

2009

LUMAX
AUTOMOTIVE PARTS

THE JOURNEY OF EXCELLENCE

Lumax Industries Limited
2009 ANNUAL REPORT



CHAIRMAN'S MESSAGE

The last financial year has been a roller coaster ride for all economies across the globe. The western world saw companies; banks file for bankruptcy, leading to many professionals losing their jobs. The Indian economy has been, more or less, able to withstand tremors of the global financial meltdown. Even though its rate of growth has slowed down considerably, there are hopes of an economic revival. Due to our cautious and conservative approach, India is still talking of about 6% GDP growth, whereas the Western economies are at best flat if not negative.

The recent general election resulted in a stable government in form of the UPA at the center, which in turn will lead the government to focus on real issues of governance rather than worrying about their chairs. The Government is expected to take requisite steps to put the country on a healthy GDP growth path and is also expected to focus on specific policies towards the Auto Sector in order to raise the demand of vehicles in the domestic market.

As far as the Indian Auto Industry is concerned, there is still hope in 2009 as there are various factors working in its favor. India is blessed with a large middle class, which is getting economically stronger with every passing day. This class is being touted as potential consumers for Indian auto industry in the years to come. The work force of the auto industry in India is relatively well trained. All these factors, together along with the low penetration levels of vehicle population indicate towards a better future for Indian auto industry in the coming times.

Some of the key highlights of the Automotive Industry which made news are:

- Maruti Suzuki/Hyundai/Nissan are looking at India as a small car manufacturing hub.
- TATA "Nano", the 1 lac car is set to fulfill the dreams of many first time vehicle owners.
- Major auto companies such as General Motors, Skoda Auto and Mercedes-Benz have major plans lined up for expansion in India and are likely to invest huge sums of money in the near future.
- Maruti Suzuki plans to put substantial investments on people and R&D.
- Large number of new players such as PSA (PEUGEOT CITROEN) plan to enter the Indian Auto market.

However, we need to be cautious in these tough times and should ensure utmost focus on all aspects of our operations. We as a company have taken various Out of the Box & Innovative initiatives towards cost cutting; monitoring at plant level, cash flow and expenses to make sure that our resources are being utilized to the maximum without any compromise on our quality.

In our commitment for continuous improvement in quality, we have challenged the DEMING Award (Ultimate milestone in achieving Total Quality Management) by the year 2010. We are working towards achieving this prestigious award and I am sure with the mix of experience and hard work, we should be in a position to do so.

As the market leader, we strive to be the first to bring the latest & most modern global technologies to India for our products. In light of the same, we unveiled our "Technology Policy" in November 2008, which focuses on bringing new technologies adaptable to the Indian environment faster & cheaper.

At the end, I would like to sincerely thank all our shareholders for their continued support to Lumax Industries. We remain committed towards enhancing our shareholders value.

D.K. Jain
Chairman & Managing Director



Lumax Industries Limited

BOARD OF DIRECTORS

Mr. D.K. Jain	(Chairman & Managing Director)	
Mr. Deepak Jain	(Senior Executive Director)	
Mr. Anmol Jain	(Senior Executive Director)	
Mr. Ikuo Abe	(Senior Executive Director)	- Stanley Nominee
Mr. Atsushi Ishii	(Executive Director)	- Stanley Nominee
Mr. Makio Natsusaka	(Non- Executive Director)	- Stanley Nominee
Mr. A.P. Gandhi	(Independent Director)	
Mr. Deep Kapuria	(Independent Director)	
Mr. Gursaran Singh	(Independent Director)	
Mr. Suman Jyoti Khaitan	(Independent Director)	
Mr. M.C. Gupta	(Independent Director)	
Mr. Dhiraj Dhar Gupta	(Independent Director)	

GROUP FINANCE HEAD

Mr. Naval Khanna

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Mr. B.S. Bhadauriya

AUDITORS

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

BANKERS

Syndicate Bank
Citi Bank. NA
ABN Amro Bank NV
Punjab National Bank
ICICI Bank Ltd.
HDFC Bank Ltd.
State Bank of India
IDBI Bank

WORKS

- 1) Plot No. 16, Sector-18, Maruti Complex, Gurgaon, Haryana.
- 2) Plot No.6, Industrial Area, Dharuhera, District Rewari, Haryana.
- 3) D2-43/2, M.I.D.C. Industrial Area, Chinchwad, Pune, Maharashtra.
- 4) Plot No.37, WMDC, Kharabwadi, Ambethan Road, Chakan, Tel. Khed, District Pune, Maharashtra.
- 5) 608-609, Chakan Talegaon Road, Mahalunge Ingle, Chakan, District Pune, Maharashtra.
- 6) Plot No. 51, Tata Vendor Park, Industrial Estate, Pant Nagar Uttarakhand.
- 7) Warehouse at Plot No.E-38, Site-IV, Surajpur Greater Noida, District Gautam Budh Nagar, Uttar Pradesh.

REGISTRAR & SHARE TRANSFER AGENT

M/s Karvy Computershare Pvt. Ltd.
Plot No.17-24,
Vittal Rao Nagar, Madhapur,
Hyderabad-500081

E-mail : einward.ris@karvy.com

REGISTERED & CORPORATE OFFICE

B-85-86, Mayapuri Industrial Area,
Phase – I,
New Delhi – 110064

E-mail : lumaxshare@lumaxmail.com

28th

Annual Report

2008-2009

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ANNUAL GENERAL MEETING ON TUESDAY, AUGUST 18, 2009

Lumax Industries Limited

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors are pleased to present the 28th Annual Report on the business and operations together with Audited Balance Sheet and Profit & Loss A/c of your Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

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

Particulars	Rs. in million	
	2008-2009	2007-2008
Sales (Excluding Excise Duty)	5,233.32	5219.78
Gross Profit (GP)/(Loss)	279.12	460.37
(-) Financial Expenses	92.46	65.12
(-) Depreciation	222.25	191.57
(-) Adjustment of Prior Period Items.	0.84	1.74
Profit/(Loss) Before Taxation (PBT)	(36.43)	201.94
(-) Provision for Taxation, Deferred Tax Adjustment and FBT	(20.24)	60.47
Profit/(Loss) After Tax (PAT)	(16.19)	141.47
(+) Balance in the P&L A/c b/f (After AS-15 Impact)	55.50	37.77
Profit for Appropriation	39.30	179.24
Appropriation :		
Proposed Equity Dividend	9.35	37.39
Tax on Dividend	1.59	6.35
Transfer to General Reserve	-	80.00
Balance retained in P & L A/c	28.37	55.50
	39.30	179.24

DIVIDEND

Keeping in view of the philosophy of the Company to reward its shareholders and to continue the tradition of recommending dividend for the last 24 years, your Directors are pleased to recommend a Dividend of 10% (Rs.1/- per Equity Share) for the Financial Year 2008-2009 out of the Profits of the previous years, despite the fact that the Company had incurred Loss in the year ended March 31, 2009. The total amount of Dividend proposed to be distributed is Rs.9.35 million (excluding Dividend Tax).

