



LUMAX AUTOMOTIVE SYSTEMS LIMITED

**BOARD OF DIRECTORS**

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

**VICE PRESIDENT (LEGAL)
& COMPANY SECRETARY**

Ms. Monika Gupta

REGISTRAR & TRANSFER AGENT

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

REGISTERED OFFICE

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

BANKERS

Syndicate Bank
IDBI Bank Ltd.

AUDITORS

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

CORPORATE OFFICE

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

WORKS

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

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Lumax Automotive Systems Ltd.

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the members of Lumax Automotive Systems Limited will be held on Wednesday, the 4th day of September 2013 at 10.00 A.M. at The Executive Club, 439, Village Shahoarpur, P.O. Fatehpur Beri, New Delhi- 110 074 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the financial year ended March 31, 2013 and the Balance Sheet as at that date together with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Milan Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Rajendra Prasad Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. R. Jain & Sanjay Associates, Chartered Accountants, New Delhi, the retiring Auditors of the Company, as the Statutory Auditors of the Company having firm registration no.012377N on remuneration as may be fixed by the Board of Directors.

NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and on a poll, vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must reach the company at its registered office at least 48 hours before the time fixed for the meeting. A Proxy form is attached herewith.
2. The register of members and the share transfer books of the company will remain closed from August 22, 2013 to September 4, 2013(both days inclusive).
3. Members/Proxies are requested to bring the attendance slips duly filled in for attending the meeting and also their copy of annual report.
4. Members are advised that no gift/gift coupons will be distributed at the annual general meeting of the company.

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

Place: New Delhi
Date: 05/08/2013

**Monika Gupta
Company Secretary**

Details of the directors seeking re-appointment/appointment in annual general meeting scheduled on September 4, 2013.

Name of director	Date of birth	Date of appointment	Qualifications	Expertise in specific functional area	Name of the Companies in which also holds directorship	Name of Companies in the committees of which holds membership/ chairmanship
Mr. Milan Jain	03/12/1981	31/08/2010	BBA	10 years experience in auto industry.	Lumax Indrani Developers Ltd. Lumax Automotive Care Ltd.	Nil
Mr. Rajendra Prasad Agrawal	02/10/1951	26/05/2012	B.Sc	Wide experience in trading business of steel and also provide consultancy in DPS Megacity Kolkata	Nil	Nil



DIRECTORS' REPORT

To the members of
LUMAX AUTOMOTIVE SYSTEMS LIMITED

Your Directors have pleasure in presenting the 13th Annual Report together with audited accounts of the Company for the year ended 31st March 2013.

Financial Results:

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

Rs in million

	2012-2013	2011-2012
SALES (excluding excise duty)	1119.08	1120.33
Profit (before interest, dep. & tax)	161.23	138.23
Exceptional Item	11.32	(22.26)
Interest	90.41	86.39
Depreciation	36.85	35.97
Tax provision	6.86	6.18
Profit/Loss after tax	15.79	31.95

Dividend:

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

Operations:

Your Company's total turnover during the year under review was Rs.1119.08 million as compared to Rs. 1120.33 million during the previous year.

Directors:

In accordance with the requirement of the Companies Act, 1956 and Articles of Association of the Company, Mr. Milan Jain and Mr. Rajendra Prasad Agrawal are liable to retire by rotation and being eligible offer themselves for reappointment. Brief resume of the directors re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of board committees, shareholding and relationships between directors inter-se, as stipulated under clause 49 of the listing agreements with the stock exchanges, are annexed elsewhere in this report.

Auditors and Auditors' report:

M/s R. JAIN & SANJAY ASSOCIATES, Auditors of the Company, are retiring at the conclusion of the ensuing Annual General Meeting of the Company and are eligible for reappointment and have confirmed that their reappointment if made, shall be within the limits of the section 224 (1B) of the Companies Act, 1956. The board recommends the reappointment of M/s R. JAIN & SANJAY ASSOCIATES as Auditors of the Company.

The observations of the Auditors in their report are self-explanatory and do not call for any further comments from the directors.

Cost Auditors:

The Company has appointed M/s Vipul Bhardwaj & Co. as the cost auditors for conducting the cost audit for the financial year 2012-13.

Management Discussion and Analysis Report:

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

Corporate Governance:

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

Deposits:

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

Particulars of Employees:

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

However, having regard to the provisions of section 219(1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the

members of the Company and others entitled thereto. Any members interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

Transfer of amounts to Investor Education and Protection Fund:

Pursuant to the provisions of section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

Pursuant to the provision of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on 10/09/12 on the Ministry of Corporate Affairs website.

Listing:

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

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

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

Conservation of energy:

The Company has always been conscious about the need for conservation of energy. Electricity and Fuel consumption per unit of production were monitored regularly at all the manufacturing plants and corrective actions have been taken wherever needed.

Technology absorption:

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

Foreign Exchange Earning and Outgo:

This information is given in notes to accounts at point No.7 and 8.

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

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

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

Industrial Relation:

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

Acknowledgement:

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

Place: New Delhi
Date: 05/08/2013

For & On behalf of the Board of Directors

U. K. Jain
Chairman

Nitin Jain
Managing Director

Lumax Automotive Systems Ltd.

CORPORATE GOVERNANCE REPORT

Company's Philosophy:

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

Board of Directors:

The board of directors comprises of six directors out of which four are non-executive directors. The board consists of three promoter directors, being one managing director, one executive director and one non-executive director. The Company has a non-executive Chairman and one third of the total number of directors comprises of independent director.

During the year under review 10 board meetings were held on May 15, 2012, May 26, 2012, June 12, 2012, August 10, 2012, September 13, 2012, November 8, 2012, December 7, 2012, January 11, 2013, February 14, 2013 and March 31, 2013. Details of composition and category of the board, attendance of directors in the board meetings and last AGM, number of directorships and chairmanships/memberships of committee of each director held in other public companies are shown below:

Name of Director	Category	No. of Board Meeting attended	Last AGM attended	No. of Directorship in other public companies	No. of Committee positions held in other Public companies		Relationship, Inter-se
					Chairman	Member	
U.K. Jain	Non-Executive Chairman, Promoter	10	No	-	-	-	Related as father to Mr. Nitin Jain & Mr. Milan Jain
Nitin Jain	Executive, Promoter	10	Yes	2	-	-	Related as son to Mr. U.K. Jain
Milan Jain	Executive, Promoter	10	Yes	2	-	-	Related as son to Mr. U.K. Jain
Vinay Panchmiya	Non-Executive, Independent	10	Yes	-	-	-	Not related to any Director
Prem Das Gandhi	Non-Executive, Independent	10	Yes	-	-	-	Not related to any Director
Rajendra Prasad Agrawal*	Non-Executive, Independent	7	No	-	-	-	Not related to any Director

* Mr. Rajendra Prasad Agrawal has joined the Board w.e.f. May 26, 2012.

Code of Conduct

The Board has laid down a code of conduct for all board members and senior management of the Company, which is also available on the website of the Company. All board members and senior management that includes Company executives who report affirmed their compliance with the said code. A declaration signed by the managing director to this effect is provided elsewhere in the annual report.

Audit Committee

The Company constituted audit committee in terms of the provisions of Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

The audit committee assists the board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the cost auditors, the performance of internal auditors and Company's risk management policies.

The audit committee comprises of four non-executive directors with majority of them being independent Directors.

Composition of the Audit Committee: -

Name of the Directors	Meetings held	Meeting attended
Mr. Vinay Panchmiya – Chairman	4	4
Mr. Prem Das Gandhi- Member	4	4
Mr. U. K. Jain - Member	4	4
Mr. Rajendra Prasad Agrawal- Member	4	4

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

During the year, the Committee met 4 times on May 15, 2012, August 10, 2012 and November 8, 2012 and February 14, 2013.

The audit committee reviews the following information:

- The management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of internal auditors.

Remuneration Committee

The terms of reference of the remuneration committee in brief pertain to determine the Company's policy on and approve specific remuneration packages for executive directors after taking into account financial position of the Company, interest of the Company and shareholders etc. During the year, the Committee met once on August 10, 2012.

Composition of the Remuneration Committee: -

Name of the Directors	Meetings held	Meeting attended
Mr. Rajendra Prasas Agrawal- Chairman	1	1
Mr. Prem Das Gandhi	1	1
Mr. Vinay Panchmiya	1	1

• Remuneration of whole time and Managing Directors:

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Total (Rs.)
Mr. Nitin Jain, Managing Director	2688014	1989773	4677787
Mr. Milan Jain, Executive Director	2688014	1984407	4672421

The non-executive directors have not drawn any remuneration from the Company, except sitting fees for attending meetings of the board and committees.

