-	-	1,213,725	9,322,741
v) Purchase of Raw Materials, Components and Moulds					
Lumax Auto Technologies Ltd.	-	-	-	321,665,390	321,665,390
Lumax DK Auto Industries Ltd.	-	-	-	994,031,437	994,031,437
Lumax Ancillary Ltd.	-	-	-	453,026,614	453,026,614
Bharat Enterprises	-	-	-	162,301,096	162,301,096
Mahavir Udyog	-	-	-	16,714,227	16,714,227
Stanley Electric Co. Ltd.	79,696,539	-	-	-	79,696,539
Lumax Mannoh Allied Technologies Ltd.	-	-	-	183,568	183,568
Total (v)	79,696,539	-	-	1,947,922,332	2,027,618,871
vi) Purchase of Packing Material					
Mahavir Udyog	-	-	-	134,942,334	134,942,334
Total (vi)	-	-	-	134,942,334	134,942,334

Notes to Consolidated financial Statements for the year ended March 31, 2016

Detail of Related Party Transactions for the Financial Year 2015-16

S. No	Account Head	(Amount in ₹)			
		2015-16	2015-16	2015-16	2015-16
	Enterprise having significant influence	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
vii) Purchase of Spares & Samples					
	Stanley Electric Co. Ltd.	-	-	-	756,282
	Lumax DK Auto Industries Ltd.	756,282	-	1,323,688	1,323,688
	Total (vii)	756,282	-	1,323,688	2,079,970
viii) Purchase of Finished Goods					
	Stanley Electric Co. Ltd.	46,570	-	-	46,570
	Total (viii)	46,570	-	-	46,570
ix) Purchase Of Services					
	Lumax Tours & Travels Ltd.	-	-	39,319,316	39,319,316
	Total (ix)	-	-	39,319,316	39,319,316
x) Technical Charges					
	Design, Drawing & Testing Charges				
	Stanley Electric Co. Ltd.	130,061,632	-	-	130,061,632
	Lumax Mamoh Allied Technologies Ltd.	-	-	37,791	37,791
	Management Support Fee				
	Stanley Electric Co. Ltd.	61,104,275	-	-	61,104,275
	Lumax Management Services PLtd.	-	-	71,283,579	71,283,579
	Total (x)	191,165,907	-	71,321,370	262,487,277
xi) Rent Received					
	Lumax Auto Technologies Ltd.	-	-	9,206,993	9,206,993
	Lumax Tours & Travels Ltd.	-	-	225,063	225,063
	Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	4,441,840	4,441,840
	Lumax DK Auto Industries Ltd.	-	-	300,079	300,079
	Lumax Energy Solutions PLtd.	-	-	14,313	14,313
	Total (xi)	-	-	14,188,288	14,188,288
xii) Rent Paid					
	Mr. D.K. Jain	-	1,640,896	-	1,640,896
	Lumax DK Auto Industries Ltd.	-	-	13,734,595	13,734,595
	Total (xii)	-	1,640,896	13,734,595	15,375,491
xiii) Managerial Remuneration					
	Mr. Deepak Jain	-	11,495,966	-	11,495,966
	Mr. Anmol Jain	-	5,366,405	-	5,366,405
	Mr. E.Hirooka	-	2,220,412	-	2,220,412
	Mr. N.Sato	-	2,458,623	-	2,458,623
	Total (xiii)	-	21,541,406	-	21,541,406
xiv) Royalty (gross)					
	Stanley Electric Co. Ltd.	174,453,661	-	-	174,453,661
	Total (xiv)	174,453,661	-	-	174,453,661