BUSINESS PERFORMANCE

The financial crisis wrecked significant damage across global economies leading to one of the worst turmoils since the great depression of 1929. Against the initial optimism that Indian Economy would remain unaffected; we have also witnessed a sharp slow down in most of the sectors of the Economy. The slowdown in the availability of credit, increase in the cost of borrowing and lower consumer confidence all took their toll on Indian Automobile Industry resulting into flat growth of 2.96% in the production of Automobiles in this financial year ended March 31, 2009 over the last year.

As your Company's business is directly dependent on the Original Equipment Manufacturer(s) of Automobiles (OEMs), consequently, in this background your company achieved Net Sales of Rs. 5,233.32 Millions for the year ended March 31, 2009 as compared to Rs. 5,219.78 Million in the previous year, a nominal growth of 0.26%. The Company's actual sales were down by 17% as compared to its Business Plan for the year 2008-09. The Company could not achieve its targeted sales as almost all the OEMs have either postponed their launch of new models like 'Nano' and 'Micro Bus' by Tata Motors and 'Xylo' by Mahindra & Mahindra or scaled down their production due to sluggishness in the market.

Further, your Company has recorded a Loss (Before Tax Adjustment) of Rs. 36.43 Million for the year ended March 31, 2009 as compared to Profit before Tax (PBT) of Rs. 201.94 Million in the previous year, a decline of 118% in the PBT over the previous year. The main reasons of this decline are (i) accounting of extra-ordinary items of expenses in this year which include Losses incurred on account of Foreign Exchange Fluctuation amounting to Rs. 63.74 Million as the Dollar, Euro and Yen became strong against Indian Rupee due to the global financial crisis, (ii) Additional depreciation of Rs. 30 Million as compared to the previous year mainly on account of addition to the Fixed Assets during the year for new plant at Pant Nagar and expansion at Dharuhera & Chakan – II Plants and (iii) Additional manpower cost of Rs. 80.20 Million as compared to the previous year.

This year, has been a rather tough year for the Auto Sector as a whole. However, in view of the fact that the Indian Auto Industry's potential is so strong as to weather any crises, therefore your Board of Directors are confident that this is a temporary phase and the Auto Sector is set to bounce back. Your Directors firmly believe that those who have execution excellence will succeed. Those who have enjoyed the trust of customer will succeed. Those who kept their powder dry- and didn't waste Shareholder's fund chasing their enlarged dreams will succeed. The years have shown that your Company has all these attributes. Therefore, the current downturn will not only bring a period of consolidation and greater emphasis on cost-cutting measure in the Auto Industry but, will also be better for the long term interest of the Industry and your Company can look forward for a bright future and growth.

On the business front, your Directors take tremendous pride in stating that not only your Company was able to successfully launch products for some of the key Launches, but even for the coming years, the order books are full with a number of forthcoming models.

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

QUEST FOR QUALITY

Your Company believes that the journey of excellence begins with Quality and ends with Quality. Quality initiatives are all pervasive encompassing each and every process throughout the organization, leading to excellence.

Further, towards our commitment on continuous improvement in quality, we have set our target to win the DEMING Award by 2010. This award has been established by Union of Japanese Scientist and Engineers (JUSE) in 1951 to commemorate Dr. William Edwards Deming's contribution, which provided help in raising Japanese products to the highest global standards, as well as to promote the continued development of quality control in Japan. This award eventually became the highest award in the world for TQM.

Your Company's TQM practices are being recognized and appreciated by the Customers, as a result of which the Company has received the following awards and recognitions from Customers and other Agencies :

- ❖ Quality Award by Toyota Kirloskar Motor for maintaining Zero PPM level for the year 2008.
- ❖ Dharuhera Unit of the Company secured 81% marks in the Annual Vendor System Audit conducted by Maruti Suzuki India Limited in the year 2008-09.
- ❖ Dharuhera Unit of the Company secured 81% marks in the 5S Audit conducted by HSCI Supplier Club.
- ❖ ACMA Silver Medal Award in 'Excellence of Manufacturing' for the year 2007-08.
- ❖ Award by QCFI Delhi Chapter for 'Par Excellent Case Study' in QCC.
- ❖ 2nd Prize in Northern Region QCC Competition Organized by Maruti Suzuki Supplier Welfare Association.
- ❖ 1st Runner Up Award by CII in 21st Preliminary QC Circle Competition.
- ❖ Participated in Kaizen Competition organized by HSCI Supplier Club at HSCI Plant, Noida.
- ❖ Participated in Kaizen Festival 2009 organized by Toyota Kirloskar Motors Limited at Bangalore.
- ❖ Re-Certification Audit of ISO/TS 16949 :2002 was conducted and Certificate received.

DIRECTORS

In accordance with the Articles of Association of the Company and the Companies Act, 1956, Mr. A.P. Gandhi, Mr. Deep Kapuria, Mr. M.C. Gupta and Mr. Anmol Jain, Directors are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Stanley Electric Co. Ltd. (Stanley- Technical & Financial Collaborator) have withdrawn the nomination of Mr. A. Nakamura as Director of the Company w.e.f. 30th June, 2009.