Mr. U.K. Jain, non-executive director holding 3523704 equity shares of the Company on March 31, 2013.

The Company has no stock option scheme and hence, no stock options are granted to non-executive directors.

Shareholders' Committee

The objective of the committee is to monitor the redressal of shareholders and investors complaints relating to transfer of shares, non-receipt of annual report, issue of duplicate shares etc.

During the period under review, one shareholders' committee meeting was held on August 10, 2012.

Composition of the Shareholders' Committee: -

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

Ms. Monika Gupta, Company Secretary is the compliance officer of the Company.

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

Compliance officer:

Ms. Monika Gupta, Vice President (Legal) & Company Secretary is the compliance officer for complying with the requirements of the Securities Laws and the Listing Agreements with the Stock Exchanges.

General Body Meeting:

Details of the annual general meeting held during the last three years are as follows: -

Year	Date	Time	Venue	Special Resolution Passed
2011-12	24/09/2012	10.00 A.M.	The Executive Club, New Delhi	N.A.
2010-11	28/09/2011	10.00 A.M.	The Executive Club, New Delhi	N.A.
2009-10	30/09/2010	10.00 A.M.	The Executive Club, New Delhi	N.A.

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

Disclosure

- During the year under review, the Company had entered into transactions in the normal course of business with some of the entities in which some of the directors are interested and which have been disclosed adequately in the notes forming part of the accounts. There was no potential conflict of interest with that of the Company.
- The Company does not have a separate whistle blower policy. However, the code of conduct of the Company reflects the mechanism by which the employees may report to the management their concerns about unethical behaviours, actual or suspected frauds or violation of the Company's code of conduct or ethics policies.
- During the year under review, there are no materially significant related party transactions which have a potential conflict with the interests of the Company at large.
- The Company has laid down a code of conduct for prevention of Insider Trading in the shares of the Company in accordance with SEBI (Prohibition of Insider Trading) Regulation, 1992.
- The Company has complied with various rules and regulations prescribed by the stock exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authorities on all matters relating to the capital markets, and no penalties or strictures have been imposed on the Company by any of them in this regard during the last three years.
- The Company has followed the accounting standards laid down by the Institute of Chartered Accountants of India.
- The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement.
- NON-MANDATORY REQUIREMENTS relating to Remuneration Committee have been adopted by the Company. Please see the para on Remuneration Committee for details.**

Lumax Automotive Systems Ltd.

Means of Communication

- The Company publishes un-audited quarterly financial results normally in "Financial Express" (English) and "Jansatta" (Hindi) newspapers. The results are displayed on the website of the Company at www.lumaxauto.com.
- Management discussion and analysis forms the part of the annual report.
- All material information about the Company is promptly sent through facsimile to the stock exchanges where the shares of the Company are listed.
- The NEAPS and listing center of BSE are the web based application designed by NSE and BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, etc. are filed electronically on NEAPS and listing center of BSE.
- The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of action taken reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

General information to shareholders:

- **Date and Venue of the AGM** : 4th September 2013 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074
- **Financial Year** : 1st April to 31st March.
- **Book Closure Date** : 22nd August to 4th Sept. 2013 (both days inclusive)
- **Listing on Stock Exchanges & (Stock Code)** : The Stock Exchange, Mumbai (532537)
National Stock Exchange (Lumaxauto)
ISIN No. "INE547G01019"
- **Payment of Listing Fees** : Annual listing fee for the year 2013-14 has been paid by the Company to BSE and NSE.
- **Payment of Depository Fees** : Annual custody/issuer fee for the year 2013-14 has been paid by the Company to NSDL.
- **Unclaimed Suspense Account**
As per clause 5A (II) of the listing agreement amended by Securities and Exchange Board of India (SEBI) vide their circular No. CIR/CFD/DIL/10/2010, the Company has opened an unclaimed suspense account relating to unclaimed shares with the depository participant Elite Wealth Advisors Ltd. Having the DPID / CLID IN301670/10286695 in the Name of Lumax Automotive Systems Ltd- Unclaimed Suspense Account at S-8, Second Floor, DDA Shopping Complex, Mayur Vihar, Phase-I, New Delhi-11009. The company has transferred 41855 equity shares belongs to 1344 shareholders in unclaimed suspense account.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares at the beginning of the year	1344	41965
Number of shareholders whose unclaimed shares have been transferred into Unclaimed Suspense Account during the year	1	15
Number of shareholders who approached for issue/transfer of shares during the year 2012-13	1	125
Number of shareholders to whom shares were issued/ transferred	1	125
Aggregate number of shareholders and outstanding shares lying at the end of the year	1344	41855

The voting rights on the shares outstanding in the suspense accounts as on March 31, 2013 shall remain frozen till the rightful owner of such shares claims the shares.

- **Transfer of unpaid/unclaimed amounts to Investors' Education & Protection Fund (IEPF)**
During the year under review, the Company has credited Rs.126466/- , lying in the unpaid dividend account, to Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. The Company has uploaded the information regarding unpaid and unclaimed amounts lying with Company as on August 12, 2012 on the website of Ministry of Corporate Affairs.

Unclaimed dividend when due for transfer to Investors' Education & Protection Fund (IEPF) is given below:

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

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

Stock Market Data

Stock Exchange	Bombay Stock Exchange		National Stock Exchange	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Mar-13	21.25	16.20	21.35	16.50
Feb-13	25.00	20.00	24.95	20.00
Jan-13	25.75	23.15	25.80	22.75
Dec-12	27.00	23.00	27.95	20.00
Nov-12	26.40	23.50	28.70	22.20
Oct-12	27.80	24.25	28.55	22.05
Sep-12	25.55	23.10	26.50	22.05
Aug-12	25.35	22.05	25.60	21.75
Jul-12	28.90	23.30	27.70	23.20
Jun-12	28.80	23.10	29.15	23.40
May-12	27.70	23.90	27.60	24.00
Apr-12	32.30	25.05	30.85	25.15

Share Price Performance :



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

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

- **Distribution of Shareholding** : As on 31st March, 2013

No. of Shares	No. of Shareholders		Total Shares	%
	Number	%		
Up to 500	15807	97.82	689113	9.31
501 – 1000	191	1.18	149000	2.01
1001 – 2000	82	0.51	119760	1.62
2001 – 3000	23	0.14	59095	0.80
3001 – 4000	9	0.06	30983	0.42
4001 – 5000	10	0.06	45324	0.61
5001 – 10000	14	0.09	92608	1.25
10001 and above	24	0.15	6218223	83.98
Total	16160	100.00	7404106	100.00

- **Shareholding pattern** : As on 31st March, 2013

Category	No. of shares held	(%) of shareholding
Promoters/Group Companies	5356599	72.35
Mutual Funds & UTI	1040	0.01
Banks/Financial Institutions	460	0.01
FII's	110	0.00
Private Corporate Bodies	601158	8.12
Indian Public	1418722	19.17
NRIs/OCBs	3310	0.04
HUF	22029	0.30
Any other (clearing member)	678	0.01
Total	7404106	100

- **Dematerialization of shares and liquidity:**

As on 31st March 2013, 95.99% of the Paid up equity capital of the Company was in the dematerialized mode. The shares of the Company are tradable compulsorily in electronic form.

- **Outstanding GDRs/ADRs/ Warrants:**

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

- **Plant Locations:** **Haryana**

- Plot No.46, Sector-3, IMT, Manesar, Gurgaon
- 10, Indraprastha Estate, 12/2, Mathura Road, Faridabad
- Plot No. 78, Sector-6, Faridabad

Maharashtra

- D-2/44, MIDC Industrial Area, Chinchwad, Pune
- D-2 Block, Plot No.29/5, MIDC Industrial Area, Chinchwad, Pune
- C-10, MIDC Industrial Area, Waluj, Aurangabad

- **Correspondence Address:**

Of the Company-

Lumax Automotive Systems Limited,
63-64, Gokhale Market, Delhi-110054
Ph. : 011- 23914320-21, Fax: 011- 23916350
e-mail : cs@lumaxauto.com

- **Regarding Shares-**

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

E-mail id for investor grievances : cs@lumaxauto.com

Compliance Certificate of the Auditors

Certificate from the auditors of the Company, M/s R. Jain and Sanjay Associates, confirming compliance with the conditions of corporate governance as stipulated under clause 49, is attached to the directors' report forming part of the annual report.

MANAGEMENT DISCUSSION & ANALYSIS

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements.