Notes to Consolidated financial Statements for the year ended March 31, 2016

Detail of Related Party Transactions for the Financial Year 2015-16

S. Account Head No	(Amount in ₹)				
	Enterprise having significant influence	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	2015-16	2015-16	2015-16	2015-16	2015-16
xv) Commission					
Mr. D. K. Jain	-	4,560,511	-	-	4,560,511
Mr. Deepak Jain	-	9,750,189	-	-	9,750,189
Mr. Anmol Jain	-	4,347,715	-	-	4,347,715
Total (xv)	-	18,658,415	-	-	18,658,415
xvi) Dividend Paid					
Mr. D. K. Jain	-	33,915,438	-	-	33,915,438
Mr. Deepak Jain	-	2,392,443	-	-	2,392,443
Mr. Anmol Jain	-	941,115	-	-	941,115
Mr. M. K. Jain	-	10,500	-	-	10,500
Mr. U. K. Jain	-	27,265	-	-	27,265
Mrs. Usha Jain	-	-	2,528,453	-	2,528,453
D K Jain and Sons (HUF)	-	-	-	2,186,975	2,186,975
Lumax Finance Pvt. Ltd.	-	-	-	7,301,928	7,301,928
Lumax Auto Technologies Ltd.	-	-	-	9,187,500	9,187,500
Lumax Automotive Systems Ltd.	-	-	-	18,900	18,900
Stanley Electric Co. Ltd.	58,509,168	-	-	-	58,509,168
Others	-	-	490,525	-	490,525
Total (xvi)	58,509,168	37,248,996	3,056,743	18,695,303	117,510,210
xvii) Others (Net of Income/(Expenditure))					
Lumax Auto Technologies Ltd.	-	-	-	(777,216)	(777,216)
Lumax DK Auto Industries Ltd.	-	-	-	(508,303)	(508,303)
Lumax Ancillary Ltd.	-	-	-	(292,802)	(292,802)
Lumax Mannoh Allied Technologies Ltd.	-	-	-	(61,612)	(61,612)
Lumax Automotive Systems Ltd.	-	-	-	875,088	875,088
Lumax Management Services P.Ltd	-	-	-	(268,904)	(268,904)
Lumax Energy Solutions P.Ltd.	-	-	-	(769,586)	(769,586)
Stanley Electric Co. Ltd.	1,605,617	-	-	-	1,605,617
Total (xvii)	1,605,617	-	-	(1,803,335)	(197,718)
xviii) Leave Liability and Gratuity Transfer					
Lumax Management Services P.Ltd	-	-	-	(20,502,525)	(20,502,525)
Total (xviii)	-	-	-	(20,502,525)	(20,502,525)
B) BALANCES AT THE YEAR END					
i) Receivables					
Lumax Auto Technologies Ltd.	-	-	-	178,079,135	178,079,135
Lumax DK Auto Industries Ltd.	-	-	-	12,070,974	12,070,974
Lumax Cornaglia Auto Technologies Pvt. Ltd.	-	-	-	679,250	679,250
Lumax Tours & Travels Ltd	-	-	-	34,256	34,256
Bharat Enterprises	-	-	-	67,683	67,683
Lumax Ancillary Ltd.	-	-	-	4,302,198	4,302,198
Lumax Mannoh Allied Technologies Ltd.	-	-	-	994,556	994,556
Total (i)	-	-	-	196,228,042	196,228,042

Notes to Consolidated financial Statements for the year ended March 31, 2016

Detail of Related Party Transactions for the Financial Year 2015-16

(Amount in ₹)

S. No	Account Head	Enterprise having significant influence	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
		2015-16	2015-16	2015-16	2015-16	2015-16
ii)	Payables					
	Lumax Auto Technologies Ltd.	-	-	-	113,657,020	113,657,020
	Lumax DK Auto Industries Ltd.	-	-	-	349,492,019	349,492,019
	Lumax Mannoh Allied Technologies Ltd.	-	-	-	9,848	9,848
	LumaxTours & Travels Ltd.	-	-	-	3,792,535	3,792,535
	Lumax Ancillary L.td.	-	-	-	120,045,127	120,045,127
	Bharat Enterprises	-	-	-	45,088,996	45,088,996
	Mahavir Udyog	-	-	-	46,239,326	46,239,326
	Lumax Management Services P.Ltd	-	-	-	15,400,857	15,400,857
	Lumax Energy Solutions P.Ltd.	-	-	-	769,586	769,586
	Stanley Electric Co. Ltd.	153,620,892	-	-	-	153,620,892
	Total (ii)	153,620,892	-	-	694,495,314	848,116,206
iii)	Security Deposit Payable					
	Lumax Auto Technologies Ltd.	-	-	-	25,000,000	25,000,000
	Total (iii)	-	-	-	25,000,000	25,000,000

Notes to Consolidated financial Statements for the year ended March 31, 2016

33. Capital and other commitments

(Amount in ₹)

S. Particulars

No.		March 31, 2016
1.	Estimated amount of contracts (Net of advances paid during the year ₹ 42,168,002) remaining to be executed on capital account and not provided for	63,366,133

The Company's share in capital commitments of its associate, SL Lumax Limited is ₹15,662,014.

34. Contingent liabilities

(Amount in ₹)

S. Particulars

No.		March 31, 2016
(i)	Bills of exchange discounted from a bank	247,106,673
(ii)	Various other claims of Sales Tax Matters made against the Company on account of non-submission of statutory forms etc. being disputed by the Company.	2,520,457
(iii)	Demand of Central Sales Tax for FY 2010-11 which is subject to submission of C-Form & H-Form.	2,140,602
(iv)	Demand in respect of non-reversal of proportionate cenvat credit @ 0.6% against providing exempt services i.e. trading	1,088,154
(v)	Demand of Cenvat Credit for 2011-2015 in respect of service tax paid on the outward transportation	3,209,812
(vi)	In respect of additions made by the Assessing officer for Assessment Year 2009-10 and confirmed by DRP for which the Company has filed an appeal before ITAT and ITAT has decided in favour of the company vide order dated 22.04.2016	563,918
(vii)	In respect of additions made by the Assessing officer for Assessment Year 2010-11 and confirmed by DRP for which the Company has filed an appeal before ITAT	177,323
(viii)	Liability of Customs duty towards export obligation undertaken by the Company under EPCG licenses	150,404,202
(ix)	Letter of credit	21,552,216
(x)	Bank Guarantees	287,364,400

The Company's share in contingencies of its associate, SL Lumax Limited is ₹ 1,310,111.