The Board of Directors have appointed Mr. Makio Natsusaka - Nominee of Stanley Electric Co. Ltd. as an Additional Director on the Board of the Company at their meeting held on 30th June, 2009. He has done his graduation from Hachinohe Kogyo High School in Aomori, Japan and joined Stanley in April 1967 in the Automotive Lighting Engineering Division. Since then he has held various Strategic and High Level positions in Stanley – Japan and globally. Presently, he is the Senior Managing Director of Stanley and your Company will have the benefit of his outstanding knowledge and more than 40 years of experience in the area of automotive lamps manufacturing business.

Lumax Industries Limited

In accordance with the Articles of Association of the Company and the Companies Act, 1956, Mr. Makio Natususaka holds office till the ensuing Annual General Meeting. The Company has received a Notice in respect of Mr. Makio Natususaka, from a member under Section 257 of the Companies Act, 1956 proposing his appointment as Director of the Company liable to retire by rotation.

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2009, the applicable Accounting Standards have been followed along with proper explanation relating to material departures in the Auditor Report and Notes to Accounts;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the Annual Accounts on a "Going Concern" basis.

FIXED DEPOSITS

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

AUDITORS

M/s S.R. Batliboi & Associates, Chartered Accountants are proposed for re-appointment as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. They have given their consent to act as Auditors of the Company and have further confirmed that their appointment would be in conformity of the provision of Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment for the approval of members in the ensuing Annual General Meeting.

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

1. With reference to the observations in para 4(a) and 4(b) of the Auditors Report regarding recoverable amount of investment in Singur Project, it is stated that, as the members may be aware that as a policy your Company have been setting up plants in the vicinity of the manufacturing locations of all major OEMs from time to time, which enables your company to serve its customers in an efficient manner. Accordingly, your Company was invited by one of its major customer – Tata Motors to set up manufacturing facility at Singur – West Bengal for their prestigious Small Car Project, popularly known as – "Nano Car Project". In this regard your Company has set up a Green field Project in Singur- West Bengal, which could not start its Commercial Production as the Customer has decided to move the "Nano Project" from Singur to Sanand in Gujarat. At this stage it is also informed that your Company has also been allotted Industrial Land in Sanand – Gujarat for the Nano Car Project of Tata Motors. However, for the time being your Company has been supplying Automotive Lightings for Nano Car from its Pantnagar Plant. As explained in Note 15(a) and 15(b) of Schedule 25 of the Notes to Accounts, your Company is looking at various alternatives with regard to project in Singur including the assets acquired / constructed for the said project. Negotiations are also being held with the Tata Motors regarding mode and quantum of compensation for any potential losses in this regard. In view of the aforesaid background, any consequential adjustments with regard to the impairment, if any, in the value of the Assets will be made as and when ascertained.
2. With reference to the observations in para 5 of the Auditors Report regarding provision for managerial remuneration in respect of Foreign Directors, it is informed that pursuant to the approval of the Shareholders at their last Annual General Meeting, your Company has applied for approval of the Central Government for payment of remuneration to the Directors including Foreign Directors. The approval for Indian Whole time Directors have been received, however, the approval for payment of remuneration to Foreign Directors has been pending for final disposal and clarifications and your Company is confident of receiving the same in a shorter time and the same will be received retrospective from the date of their appointment(s). Accordingly, for the time being the Company has paid remuneration to Foreign Directors as per the ceilings prescribed in the Schedule XIII of the Companies Act, 1956 and necessary provision has been made in the accounts for the differential amount of remunerations as approved by members and amount actually paid with in the limits prescribed in Schedule XIII of the Companies Act, 1956, in order to give a true and fair view of the Financial Statements. Further, read with Note 16 of Schedule 25 of Notes to Accounts, it is clarified that in case of Non Approval from Central Government, the amount of excess remuneration for which provision has been made shall not be paid to Foreign Directors, and consequentially the same will be reversed. However, your Directors do not foresee any difficulty in obtaining the approval of Central Government in the matter.

3. In addition, there are some other observations with reference to the Companies (Auditors Report Order), 2003 which are explained as follows :
- a. With reference to the observations of the Auditor in para ii(c) to the Annexure of their Report regarding movement of Inventories with the third parties, it is explained that necessary entries in the Books of Accounts have already been passed by the Company as confirmed by the Auditors in their said para itself.
 - b. With reference to the observations of the Auditor in para ix(a) to the Annexure of their Report regarding slight delay in deposit of Statutory dues, it is informed that the said dues have since been deposited.
 - c. With reference to the observations of the Auditor in para (xvii) to the Annexure of their Report regarding the use of short funds for long term purposes, it is informed that in view of global financial meltdown, leading to slowdown in Auto Industry which started from the third quarter of the last financial year, your company decided not to go for fresh long term loans till the market improves as result of which the company has used short term funds for long term investments.

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

OTHER INFORMATION

Disclosure of information regarding Conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earning and Outgo etc. under Section 217(1)(e) of the Companies Act, 1956 and Particulars of Employees under Section 217(2A) of the Companies Act, 1956 are annexed separately as **Annexure – B & C** respectively.

CORPORATE GOVERNANCE

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

ACKNOWLEDGEMENT

The Directors wish to place on record their sincere thanks to all its highly valued customers, its Technical and Financial Collaborator- M/s Stanley Electric Co. Ltd., Japan, all other business partners, all the Shareholders, Financial Institutions, Banks, Vendors and various Government agencies for their continued support and patronage.

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

For and on behalf of the Board of Directors

Place : Gurgaon
Dated : June 30, 2009

D.K. JAIN
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

a). INDUSTRY STRUCTURE , DEVELOPMENTS AND OUTLOOK

The structure of India's Economy has changed rapidly in the last ten years. External Trade and External Capital Flows, being an important part largely influence the economy. This growing integration of the Indian Economy with the rest of the world has brought new opportunities and also new challenges. The influence and changes in the global economy have its impact on the Indian economy too, as the same cannot be immune from the Global changes. However, the fundamentals of the Indian economy are so strong and stable as to weather any crises. The unique feature of Indian economy has been high growth with stability. The Indian economy has proved its strength and resilience, when there have been crisis in other parts of the world.