Industry Structure and Developments

The Indian auto and auto components industry is currently facing its most formidable challenge – that of slowing demand; and that too across the board. After a frenzied period of 2009-10 and 2010-11 when all automotive spots - domestic OEMs, exports and replacement market - shone bright, the year 2011-12 marked the commencement of a slowdown phase as volumes in the domestic Passenger Vehicle (PV) and Medium & Heavy Commercial Vehicle (M&HCV) segments began to stutter. If the year 2011-12 was bad, the year 2012-13 has turned out to be worse as other segments too including the domestic Two-Wheeler (2W) segment as also exports to overseas OEMs and tier-1 players have come into the grips of the slowdown.

Overall Indian Automobile Industry has shown marginal growth in FY 2012-13 compare to last FY 2011-12. According to Autobei Consulting Group (ACG), Production and Domestic sales has registered growth of 1.20% and 2.61%, however export is negative growth due to negative global environment and fluctuation.

Passenger car sales in India fell 7 percent in FY2013, the first such decline in over a decade, based on the data provided by Society of Indian Automobile Manufacturers (SIAM). The industry body is, however, hopeful of a pickup in FY14 Overall, last financial year, Commercial Vehicles sales were down 2 percent and motorcycle sales saw only marginal growth. Sales across passenger cars, medium & heavy commercial vehicles and two-wheelers have been hit amid expensive loans, rising fuel prices and the overall economic slowdown too has dampened. The overall economic activity remains weak, hurting M&HCV sales, SIAM pointed out. Weak rural demand had also hit passenger vehicles sales.

Opportunities & Threats

a) Opportunities

The Indian automotive industry has emerged as a 'sunrise sector' in the Indian economy. India is emerging as one of the world's fastest growing passenger car markets and second largest two wheeler manufacturer. It is also home for the largest motor cycle manufacturer and fifth largest commercial vehicle manufacturer.

The Government of India allows 100 per cent FDI in the automotive industry through automatic route. The rapid improvement in infrastructure, huge domestic market, increasing purchasing power, established financial market and stable corporate governance framework have made the country a favourable destination for investment by global majors in the auto industry, as per Automotive Mission Plan (AMP) (2006-16).

b) Threats

Although The Government of India has made many supportive policies for the development of Auto industries but there are some threats viz. deregulation of diesel prices, increase in the cost of raw material, consistent fuel hikes, falling of the price of Rupee and industry's lacklustre performance due to global fluctuations are important threats factors which could be hindering in the overall development of the Auto industries and these factors are also imposable on your company.

Future Outlook

India is expected to become the 11th largest market for Renault by the end of 2013. India is expected to be a critical global hub for the firm along with Brazil, Russia and, perhaps, another country in the ASEAN region. Moreover, the introduction of alternative fuels like hydrogen and bio fuels

needs to be promoted to ensure sustainability of the industry over the long term. But the unfavourable policies of the government in terms of deregulation of fuel prices, falling of the value of Rupee in international market, unfavourable global fluctuation and the cash crunch caused due to inflationary concerns and high fiscal deficit is likely to continue and cause a slowdown in industrial and infrastructure growth in the first half of the year.

Risk & Concerns

The cash crunch caused due to inflationary concerns and high fiscal deficit is likely to continue and cause a slowdown in industrial and infrastructure growth in the first half of the year.

The global economy continues to be soft which may have some impact on export volumes in the first half of the year.

Measures to mitigate risks

To counter the slowdown in economic growth, it is imperative to maintain focus and leadership in the domestic market. New product / market development, overall portfolio diversification and better market penetration for existing products will continue to be focus areas for your Company.

Continued focus on our efforts to reduce direct material cost, with initiatives like 'Accelerated Cost Efficiency' (ACE) and Six Sigma will help maintain cost leadership in the domestic market and enable your Company to remain the preferred source for exports.

Internal control systems and their adequacy

The company has a system of internal controls in place to ensure that all the transactions are properly recorded and authorized. The internal control system is supplemented by documentary policies and procedures. The same is further supplemented by a program of audits by the internal auditors who periodically present their observations to the audit committee. The systems and procedures followed by the company give reasonable assurance for the security of its assets and protect against losses from unauthorized use or disposition and that the transactions are properly authorized, recorded and reported.

Risk Management

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

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

Environment, Health and Safety

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

Human Resources

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

Segment-Wise Performance

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

Cautionary Statement

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

Independent Auditor's Report

To the Members of

LUMAX AUTOMOTIVE SYSTEMS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of LUMAX AUTOMOTIVE SYSTEMS LIMITED ('the Company') which comprise the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information in which are incorporated accounts audited by us and the branch accounts of two units at Pune were audited by another auditor. The reports submitted by the branch auditor have been considered by us in preparation of this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

The branch auditors in their audit reports of Pune units have made the following opinion in respect of the audit of accounts of the said units.

"Due to labour unrest and other practical difficulties, the operations at Pune Units I and II of the company were terminated during the year. Further, the Account Records could not be taken out from the premises of said units and therefore, could not be made available to us for the purpose of Audit.

Due to non availability of account records, and other necessary documents, we could not perform any on-site Audit procedures in accordance with generally accepted Auditing Standards in India and therefore, are unable to comment on correctness of the financial statements or otherwise.

We are also unable to comment on the adjustments or disclosures, if any, that might have been arisen or required to be reported upon, had we performed on-site Audit procedures."

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required subject to our observations in para. 2(d) below (Report on other legal and regulatory requirements) and give a true and fair view in conformity with the accounting principles generally accepted in India:

- I. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;
- II. in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- III. In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. Subject to the audit observations and the opinion expressed in earlier para. and as required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act and subject to the opinion para as above and observations as under, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, subject to our observations that
 - i. As mentioned / stated in Note No.-14(Balance sheet) and Para 16 (iii) (accounting policies) of Note No. 29 regarding notes to accounts, the company has valued the inventories at cost/estimated cost inclusive of taxes and duties instead of at Cost or realizable value whichever is lower and exclusive of taxes paid, which are subsequently recoverable from the taxing authorities, which is not in compliance with Accounting Standard to valuation of inventories prescribe in the companies (Accounting Standards) Rules 2006. In our opinion the old inventories which are unusable for manufacturing purposes and are in obsolete nature should have been valued at realizable value and provision for loss in value should have been provided by the company.
 - ii. As stated in para 5 of note no.29(Notes to accounts), the payment of managerial remuneration paid in excess is subject to sanction of Govt. authorities.
 - iii. No Provision has been made for interest in respect of delayed/ non- payment to suppliers/ service providers which are registered under the provisions of The Micro, Small or Medium Enterprises Development Act, 2006 as well as in respect of delayed payments/ outstanding payments in respect various statutory dues such as provident fund, employees' state insurance, income tax, wealth tax, sales tax, excise duty, cess and other statutory dues;
 - iv. The company has not made any provision for doubtful debts amounting to Rs.7,41,84,760/- which are considered doubtful of recovery. In our opinion most of the doubtful debts are bad in nature and company should have made the provision for the same;
 - v. As mentioned in note 15 of the notes to accounts no 29 regarding the balances of some of the sundry creditors and debtors, loans and advances and rebate claims are subject to confirmation / reconciliation and subsequent adjustments if any. As such we are unable to express any opinion as to the effect their of on the financial statements for the year.
 - e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

(CA. R.K.JAIN)
Partner

Membership No. 9981

Place : New Delhi

Date : 30/05/2013

ANNEXURE TO THE AUDITOR'S REPORT

(The Annexure referred to in our report to the members of LUMAX AUTOMOTIVE SYSTEMS LIMITED ('the company') for the year ended 31st March, 2013.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. All the fixed assets have not been physically verified by the Management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. We are informed that no material discrepancies were noticed on verification.
- (b) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
- ii. (a) The Management has conducted physical verification of inventory at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- iii. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Act.
- (b) The company has taken interest bearing unsecured loans from Directors and companies covered in the register maintained u/s 301 of the Act. The number of the parties and maximum amounts involved during the year were eight and Rs.3,55,53,589/- and the year end balance of loans taken from such parties was Rs.3,30,51,530/-. The rate of interest and other terms and conditions of the loans taken are not prima facie prejudicial to the interest of the Company. There is no stipulation in respect of repayment of principal amounts and interest thereon.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of examination of the books and records of the Company, and according to the information and explanation given to us, as per the checking carried out in accordance with the auditing standards generally accepted in India, neither we have observed nor we have been reported for any continuing failure to correct major weaknesses in internal control systems.
- v. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained u/s 301 of the Act.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from

the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Act.

- vii. The Company has an internal audit system, which in our opinion, is commensurate with its size of the Company and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the records examined by us, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess have not been regularly deposited with the appropriate authorities and *there have been serious delays in large number of cases.*
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable are Rs. 5,93,61,311/-
- (c) According to the information and explanations given to us and the records of the company examine by us, the particulars of dues of Income Tax, Sales Tax, Wealth Tax, Services Tax, Customs duty and Excise Duty as at 31-03-2013, which have not been deposited on account of the dispute are as follows :

S.No	Name of the Statute	Nature of Dues	Amount	Period to which relate	Forum where the dispute is pending
1.	Income Tax Act, 1961	Income Tax	1,07,35,896	F.Y. 2008-09	Commissioner Income Tax (Appeals) New Delhi
2	Income Tax Act, 1961	Income Tax	5,48,585	F.Y 2006-07	Review petition pending with A.O.