The current year amount relating to income tax does not include interest.

Based on the favourable decisions in similar cases/advice taken by the Company & based on management's internal assessment, the Company believes that it has good case in respect of all the items listed above and hence no provision there against is considered necessary.

Notes to Consolidated financial Statements for the year ended March 31, 2016

35. Derivative instruments and unhedged foreign currency exposure

(a) Derivatives outstanding as at the reporting date

Particulars	Purpose
Cross Currency cum interest rate swap – USD 4,687,500 Notional amount ₹ 310,570,312	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

Particulars	Foreign Currency	(Amount in ₹)		Exchange Rate
		March 31, 2016	Amount (in Foreign Currency) March 31, 2016	(Amount in ₹) March 31, 2016
Trade Payable	EUR	365,054	4,842	75.40
	JPY	50,141,073	85,006,482	0.5899
	USD	166,495,082	2,512,944	66.26
	CHF	505,347	7,326	68.98
	SGD	123,943	2,516	49.27
Advance Recoverable	EUR	2,354,835	31,233	75.40
	CHF	3,088,235	44,770	68.98
	USD	183,301,669	2,766,609	66.26
Trade Receivable	EUR	7,915,290	104,984	75.40
	GBP	19,064,364	199,684	95.47
	USD	60,106,413	907,198	66.26

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

(Amount in ₹)

Particulars

	March 31, 2016
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	722,444
Interest due on above	19,716
	742,160
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.	212,582
The amount of interest accrued and remaining unpaid at the end of each accounting year.	589,595
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	-

Notes to Consolidated financial Statements for the year ended March 31, 2016

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

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

(Amount in ₹)

March 31, 2016

Particulars	
a. Capital Expenditure	
Capital expenditure	17,154,739
b. Revenue Expenditure	
Salaries, Allowances and Bonus	73,028,979
Contribution to Provident Fund	3,586,926
Contribution to Other Funds	206,830
Staff Welfare	12,120,633
Provision for Retirement Benefit	2,110,993
Insurance	346,346
Repair & Maintenance	12,277,078
Travelling & Conveyance	29,025,564
Research & Development	1,120
Electricity	808,238
Miscellaneous	4,676,826
Design, Support & Testing Charges	1,522,488
Material/Consumable/Spares	95,830
Depreciation	15,153,808
Financial Cost	745,982
Total	155,707,641

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

(Amount in ₹)

March 31, 2016

Particulars	
a. Capital expenditure	
Capital expenditure	7,463,762
b. Revenue Expenditure	
Salaries, Allowances and Bonus	44,708,512
Contribution to Provident Fund	2,147,793
Contribution to Other Funds	189,125
Staff Welfare	5,474,640
Provision for Retirement Benefit	1,333,692
Insurance	170,070
Repair & Maintenance	5,091,501
Travelling & Conveyance	11,521,068
Research & Development	61,383
Legal & Professional Expenses	3,596,647
Design, Support & Testing Charges	387,948
Material / Consumables / Spares	40,538
Electricity	2,337,783
Miscellaneous	1,821,636
Depreciation	8,137,997
Financial Cost	218,462
Total	87,238,795

Notes to Consolidated financial Statements for the year ended March 31, 2016

38. Corporate Social Responsibility (CSR)

As per the provisions of section 135 of the Companies Act, 2013, the Company had to spend atleast 2% of the average profits of the preceding three financial years towards CSR. Accordingly, a CSR committee has been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013 which amounts to ₹ 2,016,882. The Company has spend an amount of ₹ 3,259,049 and has accordingly charged the same to the statement of Profit & Loss.

39. 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.

40. The assets of ₹ 239,219,298 recognized by the Company as 'MAT Credit Entitlement' under 'Loans and Advances' represents that portion of MAT, 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.

41. Previous year comparatives

The Company has not provided the comparative financial information in view of the transitional Provisions of Accounting standard-21 exempting the Company in case of its first consolidated financial statements.

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI firm registration number: 301003E/E300005

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

per Vikas Mehra
Partner
Membership No. 94421

D. K. Jain
Chairman
DIN: 00085848

Deepak Jain
Managing Director
DIN: 00004972

Place : New Delhi
Date : May 12, 2016

Shruti Kant Rustagi
Chief Financial Officer

Shwetank Tiwari
Company Secretary

“

THE HISTORY OF THE WORLD IS FULL
OF MEN WHO ROSE TO LEADERSHIP, BY
SHEER FORCE OF SELF-CONFIDENCE,
BRAVERY AND TENACITY.

”

MAHATMA GANDHI

LUMAX

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