The Indian Economy has been adversely affected due to the impact of global economic crisis and financial meltdown resulting into drastic reduction in demand and weakening of Indian currency. The adverse impact of global economic scenario is visible on GDP numbers especially with manufacturing sector which has recorded 2.4% growth in 2008-09 as compared with 8.2% growth recorded last year. But it was not all dark clouds; the silver lining was represented by landmark elections, in the world's two greatest democracies: Voters in the USA opted for a harbinger of change and we, the people of India voted decisively for stability and steady reform.

Based on the strong fundamentals and huge demand potential of the Indian Economy and to counter the negative fallout of the global slowdown on the Indian economy, the Government responded by providing three focused fiscal stimulus packages in the form of tax relief to boost demand and increased expenditure on public projects to create employment and public assets. The Reserve Bank of India took a number of monetary easing and liquidity enhancing measures to facilitate flow of funds from the financial system to meet the needs of productive sector. The above measures of the Government were effective in arresting the fall in growth rate of GDP in 2008-09 which was recorded at 6.7%.

Now, there are signs of revival in the domestic industry and the foreign investors have also returned to the Indian market in the last couple of months. The two worst quarters since the global financial meltdown in September 2008 are behind us and the global financial conditions have shown improvement over the recent months.

AUTO AND AUTO COMPONENT INDUSTRY OUTLOOK

The role of Automobile Industry is very important in Indian Economy; it is the prime mover in any economy. If it does well, the economy would fare well. Though the Indian Auto Sector is passing through a critical phase, comparatively it has been less affected by the global slowdown. The said slowdown has motivated economies all over the world to increasingly resort to production cut, lay-offs, retrenchment, etc; in order to save valuable resources. The current slowdown in the USA has brought about several mega changes. Apart for offering a bailout for the three world's renowned auto majors, the US Government has adopted a new future-oriented policy for the country's Auto Sector.

The Indian Automobile sector was also adversely affected and it registered a flat growth of 2.96 percent for the year ended March 31, 2009. The automobile production trends of last five years are as follows :

(Nos/Lacs)

Automobile Production Trends					
Category	2004-05	2005-06	2006-07	2007-08	2008-09
Passenger Vehicles	12.09	13.09	15.45	17.77	18.38
Commercial Vehicles	3.53	3.91	5.19	5.49	4.17
Three Wheelers	3.74	4.34	5.56	5.00	5.01
Two Wheelers	65.29	76.08	84.66	80.26	84.18
Grand Total	84.67	97.43	110.87	108.53	111.75
% Increase/ (Decrease)	16.90	15.06	13.80	(2.11)	2.96

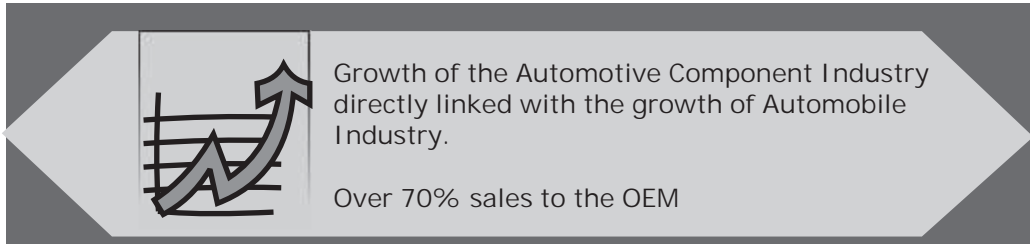
(Source: SIAM)

As it is evident from the above that as compared to the double digit growth till 2006-07, the last two years were worst for the Indian Auto Industry as a whole. Further, during the last year, the Commercial Vehicle Segment was the worst hit, as the same has registered a negative growth of (24%).

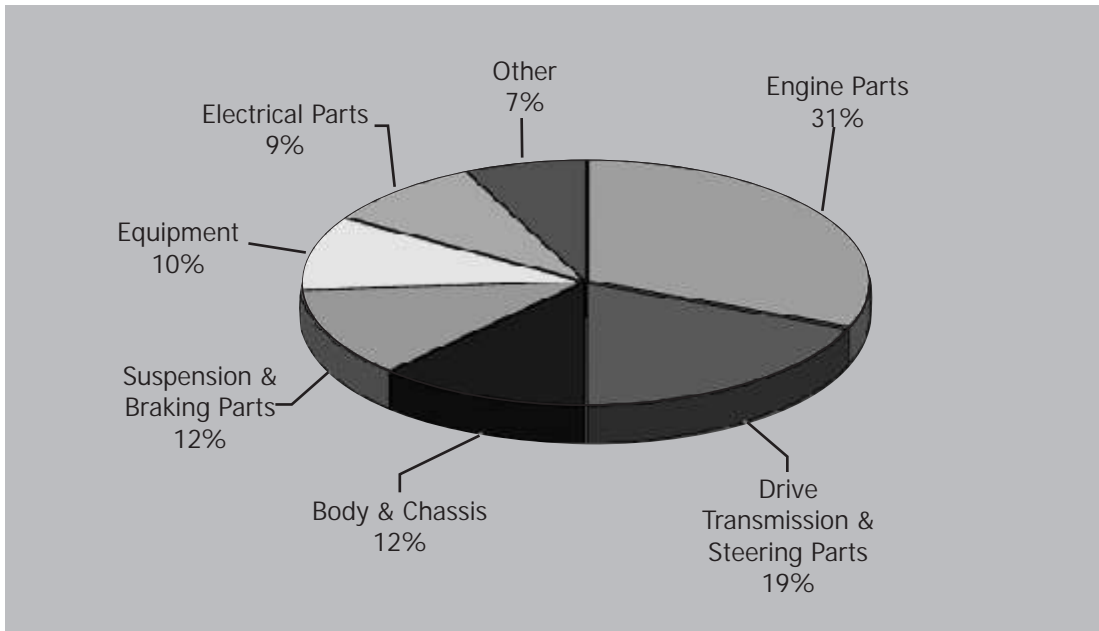
However, there are some positive factors which should aid partial recovery of the Indian Automotive Market viz. reducing inflation rates, the economic stimulus packages announced by government and reducing interest rates. Auto OEMs are vying for customers with new models and are also looking at export market(s) to partially compensate for the fall in local demand. The growth of the Indian Automotive Market over the long term looks positive.