- x. The company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institution except the Installment of the *Term Loan with HSIIDC of Rs. 76,45,000/-* as at the balance sheet date. There were no dues to debenture holders during the year.
- xii. According to the information and explanation given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit-fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003(As Amended) are not applicable to the Company.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments. The other provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003, (As amended) are not applicable to the company.
- xv. According to the information and explanations given to us the Company has not given guarantee for loans taken by others from bank or financial institutions.



- xvi. According to the information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained.
- xvii. Based on examination of documents, records and fund flow statement made available to us and on the basis of information and explanations given to us, the Company has not used funds raised on short term basis for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- xix. The Company has neither issued nor had any outstanding debenture during the year.
- xx. The Company has not raised any money through a public issue during the year.

- xxi. Based upon the audit procedures performed for the purpose of reporting a true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit nor we have been informed of such cases by the management.

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

**CA-R.K. JAIN
(PARTNER)**

Place : New Delhi
Date : 30/05/2013

MEMBERSHIP NO: - 9981

CFO & Managing Director certification under clause 41 & 49(V) of the listing agreement to be placed before the board along with audited annual accounts for the year ended March 31, 2013.

- (a) We certify to the board that we have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 their 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 they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they 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: Delhi
Date : 05/08/2013

A.K. Goel
Chief Financial Officer

Nitin Jain
Managing Director

**CERTIFICATE RELATING TO COMPLIANCE DECLARATION
BY THE CHAIRMAN AND MANAGING DIRECTOR AS PER
CLAUSE 49 OF THE LISTING AGREEMENT**

I hereby confirm that the Company has obtained an affirmation from all the members of the Board and Senior Management that they have complied with the Code of Conduct in the financial year 2012-13.

For Lumax Automotive Systems Limited

Nitin Jain
Managing Director

Place: New Delhi
Date: 05/08/2013

**AUDITORS' CERTIFICATE
AS PER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of
Lumax Automotive Systems Limited.

We have examined the compliance of conditions of Corporate Governance by Lumax Automotive Systems Limited for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

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

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

R. K. Jain
Partner
Membership no. 9981

Place: New Delhi
Date: 05/08/2013

Lumax Automotive Systems Ltd.

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

	Note	AS AT ST MARCH, 2013	AS AT ST MARCH, 2012
EQUITY AND LIABILITIES			
<i>Shareholders' Funds</i>			
(a) Share Capital	1	74,041,060	74,041,060
(b) Reserves and Surplus	2	285,555,782	270,896,689
<i>Non-current liabilities</i>			
(a) Long Term Borrowings	3	140,433,171	162,427,234
(b) Deferred Tax Liabilities (Net)	4	24,501,387	25,339,204
(c) Long Term Provisions	5	24,100,437	21,002,711
<i>Current liabilities</i>			
(a) Short Term Borrowings	6	319,884,874	337,216,077
(b) Trade Payables	7	226,193,555	273,486,378
(c) Other Current Liabilities	8	181,485,809	150,133,615
(d) Short Term Provisions	9	43,602,090	33,641,204
		1,319,798,166	1,348,184,172
ASSETS			
Non current assets			
<i>(a) Fixed Assets</i>			
(i) Tangible Assets	10	537,044,886	572,436,414
(ii) Intangible Assets	10	57,962	73,770
(iii) Capital work-in-progress		25,801,292	25,417,131
(b) Non-Current Investments	11	1,462,382	1,462,382
(c) Long Term Loans and Advances	12	18,305,858	20,688,899
(d) Other Non-Current Assets	13	92,020,687	91,847,279
Current assets			
(a) Inventories	14	336,312,258	323,451,287
(b) Trade Receivables	15	246,437,978	238,812,570
(d) Cash and Bank Balances	16	2,305,552	5,163,439
(e) Short Term Loans and Advances	17	60,049,311	68,831,001
		1,319,798,166	1,348,184,172
Notes to Accounts	29		

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

As per our report of even date
For R.JAIN & SANJAY ASSOCIATES,
Chartered Accountants
Firm Registration No -012377N

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

(CA. R.K. JAIN)
Partner
Membership No. 9981

U.K.JAIN
CHAIRMAN

NITIN JAIN
MANAGING DIRECTOR

Place: New Delhi
DATED: 30/05/2013

A.K.GOEL
CHIEF FINANCIAL OFFICER

MONIKA GUPTA
COMPANY SECRETARY



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

	NOTE	FOR THE YEAR ENDED 31ST MARCH, 2013	FOR THE YEAR ENDED 31ST MARCH, 2012
INCOME			
Revenue from Operations (Gross)	18	1,265,204,234	1,240,651,217
Less :- Excise Duty		146,123,236	120,322,034
Revenue from Operations (Net)		1,119,080,998	1,120,329,183
Other Income	19	1,527,127	815,450
TOTAL REVENUE		1,120,608,124	1,121,144,633
EXPENDITURE			
Cost of Raw Material & Components consumed	20	663,250,263	688,050,818
Changes in inventories of finished goods and work in progress	21	(5,491,045)	(1,631,784)
Employee Benefits Expenses	22	154,686,066	151,368,911
Financial Cost	23	90,408,230	86,396,138
Depreciation and Amortization Expenses	10	36,847,003	35,966,084
Other Expenses	24	146,937,448	145,121,699
TOTAL EXPENDITURE		1,086,637,964	1,105,271,865
Profit before exceptional and extraordinary items and tax		33,970,160	15,872,768
Exceptional Items	25	(11,315,656)	22,266,871
Profit Before extraordinary items and tax		22,654,504	38,139,639
Extraordinary Items		-	-
Profit before tax		22,654,504	38,139,639
Tax Expenses	26	6,862,183	6,184,165
Profit(Loss) for the year		15,792,321	31,955,474
Earning per equity share:(nominal value of share Rs.10/-(Rs,10/-)	28		
Basic & Diluted		2.13	4.32
Notes to Accounts	29		

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

As per our report of even date
For R.JAIN & SANJAY ASSOCIATES,
Chartered Accountants
Firm Registration No -012377N

(CA. R.K. JAIN)
Partner
Membership No. 9981

Place: New Delhi
DATED: 30/05/2013

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

U.K.JAIN
CHAIRMAN

A.K.GOEL
CHIEF FINANCIAL OFFICER

NITIN JAIN
MANAGING DIRECTOR

MONIKA GUPTA
COMPANY SECRETARY

Lumax Automotive Systems Ltd.

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

	As at 31st March, 2013	As at 31st March, 2012
Note-1:- Share capital		
Authorized		
120,00,000 (120,00,000) equity shares of Rs.10/- each	120,000,000	120,000,000
	<u>120,000,000</u>	<u>120,000,000</u>
Issued, Subscribed & Fully Paid-Up		
74,04,106(74,04,106) equity shares of Rs.10/-each	74,041,060	74,041,060
	<u>74,041,060</u>	<u>74,041,060</u>

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

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

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

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No.of shares	% of holding	No.of shares	% of holding
Mr. U.K. Jain	3,523,704	47.59	3,523,704	47.59

Note-2:- Reserves and Surplus

Capital Reserve

Balance as per last financial statements	20,003,000	20,003,000
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Capital Revaluation Reserve

Balance as per last year financial statements	188,442,132	227,543,419
Less:- Adjustment on account of fixed assets sold	-	(38,765,869)
Less: Transferred to the surplus of the profit & loss account	<u>(335,418)</u>	<u>(335,418)</u>
	188,106,714	188,442,132

General Reserve

Balance as per last year financial statements	30,232,347	30,232,347
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Surplus in the Statement of Profit & Loss

Balance as per last year financial statements	32,219,210	30,470,921
Add:- Amount transferred from revaluation reserve	335,418	335,418
Add:- Profit for the year	15,792,321	31,955,474
Less:- Prior Period Expenses (Note No. - 27)	<u>(1,133,227)</u>	<u>(30,542,603)</u>
Total Reserves & Surplus	<u>285,555,782</u>	<u>270,896,689</u>



SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

	As at 31st March, 2013	As at 31st March, 2012
Note- 3 - Long term borrowings		
SECURED LOANS		
(a) Term Loans from Banks & Financial Institution		
(i) IDBI Bank Limited	31,833,300	41,333,300
(Long Term Loan secured against pari-passu charges on the plant & Machinery at Gurgaon and Manesar, and pari-passu charge on metallising plant situated at Sector-06 Faridabad and Equitable mortgage of factory land & building situated at Gurgaon and Manesar. Personal Guarantee given by Mr. U.K.Jain, Mr. Nitin Jain & Mrs Kamlesh Jain. The Loan was taken in the financial year 2009-2010 & 2011-2012. The Loan was repayable in 18 Quarterly installment without interest. The company has delayed the payment of installment since January 2012,. Subsequently loan (no interest) was restructured by IDBI Bank on 20.03.2012, and the total restructured amount outstanding Rs. 4,33,33,300 is repayable in 13 quarterly installments starting from January 2013. Loan carries interest at BPLR minus 75 bps p.a. i.e.. 12% at present. Repayable within a year Rs.95,00,000 (20,00,000) has been shown under the head current maturities. Note - 8 (i)		
(ii) HSIIDC	48,976,362	76,231,836
(Secured against the first charge on industrial land and building situated at Gurgaon and Manesar and Residential Plot at Manesar and first charge on the plant and machinery which was financed by the HSIIDC. The loans are personally guaranteed by Mr. U.K. Jain, Mr. Nitin Jain & Mrs. Kamlesh Jain. The Loan numbering Six are taken in the financial years 2005-06 to 2008-09 carries different interest rates from 11.50.% to 14 % p.a. . Since the company has delayed in repayment of the installments and the loans was restructured by HSIIDC on 30.01.2012. After restructuring the loan (no interest) are repayable in equal quarterly installments of Rs 76,45,000 commencing from January 2013. The company defaulted in Repayment of first installment of Rs. 76,45,000. Now repayment within a year Rs.3,82,25,000 (76,45,000) has been shown under the head current maturities. Note - 8 (i)		
(iii) HDFC Bank/Dhanlaxmi Bank/Axis Bank/ICICI Bank	4,841,542	5,372,595
Bank loans are Secured by way of hypothecation of the vehicles purchased. The loans carries interest rate @ 10.25 % to 12.05%. The loans are repayable in 36 to 60 monthly installments of Rs. 3,18,998/ with interest Repayable within a year 25,00,585.60 (18,00,750/-) has been shown under the head current maturities.) Note - 8 (i)		
(b) Term Loan from Other Parties		
(i) Tata Capital Limited	-	1,625,001
(Secured against land, building, plant and machinery situated at Daultabad (Gurgaon) and Pune Unit-II). The loan is personally guaranteed by Mr. U.K. Jain, Mr. Nitin Jain & Mrs. Kamlesh Jain. Loan taken in financial year 2008-09 carries interest @ 14% p.a. at present. The loan is re-payable in 20 equal quarterly installments of Rs.16,25,000 (without interest). The term loan settled as on 31.03.2013		
(ii) Maruti Udyog Ltd	150,189	432,330
(Secured by way of hypothecation of the vehicles purchased against each loan & carries interest rate @ 8.50%. The loan is re-payable in 84 monthly installments. Repayable within a year Rs.2,90,966 (Rs.5,51,128) has been shown under the head current maturities.) Note - 8 (i)		
(iii) Electronica Finance Limited	14,904,998	-
(Secured by way of hypothecation of the Plastic injection & Welding Machinery purchased against loan and carries interest rate @ 18.50%. The loan is personally guaranteed by Mr. U.K. Jain, Mr. Nitin Jain and Mr. Milan Jain. The loan is re-payable in 48 monthly installments of Rs. 6,22,375/- Repayable within a year Rs.42,71,083/- (Nil) has been shown under the head current maturities.) Note - 8 (i)		
UNSECURED LOANS		
(a) Deposits from Related Parties		
(i) Inter corporate -The deposits carries interest @ 11% P.a.	9,721,454	8,889,748
(ii) Directors & their relatives -The deposits carries interest @ 11 % P.a.	23,330,076	13,796,946
(b) Deferred Payment Liabilities		
(i) Liabilities for Sales Tax Deferment	6,675,250	7,919,642
(The deferment is interest free and relates to financial year 1999-2000 to 2004-05. The amount is repayable in Five equal yearly installment commencing from the end of the tenth financial year. Re-payable with in a year Rs. 12,44,392/- and overdue installment as on 31-03-2012 is Rs. 10,40,216/- relating to financial years 2011-12 & 2012-13		
(c) Syndicate Bank		
(Repayable in monthly installment of Rs. 5,00,000/- each. Repayable with in a year Rs. Nil (60,00,000) has been shown under the head current maturities.) Note - 8 (i)		
	-	6,825,835
	<u>140,433,171</u>	<u>162,427,234</u>

Lumax Automotive Systems Ltd.

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

	As at 31st March, 2013	As at 31st March, 2012
Note 4:- Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Difference between book and tax depreciation	43,481,298	47,961,263
Deferred VRS expenditure claimed as revenue expenditure under Income tax Act	3,891,960	7,244,470
Gross deferred tax liability	47,373,258	55,205,733
Deferred Tax asset		
43B expenses, including leave encashment and gratuity provisions.	22,871,871	29,866,529
Net deferred tax liability	24,501,387	25,339,204
Note 5:- Long Term Provisions		
(a) Provision for employee benefits. (Leave Encashment & Gratuity)	24,100,437	21,002,711
	24,100,437	21,002,711
Note 6:- Short Term Borrowings		
(a) From Banks-Secured		
(i) Syndicate Bank	100,000,000	100,000,000
(Working capital loan is secured by way of Hypothecation of stock, book debts, Plant & Machinery, furniture and equipment of unit at Sector-06 Faridabad, Aurangabad, Chinchwad Pune, Pimpri Pune and Manesar unit and Equitable mortgage of factory lands and buildings situated at Sector-06 Faridabad, Aurangabad, Chinchwad Pune Pimpri Pune and second charge of factory land & building of Gurgaon and Manesar unit. The loan is personally guaranteed by Mr. U.K. Jain, Mr. Nitin Jain & Mr. Milan Jain . The Loan is repayable on demand and carries interest @ 16.75% p.a.)		
(ii) IDBI Bank Limited	69,884,874	69,992,477
(Working capital loan is secured against first paripasu charge along with syndicate bank on current assets of the company. The loan is personally guaranteed by Mr. U.K.Jain, Mr. Nitin Jain and Mrs. Kamlesh Jain the directors/promoters of the Company. The loan is repayable on demand and carries interest @14.50% p.a.)		
(iii) IFCI Factors Limited/Tata Capital Ltd. - Unsecured Loans (Loans for bill discounting against sale bills)	150,000,000	167,223,600
	319,884,874	337,216,077
Note 7:- Trade Payables		
(a) Trade Payable *	219,704,787	264,680,539
* There are no amounts due to the suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have informed the Company for this purpose.		
(b) Payable for capital goods	6,488,768	8,805,839
	226,193,555	273,486,378
Note 8:- Other Current Liabilities		
(i) Current maturities of long-term borrowings - Note 3	57,063,418	45,976,367
(ii) Interest accrued but not due on borrowings	-	276,039
(iii) Interest accrued and due on borrowings	2,526,723	3,830,270
(iv) Unpaid dividends	234,833	359,942
(v) Advances from customers	4,301,356	5,205,856
(vi) Statutory dues payable	93,860,777	68,914,915
(vii) Cheques issued but not presented for payment	10,788,381	10,871,063
(viii) Other Payable	12,710,321	14,699,162
	181,485,809	150,133,615
Note 9:- Short Term Provisions		
(a) Provision for employee benefits	23,537,406	18,737,902
(b) Provision for Income Tax	20,064,685	14,903,302
	43,602,090	33,641,204

Note-10:- Fixed Assets

Amount in Rs.