The Indian Automobile Industry has started showing signs of recovery from the beginning of the current financial year. The cumulative production data for April-May 2009 shows production growth of 8.28 percent over April – May 2008. In May 2009, overall production grew by 6.53% over the same month last year. In April 2009, production grew at 10.19 percent. (Source: SIAM)

AUTO COMPONENT INDUSTRY



The Auto Component Industry comprises of the following.



The India's Automotive Component Industry manufactures the entire range of parts required by the Automobile Industry. It is conversant in all Global Automotive Standards, has appropriate investment in Research and Development, and possess the flexibility for Small Batch production to cater the OE requirements.

The Industry is dominated by key 584 players and graduating to world class level. It has bagged 11 Deming Awards which is the most prestigious award for Quality, 15 TPM Awards, 60 OHSAS 18001 Certification and other Quality Certifications such as ISO 14001 Environmental Management, QS 9000, TS 16949 Quality Management, ISO 9000 Quality Management. Various world class auto manufacturers such as BMW, Nissan, Mercedes Benz, Ford, General Motors, Toyota, Fiat, Volvo and Volkswagen among other, are sourcing components from Indian Auto Component suppliers. (Source : ACMA).

b). OPPORTUNITIES & THREATS

In order to face the ongoing challenges your Company has widened its consumer base, pulling in new accounts from OEM's such as Maruti Suzuki India Limited, Hero Honda, Mahindra & Mahindra (M&M), Toyota and General Motors India for their upcoming products. Although, in the October, 2008 to March, 2009 half year, your company registered negative earnings, but not being deterred by the down turn in the market, your Company's share is firming up from March 2009 onwards again. Going forward your Directors' hope for growth on the top-level as good accounts from the Customers have been received, especially Maruti Suzuki India Limited and Hero Honda, who are the largest customers of the Company.

In Passenger vehicle segment the main customers of your Company includes Maruti Suzuki, Tata Motors, Mahindra & Mahindra and Honda Siel which covers 71.65% of the total market share of the passenger vehicle segment and in Commercial Vehicle Segment the main customers of your Company are Tata Motors, Mahindra & Mahindra and Ashok Leyland which covers almost 87.81% of the total market share of the Commercial Vehicle segment. Further, in case of Two Wheeler segment, the list of customers of your Company includes Hero Honda Motors, Honda Motorcycle & Scooter, India Yamaha Motors which covers 64.79% of the market share of Two Wheeler segment. The Company wise market share of major OEMs' for April 2008 to March 2009 period is given here.

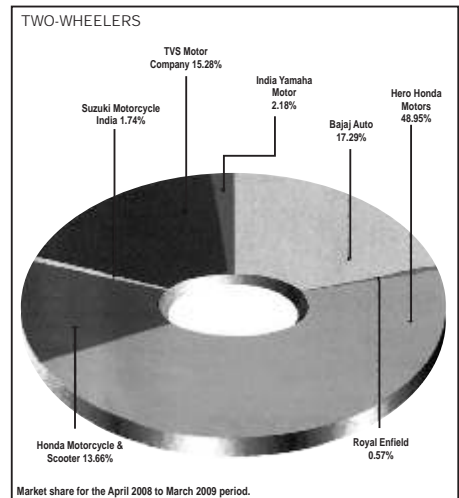
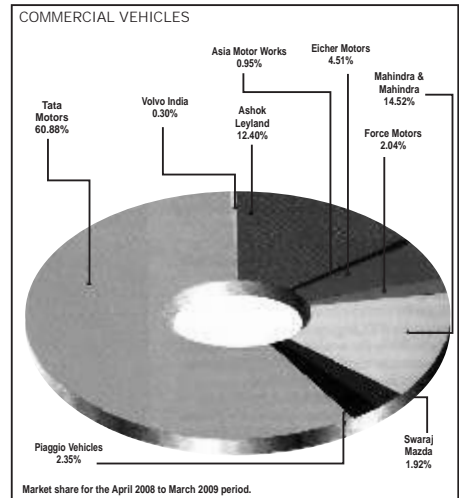
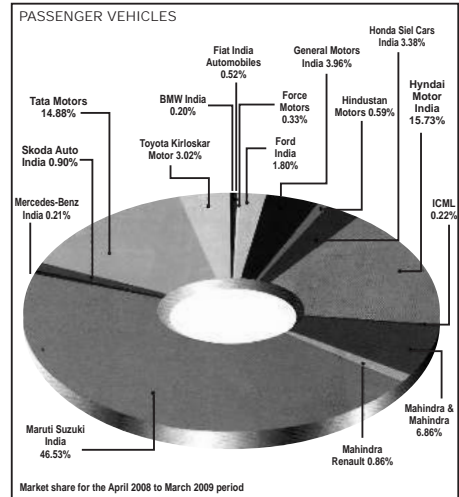
Your Company's growing product range and leadership in Domestic Market will aid the Company to cushion itself from the effects of the slowdown to some extent. The primary focus of your company is to consolidate its market share; and in this downturn where even the volumes are going down, your company needs to maintain and grow its leadership in the market. Your Company is evaluating strengths of some of the customers for certain product lines and the potential and opportunity is enormous as OEMs are coming up with newer products.

Apart from adding up new product lines for its automotive business, your Company is evaluating opportunities in the aviation and defence sectors by leveraging its existing capabilities. Your Company is of the view that the aviation and defence sectors are very high precision businesses and needs robust system of manufacturing. The Company would use the existing manufacturing footprints to understand, evaluate them and gradually pursue for it. The important fact is that most of the existing customers of the Company are already there in the defence sector, thereby giving your Company a natural advantage. Apart from the aviation and defence, your company is also exploring the opportunities in the infrastructure area.

In addition, the formation of the recent stable government for second successive term is also a positive indicator in favour of Industrial growth. These factors attract large Automobile manufacturer to choose India as their destination for setting up their manufacturing base and will offer good opportunity of growth. India is a large market for automobiles.

The Indian Auto Component Industry has major challenges from China and Thailand. Indian Auto Component Sector faces around 10%-15% of Cost disadvantage as compared to China & Thailand due to higher taxation, power cost, raw material cost(s) and infrastructure cost. The other challenges being faced by the Auto Component Industry is presence of counterfeit components, pressure from OEMs to reduce prices, volatile environment, volatile interest rate movements and competition.

Your Company propose to convert the opportunities into growth of the Company by cost reduction measures, appropriate automation leading to economic production costs and consistent quality product, strengthening Information Technology capability for Design, Development and Simulation, process improvements, quality up-gradations, increase market share by diversifying existing customer base with the addition of new strategic customers and enhancing the existing relationship.



(Source : Auto Car Professional)

c). PRODUCT WISE PERFORMANCE

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

Products	Turnover (Rs. in Million)
Head Lamp Assembly	2,846
Tail Lamp Assembly / Rear Combination Lamps	967
Tools	400
Miscellaneous Items	1,019
Total	5,233

d). INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations. The Legal & Secretarial Department headed by the Vice- President (Legal) & Company Secretary plays a key role in ensuring the compliances with applicable statutory and regulatory requirements across the plants and also monitors the Internal Control System and their adequacy.

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

e). RISK AND CONCERN

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

f). DISCUSSION ON FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATIONAL PERFORMANCE

The Indian Automotive Industry registered a flat growth in nearly all segments. The slowdown in the availability of credit, increase in the cost of borrowing and lower consumer confidence all took their toll on Indian automobile industry during the financial year ended March 31, 2009 resulting into flat growth of 2.96% in the production of Automobiles in this financial year over the last year ended in March 31, 2008.

REVENUE

Your company's business is directly dependent on the Original Equipment Manufacturer(s) of Automobiles (OEM's). Your company has achieved Net Sales of Rs. 5,233.32 Millions for the year ended March 31, 2009 as compared to Rs. 5,219.78 Million in the previous year, a nominal growth of 0.26%. The Company's actual sales were down by 17% as compared to its Business Plan for the year 2008-09. The Company could not achieve its targeted sales as some of the OEMS have either postponed their launch of new models like 'Nano' and Micro Bus by Tata Motors and 'Xylo' by Mahindra & Mahindra or scaled down their production due to sluggishness in the market.

PROFITS

Consequent upon no growth in Sales Revenue for the year ending March 31, 2009 and increase in the fixed expenses and other expenses due to internal as well as external factors, your Company has recorded a Loss (Before Tax Adjustment) of Rs. 36.43 Million for the year ended March 31, 2009 as compared to Profit Before Tax (PBT) of Rs. 201.94 Million in the previous year, a decline of 118% in the PBT. The main reasons of this decline are (i) accounting of extra-ordinary items of expenses in this year which include Losses incurred on account of Foreign Exchange Fluctuation amounting to Rs. 63.74 Million as the Dollar, Euro and Yen became strong against Indian Rupee due to the global financial crisis, (ii) Additional depreciation of Rs. 30 Million as compared to the previous year mainly on account of addition to the Fixed Assets during the year for new plant at Pant Nagar and expansion at Dharuhera & Chakan – II Plants and (iii) Additional manpower cost of Rs.80.20 Million as compared to the previous year.

DIVIDEND

The Company has been declaring dividend for the last 24 years continuously. Therefore, keeping in view of the philosophy of the Company to reward its shareholders and to continue the tradition of recommending dividend for the last 24 years, your Directors are pleased to recommend a Dividend of 10% (Rs. 1/- per Equity Share) for the Financial Year 2008-2009 out of the Profits of the previous years, despite the fact that the company had incurred Loss in the year ended March 31, 2009. The total amount of Dividend proposed to be distributed is Rs.9.35 million (excluding Dividend Tax).

g). HUMAN RESOURCES AND INDUSTRIAL RELATIONS

At Lumax, our people have always been our most valuable resources. Your Company continuous to develop the skill and knowledge of its employees from time to time so as to meet the technological and other changes in the auto component sector. Further the improvement activities through Kaizen, Quality Circles, Total Quality Management, 5-S are being done throughout the Company to enhance the productivity and efficiency of the employees.

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

During the year under review the Company employed 1372 number of employees.

CAUTIONARY STATEMENT

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

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, and forming part of Directors' Report for the year ended 31st March 2009.

A. CONSERVATION OF ENERGY :

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

(a) Energy Conservation Measures taken and their impact.

During the year under review the Company has taken following measures to conserve the energy.

1) Furnance Oil operated Mini Power Plant introduced at Dharuhera Plant

During the year under review, the Company has introduced Mini Power Plant at its Dharuhera Plant, which uses Furnance Oil as a Fuel, instead of Diesel. The price difference between the Furnance Oil and Diesel is approximate Rs. 10/- per liter, resulted into saving of fuel charges. Secondly, with the introduction of the Mini Power Plant, continues Power Supply from Sunday to Monday can be maintained, consequently there are No Power Trippings at the production level, resulted into reduction in rejections at the manufacturing level and improved productivity.

2) Insulation Thermo Jackets introduced on Barrels of Moulding Machines.

On test check basis, the Company has initially introduced Insulation Thermo Jackets on the Barrels of Moulding Machines in Pantnagar and Dharuhera Plants. By introducing Insulation Thermo Jackets, Heat Loss has been reduced which has resulted 48% reduction in power consumption to heat the material in the Barrel. With the introduction, of insulation jackets, on an approximate basis an amount of Rs. 19,000 per moulding machine is being saved.

3) Temperature Meter introduced in process water of cooling tower.

The Company has introduced Temperature Meters and Relays at the Cooling Towers at Dharuhera Plant to control and maintain the temperature of Water. In the cooling tower Fan(s) are used to reduce and maintain the temperature of Water below 30 degree Celsius. As and when the temperature of Water increases from 30 degree, with the help of Temperature Meters and Relays, the Fans automatically starts to cool the water, otherwise the Fans remain in Switch off Mode, thereby saving in Energy Consumption.

4) CFL TUBE introduced in lighting.

The Company has introduced at Pantnagar Plant the energy efficient CFL tubes. Initially, the existing Metal Halide Tubes of 250 Watt are replaced with CFL Tubes of 36 W in Finished Goods Store and WIP Store. The reduction in Watts from 250 Watt to 36 Watt has reduced the energy consumption.