S.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
		ASON 01/04/2012	ADDITIONS MADE	SALES/ ADJUSTMENT	TOTAL AS ON 31.03.2013	ASON 01/04/2012	FOR THE YEAR	SLAES/ ADJUSTMENTS	TOTAL AS ON 31.03.2013	W.D.V.AS AT 31.03.2013	W.D.V.AS AT 31.03.2012
a	TANGIBLE ASSETS										
i.	Land- Free Hold	166,195,884	-	-	166,195,884	-	-	-	-	166,195,884	166,195,884
ii.	Land-Lease Hold	28,984,387	-	-	28,984,387	-	-	-	-	28,984,387	28,984,387
iii.	Building	143,563,995	-	-	143,563,995	29,639,458	4,733,996	-	34,373,453	109,190,542	113,924,537
iv.	Plant & Machinery	369,925,361	1,521,428	-	371,446,789	179,637,868	20,645,652	-	200,283,520	171,163,269	190,287,493
v.	Furniture and Fixtures	19,852,207	25,565	-	19,877,772	9,989,579	1,174,637	-	11,164,216	8,713,556	9,862,629
vi.	Office Equipments	19,569,825	351,323	-	19,921,148	11,273,108	1,296,638	-	12,569,746	7,351,402	8,296,717
vii.	Vehicles	36,983,280	1,021,514	3,909,367	34,095,427	10,739,841	3,194,839	1,774,611	12,160,069	21,935,358	26,243,439
viii.	Plastic Moulds	206,233,270	604,979	-	206,838,249	179,728,849	4,702,703	-	184,431,552	22,406,697	26,504,421
ix.	Computers	8,992,985	49,618	-	9,042,603	6,856,081	1,082,731	-	7,938,812	1,103,791	2,136,904
	Total Tangible Assets	1,000,301,194	3,574,427	3,909,367	999,965,254	427,664,783	36,831,195	1,774,611	462,921,388	537,044,886	572,638,444
b	INTANGIBLE ASSETS										
i.	M & M Resorts Ltd	131,730	-	-	-	57,960	15,808	-	-	-	-
	Total Intangible Assets	131,730	-	-	131,730	57,960	15,808	-	73,788	57,962	73,770
	Total Rs.	1,000,432,924	3,574,427	3,909,367	1,000,097,984	427,922,743	36,847,005	1,774,611	462,995,136	537,102,850	572,510,184
	Previous Year Rs.	1,005,568,397	43,140,476	48,275,949	1,000,432,924	396,775,742	35,966,084	4,819,083	427,922,743	572,510,184	

Note 11: Non-Current Investments

	As at 31.03.2013	As at 31.03.2012
(a) Trade Investment (valued at cost/ unless stated otherwise)		
i) 274590 (274590) Equity Shares of Lumax Ancillary Limited of Rs. 10/- each, fully paid-up (Unquoted)	1,352,900	1,352,900
ii) 1080 (1080) Equity Shares of Lumax Industries Ltd. of Rs. 10/- each, fully paid-up (quoted)	80,250	80,250
(b) Other- investment (valued at cost/unless stated otherwise)		
i) 400 (400) Equity Shares of Reliance Industries Ltd of Rs. 10/- each, fully paid-up	29,232	29,232
ii) 15 (15) Equity Shares of Reliance Infrastructure Ltd of Rs. 10/- each, fully paid-up		
iii) 10 (10) Equity Shares of Reliance Capital Ltd of Rs. 10/- each, fully paid-up		
iv) 50 (50) Equity Shares of Reliance Power Ltd of Rs. 10/- each, fully paid-up		
v) 200 (200) Equity Shares of Reliance Communication Ltd of Rs. 5/- each, fully paid-up		
i. Aggregate market value of quoted investments	<u>1,462,382</u>	<u>1,462,382</u>
ii. Aggregate amount of book value of quoted investments	<u>700,541</u>	<u>734,223</u>
iii. Aggregate amount of book value of unquoted investments	<u>109,482</u>	<u>109,482</u>
iv. Aggregate provision for diminution in value of investments	<u>1,352,900</u>	<u>1,352,900</u>
	<u>-</u>	<u>-</u>

Lumax Automotive Systems Ltd.

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

	As at 31st March, 2013	As at 31st March, 2012
Note 12:- Long Term Loans and Advances		
(Unsecured-considered good)		
(a) Capital Advances	6,378,567	6,378,567
(b) Security Deposits	6,200,507	6,200,507
(c) Other loans and advances		
(i) Income tax /Mat credit entitlement	5,498,565	7,939,325
(ii) Loans to employees	228,220	170,500
	<u>18,305,858</u>	<u>20,688,899</u>
Note 13:- Other Non-Current Assets		
(a) Long Term Trade Receivable		
(i) Unsecured, considered good	-	3,818,806
(ii) Unsecured, considered doubtful	74,184,760	69,892,459
(b) Others		
(i) Share issue expenses	3,469,083	3,469,083
(ii) New project bike	1,571,801	1,571,801
(ii) Deferred revenue expenditure (VRS)	4,747,113	11,995,567
(c) Other Bank Balances-Non Current Assets		
i. Margin money deposits (Fixed Deposit with more than twelve month maturity)	8,047,930	1,099,563
	<u>92,020,687</u>	<u>91,847,279</u>
Note 14:- Inventories(Valued at cost / estimated cost)		
(a) Raw materials	208,378,726	201,088,327
(b) Work-in-progress	82,428,830	81,046,346
(c) Finished goods	19,514,820	16,065,072
(d) Goods in-transit(raw material & components)	21,366,246	21,663,658
(e) Stores, spares & packing material	3,946,360	3,569,421
(f) Scrap material	677,276	18,463
	<u>336,312,258</u>	<u>323,451,287</u>
Note 15:- Trade Receivables		
i. Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
a.) Unsecured, considered good	9,995,261	5,623,777
ii. Others		
a.) Unsecured, considered good	236,442,717	233,188,793
	<u>246,437,978</u>	<u>238,812,570</u>
Note 16:- Cash and Bank Balances		
(a) Cash and cash equivalents	1,758,992	3,840,862
(b) Balances with banks		
i. on current accounts	311,727	962,635
ii. Unpaid dividend account	234,833	359,942
	<u>2,305,552</u>	<u>5,163,439</u>
Note 17:- Short-Term Loans and Advances		
(Unsecured-considered good)		
(a) Advances recoverable in cash or in kind	34,679,052	31,667,542
(b) Other loans and advances		
(i) Income tax /TDS	-	24,906
(ii) Pre-paid expenses	850,508	767,711
(iii) Loans to employees	4,839,807	3,032,766
(iv) Balances with revenue authorities	11,244,818	9,257,012
(v) Gratuity recoverable from LIC gratuity trust	1,186,678	13,748,166
(c) Others(Deferred Revenue Expenditure)	7,248,449	10,332,898
	<u>60,049,311</u>	<u>68,831,001</u>

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 18:- Revenue from Operations		
(a) Sale of finished goods	1,265,140,706	1,238,170,749
(b) Sale of Services(job work)	286	1,092,200
(c) Other operating revenues		
i. Scrap sales	63,242	1,388,268
Revenue from operations(gross)	1,265,204,234	1,240,651,217
Less:-		
(d) Excise Duty	146,123,236	120,322,034
Revenue from operations(net)	1,119,080,998	1,120,329,183
Details of Products Sold		
Finished goods sold		
Oil/air filters, cleaners & elements	874,389,372	745,355,335
Plastic moulded auto components	244,614,807	354,823,796
Components & parts of air cleaners and filters	76,819	17,669,584
	1,119,080,998	1,117,848,715
Add : excise duty	146,123,236	120,322,034
	1,265,204,234	1,238,170,749
Note 19:- Other Income		
(a) Interest Income	725,193	73,765
(b) Dividend Income	421,950	421,738
(c) Other non-operating Income	-	12,000
(d) Net gain on foreign currency transaction	379,984	307,947
	1,527,127	815,450
Note 20:- Cost of Raw Material & Components consumed		
Opening Stock of raw material & components	201,088,327	193,180,781
Add: Purchases of raw material & components	670,540,661	709,635,350
	871,628,989	902,816,131
Less: Closing stock of raw material & components	208,378,726	201,088,327
Less: Cost of discarded stocks sold	-	13,676,986
	663,250,263	688,050,818
Details of raw material & components consumed		
Steel sheet	-	11,494,247
Plastic powder	223,079,034	244,537,343
Filter paper	144,138,056	106,805,224
Others	296,033,173	325,214,004
	663,250,263	688,050,818
Details of closing stocks of raw material & components		
Steel sheet	2,916,328	2,916,328
Plastic powder	78,263,938	73,144,853
Filter paper	22,963,565	23,605,050
Others	104,234,895	101,422,095
	208,378,726	201,088,327
Note 21:- Change in Inventories		
Closing Stock		
Finished Goods	19,514,820	16,065,072
Work in progress	82,428,830	81,046,346
Scrap material	677,276	18,463
Opening Stock		
Finished Goods	16,065,072	14,390,128
Work in progress	81,046,346	97,503,045
Scrap material	18,463	154,462
Less: Discarded Stocks	-	(16,549,539)
Change in inventories	(5,491,045)	(1,631,784)
Details of closing stock of finished goods		
Finished goods		
Oil/air filters, cleaners & elements	13,390,922	11,159,195
Rear view mirrors	896,521	896,521
Plastic moulded auto components	5,227,377	4,009,356
	19,514,820	16,065,072
Note 22:- Employee Benefits Expenses		
(a) Salaries, wages and bonus	137,305,136	128,194,650
(b) Contribution to Provident and other funds	5,872,345	6,265,531
(c) Gratuity & Leave Encashment	6,131,782	10,725,199
(d) Staff welfare expenses	5,376,804	6,183,530
	154,686,066	151,368,911

Lumax Automotive Systems Ltd.