5) Use of Sun Light as alternate for Artificial Light by introducing Transparent Poly Carbonate Sheets in Dharuhera, Pant Nagar and Chakan -II Plants.

In the Dharuhera, Pant Nagar and Chakan –II Plants, the Company has introduced Transparent Poly Carbonate Sheets at Pre Engineeing Sheds at the manufacturing place. With the introduction of Transparent Sheets, Sunlight directly flows from the shed to the Floor Shop, due to which, during the day time, the usage of Artificial Lights have reduced the power consumption substantially.

6) Auto Capacitor Panel introduced for maintaining the Power Factor.

The Company has introduced Auto Capacitor Panel in all the Units of the Company to maintain the Power Factor with in the prescribed limits. This has resulted in saving of extra charges to be paid/levied to/by the Electricity Department, if the Power Factor is lower than the prescribed limit.

(b) Additional Investments and Proposals being implemented for reduction of Consumption of Energy.

NIL

(c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of Goods.

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

(d) Total Energy Consumption and Energy Consumption per Unit of production.

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

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT.

As a result of ongoing continual improvements the company has been absorbing and localizing the latest technology in production and process with the help of its Technical and Financial Collaborator M/s Stanley Electric Co. Ltd., Japan.

Technology, Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation.
 - a. Focus on Energy conservation blend with Indigenous designing of various LED based interior lamps is carried out as a major part of innovation.
 - b. Continual absorbing the technique of effective maturation of Design, Tooling and Product.
 - c. Understanding the know how of multi color moulding components (first time introduced in India) from our Technological Partner- Stanley Electric Co. Ltd, Japan & introducing new Honda model Tail lamp with 2S2C molding facilities.
 - d. Plasma Coating Technology introduced in Head Lamps are an adaptation of new technology from our technological partner and we are expanding it to our new developed Head Lamp(s) for HSCI and MSIL.
 - e. Projects involving Corner Lighting, Projector Headlamps with Halogen bulbs, Xenon Projector Lamp with Ballast are under discussion.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
 - a. Based on the Technology absorbed during various design reviews in collaboration with the collaborator Stanley Electric Co. Ltd, Japan we were able to propose cost reduction ways to our customers.
 - b. With the new LED based technology in room and console lamps we are capable to offer such lamps to OEMs for their upcoming models.
 - c. Following the various activities of Maturation we are able to offer "First-Time-Right" Product to our esteemed customers.
 - d. The new technology of Lamps involving Multi Colour Injection Moulding will improve the product in aesthetics and quality. Also there will be reduction in man and machine hours.
 - e. Plasma coating on Head Lamps improves the product in terms of quality and reduces the cost of extra processes. This also adds to the aesthetics value of the product.
 - f. Several learning's from our Technology Partner helps us in localizing parts such as, Ionizing Guns, Testing Stands, etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

a.	Technology Imported	Two Color Two Short Moulding Technique
b.	Year of Import	2007-2008
c.	Has Technology been fully absorbed	Yes
d.	If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.	N.A.

RESEARCH & DEVELOPMENT

The Ministry of Science and Technology, Department of Scientific and Industrial Research Technology has granted the recognition of In-House Research & Development Unit at Gurgaon, in September 2008.

- a) Specific Areas in which R&D carried out by the Company
 - ❖ LED based Tail Lamp is developed with in house learning for Model XCD of Bajaj Auto Limited.
 - ❖ Completely in-house design and development was done for the Temporary Lamp Proto for MSIL's upcoming vehicle.

b) Benefits derived as a result of the above R&D:

- ❖ Reinforced the knowledge and technology involving LED based Lamps technology, such as Tail Lamps and Interior Lamps.
- ❖ Increase in Customer Confidence in Company's Research and Development Activities.
- ❖ Design and Material Databases are continuously improved and enhanced.
- ❖ Confidence Built up amongst R&D personnel for the multiple usage of the testing equipment.

c) Future Plan of Action:

- ❖ To up-grade our existing testing lab to meet the new generation lamps design validation requirements.
- ❖ To upgrade our existing design and development infrastructure.

d) Expenditure on Research & Development

(Rs. In Million)

(i)	Capital	2.23
(ii)	Recurring	49.43
(iii)	Total	51.66
(iv)	Total R & D Expenditure as a percentage of Total Turnover	0.99

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

- ❖ Participated in 7 days IZB Auto (Volkswagon Auto Exhibition) Exhibition meet organized at Wolfsburg, Germany. Various procurement groups visited the stall & face to face meetings held with them to explore the opportunities for supplying the parts worldwide.
- ❖ Export Team visited Germany on October 2008 for exploring the opportunities with current & new customers.

b) Total Foreign Exchange used and earned:

- (i) This information is given in Notes on Accounts (Schedule 25) at Sl.No.17 (c) to (f).

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ANNEXURE - C

Information as per the Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 & forming part of the Directors' Report for the year ended 31st March 2009.

S.No	Name of Employee	Age (years)	Designation and Nature of Duty	Gross Remuneration Received (Rs.)	Qualification and Experience (Years)	Date of Employment	Last Employment & position held
A.	Employed through out of the Financial Year under Review & were in receipt of remuneration for the financial year in aggregate not less than Rs 2,400,000/- per annum.						
1.	Mr. D.K. Jain	66	Chairman & Managing Director	6,281,354	B.A. MBA (47)	12 - 12 - 1981	Globe Auto Industries, New Delhi – Partner
2.	Mr. Deepak Jain	34	Senior Executive Director	5,723,245	B.B.A from Illinois Institute of Technology, U.S.A (15)	01 - 12 - 1996	Stanley Electric Co. Ltd, Japan Trainee
3.	Mr. Anmol Jain	30	Senior Executive Director	5,255,683	B. B.A (Hons) from Michigan University, U.S.A (9)	01 - 11 - 2003	Lumax GHSP Industries Ltd (Vice President)
4.	Mr. Ikuo Abe	53	Senior Executive Director (Nominee of Stanley)	10,441,919	Kaizen Trainer and Safety Manager (35)	12 - 12 - 2007	Stanley Electric Co. Ltd, Senior Manager
5.	Mr. Atsushi Ishii	50	Executive Director (Nominee of Stanley)	9,763,079	Graduation from Kyoto Sangyo University (28)	01 - 07 - 2004	Stanley Electric Co. Ltd, Manager-Sales.
6.	Mr. Naval Khanna	51	Finance Head	3,022,688	M. Com, Passed Intermediate & Final Group I & II Exam of Company Secretary (33)	06 - 11 - 1988	M/s Airfreight Limited, Senior Accounts Executive.