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Note 23:- Finance Cost		
(a) Interest to bank and financial institution	51,863,124	48,382,300
(b) Interest on advance/unsecured loans	2,789,907	7,592,250
(c) Interest others	6,888,361	5,252,463
(d) Bank charges & bill discounting charges	28,866,837	25,169,125
	<u>90,408,230</u>	<u>86,396,138</u>
Note 10:- Depreciation and Amortization		
(a) Depreciation	36,847,003	35,966,084
(b) Amortization expenses	-	-
	<u>36,847,003</u>	<u>35,966,084</u>
Note 24:- Other Expenses		
(a) Consumption of stores and spare parts	7,742,575	7,531,547
(b) Power and fuel	55,419,497	51,205,333
(c) Rent, rate & taxes	1,743,585	1,529,004
(d) Repairs & maintenance		
- Plant & machinery	6,636,003	8,010,321
- Building	729,162	798,970
- Others	1,168,550	757,261
(e) Insurance	1,321,110	1,650,398
(f) Printing & stationery	535,272	930,419
(g) Vehicle running & maintenance	5,859,544	5,734,860
(h) Postage & telephones	2,346,664	3,131,418
(i) Legal & professional	2,862,873	1,676,275
(j) Conveyance & travelling	4,648,934	7,474,967
(k) Freight, forwarding & Packing Material Consumed	24,889,482	22,570,005
(l) Advertisement, publicity & sales promotion	3,802,479	2,073,848
(m) Payment to the auditor (See detail below)	1,136,802	1,102,128
(n) Miscellaneous expenses	800,924	1,056,154
(o) Rebate, discount & commission	12,677,473	6,982,506
(p) Bad debts	1,139,455	8,040,133
(q) Other manufacturing expenses	744,040	1,578,974
(r) AGM expenses	519,700	445,950
(s) Job work	3,059,924	4,405,815
(t) Security charges	4,375,371	4,640,042
(u) Festival expenses	2,778,031	1,795,373
	<u>146,937,448</u>	<u>145,121,699</u>
Payment to the Auditors		
(i) Audit fee	855,340	808,754
(ii) Taxation	157,304	162,115
(iii) Certification Fees, Service Tax, Reimbursement Exp & Others	124,158	131,259
	<u>1,136,802</u>	<u>1,102,128</u>
Note 25- Exceptional Items		
Profit / (Loss) on sale of fixed assets	(982,756)	46,587,374
Profit on sale of investment	-	14,039,955
Deferred revenue expenditure w/off	(10,332,900)	(12,434,849)
Loss on sale of discarded stock	-	(25,925,610)
	<u>(11,315,656)</u>	<u>22,266,871</u>
Note 26- Tax Expenses		
Current Tax	7,700,000	8,500,000
Deferred Tax charge	(837,817)	(189,953)
Income tax relating to earlier year	-	314,878
MAT credit entitlement	-	(2,440,760)
	<u>6,862,183</u>	<u>6,184,165</u>
Note 27- Prior Period Expenses		
Gratuity	-	18,966,928
Leave Encashment	-	4,095,685
Interest	-	7,479,990
Salary & Allowances	1,133,227	-
	<u>1,133,227</u>	<u>30,542,603</u>
Note 28 - Earnings Per Share (EPS) (in Rupees)		
Net Profit as per profit and loss account	15,792,321	31,955,474
Number of Equity Shares of Rs. 10/- each	7,404,106	7,404,106
Basic & Diluted Earning per Share (in Rupees)	2.13	4.32

Note : 29 : Accounting Policies & Notes to Accounts

1) General

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

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

2) Change in accounting policy

Presentation and disclosure of financial statements

The accounts have been prepared in accordance with the revised schedule-IV notified under the Companies Act 1956.

- 3) i) The Company has set-up its own gratuity fund which is covered under the group gratuity scheme with Life Insurance Corporation of India. Liability in respect of gratuity due to the employees as on 31/03/2013 as per actuarial valuation amount to Rs. 237.16 Lacs (Rs. 200.69 Lacs), which has been duly provided in the current financial year.
- ii) Liability in respect of earned leave due to the employees as on 31/03/2013 as per actuarial valuation amounts to Rs. 67.78 Lacs (Rs.66.01 Lacs), which has been duly provided in the current financial year.
- iii) Under the scheme of demerger with Lumax Industries Ltd. sale-tax deferment liability in respect of rear view mirror division was transferred to the Company. The approval and the certificate for transfer of deferment of sale tax liability in the name of the Company from State Authority have been received. The deferment is interest free and relates to financial year 1999-2000 to 2004-05. The amount is repayable in five equal yearly installments commencing from the end of the tenth financial year i.e 2009-10. The sale-tax deferred liability amounting to Rs 8,959,858/- (Rs. 8,959,858/-) have been included in unsecured loans

4) i) Contingent liabilities and commitments: (to the extent not provided for)

	Amount (Rs. In Lacs)	
	2012-13	2011-12
a) Contingent Liabilities		
(i) Bank Guarantees given in favour of Government Agencies	20.62	20.62
(ii) Letter of Credit outstanding	374.76	325.89
(iii) Income Tax Disputed Demand on disallowances in respect of A.Y 2009-10 and appeal is pending before the CIT (Appeals)	107.36	107.36
(iv) Income Tax Demand on account of MAT Credit, Application is pending for review with A.O relating to A.Y 2007-08	5.49	5.49
b) Capital Commitments	Nil	19.28

5) Remuneration to Directors :

During the year the company has paid managerial remuneration to its two directors amounting to Rs. 93,50,208.00 including P.F. Contribution Rs. 5,76,028.00. Out of the said payments 15,74,180.00 is in excess of the limits specified under the relevant provision and Schedule XIII of the Companies Act 1956. The company has already made an application to the Company Law Board for sanction and approval of payment of managerial remuneration. The directors have already submitted undertaking that they will comply with orders of the government authorities and will refund the excess amount of remuneration paid to them over and the above of the remuneration to be sanctioned by the Govt. authorities. The company has decided that no commission shall be paid to the two directors of the company for the financial year 2012-13 to which proposal the concerned directors have agreed.

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

Particulars	%	Raw Materials & Components Value(Rs.)	%	Consumable Stores Value(Rs.)
Indigenous	84.65 (86.81)	561,461,934 (597,305,597)	100 (100)	7,742,575 (7,531,547)
Imported	15.35 (13.19)	101,788,329 (90,745,221)	Nil (Nil)	Nil (Nil)
		663,250,263 (688,050,818)		7,742,575 (7,531,547)

7) Expenditure/Payments in Foreign Currency :

Particulars	2012-2013 (Rs.)	2011-2012 (Rs.)
Raw Materials (CIF Value)	84,467,665/-	84,801,565/-
Foreign Travels	1,066,271/-	3,273,148/-
Royalty	Nil	Nil
	85,533,936/-	88,074,713/-

8) Earning in Foreign Currency:

Export Sale- Rs. Nil (Rs. 334,251/-)

- 9) Based on the information available with the company, no suppliers/ service providers have informed/ confirmed of being registered as Micro, Small or Medium enterprises as at 31st March 2013 in terms of the provisions of "The Micro, Small, and Medium enterprises Development Act, 2006.

Lumax Automotive Systems Ltd.

- 10) The business of the company falls within one primary business segment, namely automotive components, therefore, the requirement of disclosure as per AS-17 regarding "Segment Reporting" does not apply. The Company is primarily engaged in the business of Auto Components which are governed by the same set of risk & returns and hence there is only one segment. The said treatment is in accordance with the guiding principle enunciated in the Accounting Standard on segment reporting (AS-17).
- 11) 3Particulars of Companies/firms disclosed to comply with AS-18 on "Related Party Disclosure" in which the directors of the company exercise control over the composition of the board of the directors/governing body are given here below. However, these do not have a potential conflict with the interest of the Company at large nor do they control or exercise significant influence over the interest of Lumax Automotive Systems Limited.

(i) **Related party Disclosures:**

A) Key Management personnel	
a) Mr. U.K. Jain	Chairman
b) Mr. Nitin Jain	Managing Director
c) Mr. Milan Jain	Executive Director
B) Relative of Key Management Personnel	
a) Mrs. Kamlesh Jain	Spouse of Mr. U.K. Jain
C) Enterprises owned or significantly influenced over the company by Key Management Personal or their relatives.	
a) Nytex Auto Industries	
b) Lumax Industries Ltd.	
c) Lumax Ancillary Ltd.	
d) Toray Auto Industries Pvt. Ltd.	
e) Lumax Automotive Component Systems Pvt Ltd	
f) Lucky Capital Pvt. Ltd.	
g) Lumax Automotive Care Ltd.	
h) Lumax Indrani Developer Pvt. Ltd.	

ii) **Related Party Transactions :**

As per The Companies (Accounting Standards) Rules, 2006 (AS-18) company's related party disclosures is as under :

S. No.	Name of Related Party	Relationship	Nature of Transaction	Volume of Transactions		Closing Bal. 2012-13
				2012-13	2011-12	
1.	Mr. U.K. Jain	Key Management Personal	Interest on Unsecured Loan	11,11,347	9,97,526	1,49,48,755
			Rent Paid	2,40,000	2,40,000	2,47,997
			Managerial Remuneration	Nil	2,79,200	N/A
2.	Mr. Nitin Jain	— Do —	Interest on Unsecured Loan	2,75,417	1,80,207	28,43,832
			Managerial Remuneration	46,72,421	18,72,425	
3.	Mr. Milan Jain	— Do —	Interest on Unsecured Loan	3,01,515	2,02,217	28,86,672
			Managerial Remuneration	46,77,787	15,11,688	
4.	Mrs. Kamlesh Jain	Relative of Key Management Personal	Interest on Unsecured Loan	1,26,310	1,26,602	12,61,952
			Rent	4,14,000	4,14,000	13,20,639
5.	Lucky Capital Pvt. Ltd.	Enterprises owned or significantly influenced over the company by Key Management Personal or their relatives.	Interest on Unsecured Loan	3,61,344	3,31,731	36,29,706
6.	Toray Auto Industries Pvt. Ltd.	— Do —	Interest on Unsecured Loan	5,46,611	4,79,361	54,61,150
7.	Lumax Indrani Developers Pvt. Ltd.	— Do —	Interest on Unsecured Loan	67,363	62,226	6,66,743
8.	Lumax Automotive Components Systems Pvt. Ltd.	— Do —	Component / Plastic Powder Sale	32,63,454	40,38,847	3,09,56,784
9.	Lumax Automotive Care Ltd.	— Do —	Component / Plastic Powder Sale	77,46,059	1,06,59,139	
10.	Nytex Auto Industries	— Do —	Rent	4,76,100	4,76,100	20,65,729
11.	Lumax Industries Ltd.	— Do —	Dividend	6,480	6,480	N/A
12.	Lumax Ancillary Ltd.	— Do —	Dividend	4,11,885	4,11,885	N/A

12) **Impairment of Assets**

As stipulated in AS-28, the company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing



businesses are capable of generating adequate returns over their useful lives in the usual course of business. There is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

13) i) **Taxation**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier year.

Deferred tax is measured base on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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. Deferred tax assets are recognized on expenses debited to profit & loss account but allowable for tax purposes in succeeding years and there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

14) i) Expenditure incurred towards compensation payments to employees on retirement / resignation in earlier years

were amortized in equal installment over five years as VRS scheme and in respect of the current financial year, the same has been charged to profit and loss statement.

ii) Expenditure incurred on new project (Bike) in earlier years has been capitalized, no expenditure has been incurred during the current financial year and will be amortised in the year of the implementation of the project/production.

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

15) **Miscellaneous**

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

16) **ACCOUNTING POLICIES :**

i) **Method of Depreciation, Depletion & Amortization:**

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

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

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

ii) **Conversion of Foreign Currency items:**

Transactions in foreign currencies are translated at the exchange rate

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

iii) **Valuation of Inventories:**

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

iv) **Research & Development:**

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

v) **Valuation of Fixed Assets:**

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

vi) **Investments**

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

vii) **Treatment of Contingent Liabilities:**

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

viii) **Retirement Benefits to Employees:**

The company's contributions to schemes such as Provident Fund & Family Pension Fund are charged to Profit & Loss Account as and when accrued. The company also provides for retirement benefits in the form of gratuity to all employees, and the liability based on actuarial valuation is charged to the Profit & Loss Account.

ix) **Expenditure on New projects and Substantial Expansion:**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction Period is capitalized as part of construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Income earned, if any, during construction period is deducted from the total of the indirect expenditure. During the year no expenditure on new project / substantial expansion has been incurred.

x) **Revenue Recognition:**

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

xi) **Leases**

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

Annexure to our report of even date.

FOR R.JAIN & SANJAY ASSOCIATES
Chartered Accountants

(CA. R.K. JAIN)
Partner
Membership No. 9981

Place: New Delhi
DATED: 30/05/2013

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

U.K.JAIN
CHAIRMAN

A.K.GOEL
CHIEF FINANCIAL OFFICER

NITIN JAIN
MANAGING DIRECTOR

MONIKA GUPTA
COMPANY SECRETARY

Lumax Automotive Systems Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	2012-2013	2011-2012	
A. Cash flow from operating activities			
Profit before tax	22,654,504	38,139,639	
Adjustments for :			
Prior period expenses	(1,133,227)	(30,542,603)	
Depreciation	36,847,003	35,966,084	
Interest expenses	90,408,230	86,396,138	
Amortisation of deferred revenue expenditure	10,332,900	12,434,849	
(Profit)/ loss on sale of fixed assets	982,756	(46,587,374)	
(Profit)/ loss on sale of investment	-	(14,039,955)	
Operating profit before working capital changes	160,092,166	81,766,778	
Movements in working capital:			
Increase in trade receivables	(8,098,903)	(25,033,539)	
Increase in inventories	(12,860,971)	(13,404,073)	
Increase in loans and advances	5,614,614	(19,231,087)	
Increase in Trade and other payables	(19,130,442)	41,942,925	
Cash generated from operations	125,616,464	66,041,004	
Direct tax paid	(72,951)	(10,104,514)	
	125,543,513	55,936,490	
Net cash generated from operating activities	125,543,513		55,936,490
B. Cash Flow from investing activities			
Purchase of fixed assets	(3,958,588)	(55,042,694)	
Adjustment/sale of fixed assets	1,152,000	51,278,371	
Receipt on sale of investment	-	14,039,955	
VRS expenses incurred	-	-	
	(2,806,588)	10,275,632	
Net Cash used in investing activities	(2,806,588)		10,275,632
C. Cash flow from financing activities			
Receipt of non current borrowings	21,000,000	25,500,000	
Receipt of short term borrowings	-	48,992,806	
Repayment of non current borrowings	(31,907,012)	(51,040,212)	
Repayment of short term borrowings	(17,331,203)	-	
Interest paid	(90,408,230)	(86,396,138)	
	(118,646,445)	(62,943,544)	
Net cash used in financing activities	(118,646,445)		(62,943,544)
D. Net (decreases)/ increase in cash	4,090,480		3,268,578
Cash and cash equivalent as on 31.03.2012	6,263,002		2,994,424
Cash and cash equivalent as on 31.03.2013	10,353,482		6,263,002

- Notes: 1. The Cash Flow statement has been prepared under the indirect method as set out in accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Negative figures have been shown in brackets
3. Cash and cash equivalent includes margin money fixed deposit shown in other non current assets note no. - 13.

As per our report of even date
For R.JAIN & SANJAY ASSOCIATES,
Chartered Accountants
Firm Registration No -012377N

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

(CA. R.K. JAIN)
Partner
Membership No. 9981

U.K.JAIN
CHAIRMAN

NITIN JAIN
MANAGING DIRECTOR

Place: New Delhi
DATED: 30/05/2013

A.K.GOEL
CHIEF FINANCIAL OFFICER

MONIKA GUPTA
COMPANY SECRETARY

ATTENDANCE SLIP



LUMAX AUTOMOTIVE SYSTEMS LIMITED

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Slip at the venue of the meeting.

DP ID*	
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Master Folio No.	
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Client ID*	
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No. of Shares	
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NAME OF THE SHAREHOLDER

ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 13th **ANNUAL GENERAL MEETING** of the Company held on Wednesday, September 4, 2013 at 10.00 a.m. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074

Signature of Shareholder / proxy

* Applicable for investors holding shares in electronic form

PROXY FROM



LUMAX AUTOMOTIVE SYSTEMS LIMITED

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

DP ID*	
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Master Folio No.	
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Client ID*	
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No. of Shares	
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I/We of being a member/members of Lumax Automotive Systems Limited hereby appoint of or failing him of

as my/our proxy to vote for me/us and on my/our behalf at the 13th **Annual General Meeting** of the company to be held on Wednesday, September 4, 2013 at 10.00 a.m. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074 and at any adjournment thereof.

Signed this day of 2013

* Applicable for investors holding shares in electronic form.

Signature

Affix a
15 paisa
Revenue
Stamp

NOTES:

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

BOOK POST



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