7.	Mr. M. Tanaka	44	Technical Manager- Development Management of New Product	7,737,925	Graduation from Hamamatsu Industrial High School and other specialization in Gas Welding, Boiler Engineering, Micro Soldering Technical Operator (26)	18 -09 -2006	Stanley Electric Co. Ltd, Assistant Manager
8.	Mr. K.N. Gupta	58	Director Operations(N.R)	2,639,306	Diploma in Mechanical Egg.& Management (38)	12 -02 -1996	Minda Industries Ltd - Profit Center Head
9.	Mr. A. K. Chaturvedi	59	Director Operations(W.R)	2,518,105	M.Sc Physics (38)	18 -05 -1990	Hind Lamps Limited- Asstt.Manager
B.	Employed for part of the year under review & were in receipt of remuneration at the rate not less than Rs. 200,000/ p.m.						
1.	Mr. Y. Muraga	59	Executive Director (Nominee of Stanley)	2,512,122	High School Graduate with Specialization in electronics (41)	27 -07 -2001	Stanley Electric Co. Ltd., Japan
2.	Mr. K. Sawada	46	General Manager	6,082,142	Degree in Business Technology from Osaka Institute of Technology, Japan. (23)	02 -06 -2008	Stanley Electric Co. Ltd, Japan
3	Mr. Prabal B. Bhaduri	57	Sr. Vice President(W.R)	1,318,442	PG Diploma in Business Management (36)	14 -08 -2007	TATA Motors Limited - AGM

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Notes :

- 1 Nature of employment of Mr. D.K. Jain, Chairman and Managing Director, Mr. Deepak Jain, Senior Executive Director, Mr. Anmol Jain, Senior Executive Director, Mr. Ikuo Abe, Senior Executive Director and Mr. Atsushi Ishii, Executive Director are contractual and Mr. Y. Muraga, Executive Director resigned on July 7, 2008. Mr. Naval Khanna, Mr. K.N. Gupta, Mr. A.K. Chaturvedi are regular Employees of the Company, Mr. Prabal. B. Bhaduri resigned on October 9, 2008, Mr. M. Tanaka , Mr. K. Sawada, are Nominees of Stanley Electric Co. Ltd Japan- Technical and Financial Collaborator.
- 2 Other Terms and Conditions: The terms and conditions of Employees at S.No 1 to 5 and B(1) are as approved by the Board of Directors and Shareholders, and the employees at S.No 6 to 9 & B (2) to (3) are paid remuneration as per the Policy/Rules of the Company.
- 3 Nature of Duties: Mr. D.K Jain, Chairman and Managing Director is responsible for overall management and control of the affairs of the Company, subject to supervision, control and direction of the Board and his position involves significant managerial responsibility. Subject to the supervision by the Chairman and Managing Director, Mr. Deepak Jain, Senior Executive Director is responsible for Strategy matters, OEM Sales, New Product Development, Corporate Finance, Information Technology Division and International Business matters including coordination with Collaborators, Mr. Anmol Jain, Senior Executive Director is responsible for overall Manufacturing and Business Operations of all Units, planning and implementation of New Projects, Corporate Planning and Human Resource (HR) matters, Mr. Ikuo Abe, Senior Executive Director is responsible for transfer of product and process technology from Stanley – Japan to Lumax, for reformation of Quality and Manufacturing System in Lumax to Benchmark with Stanley's Global Operations, Mr. Atsushi Ishii Executive Director is responsible for the Commercial Operations pertaining to business from Japanese Customers of the Company, negotiations with Customers for rates, designs specifications etc; finalizing Costing of the Parts, getting the design completed as per the OEMs requirement. He is a link between the Japanese OEM customers and the Company. Mr. Naval Khanna Finance Head is responsible for the Finance Function, Mr. K.N. Gupta responsible for Operations of the Northern Region and Mr. A.K Chaturvedi responsible for Operations of the Western Region of the Company. Mr. M. Tanaka is responsible for development and Management of New Product and Mr. K. Sawada is responsible for Maturation of New Model.
- 4 Remuneration includes Salary, Allowances, medical reimbursement, and contribution to P.F, Perquisites. In addition of this remuneration of Mr. Ikuo Abe, Mr. Y. Muraga, Mr. A. Ishii, Mr. M. Tanaka and Mr. K. Sawada includes "Absence Fees"
- 5 As None of the Employees are in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by Mr. D.K Jain, CMD, or Whole time Directors - Mr. Deepak Jain, Mr. Anmol Jain, Mr. Ikuo Abe Senior Executive Director(s), Mr. Atsushi Ishii, Executive Director and holds by himself or along with his spouse and dependent children not less than two percent, of the Equity shares of the Company. Hence the Clause 217(2A) (a)(iii) is not applicable.
- 6 None of the Employees mentioned above are relatives of any Director(s) of the Company, other than Mr. Deepak Jain and Mr. Anmol Jain, Senior Executive Director(s) who are the sons of Mr. D.K Jain, Chairman and Managing Director.

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY:

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

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

Our Corporate Governance philosophy is based on the following principles:

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

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

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

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

A. Scheduling and Selection of Agenda Items for Board Meetings

- (i) Minimum four pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- (ii) The meetings are usually held at the Company's office at Plot No.16, Sector-18, Maruti Complex, Gurgaon Haryana-122001.
- (iii) All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion / approval / decision at the Board meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board meetings.
- (iv) The Board is given presentations by the Statutory Auditors, Internal Auditors and Head Finance covering Finance, Sales, major business segments and operations of the Company, all business areas of the Company including business opportunities, business strategy and the risk management practices and Internal Audit issues before taking on record the quarterly / annual financial results of the Company.
- (v) The information required to be placed before the Board includes :
 - General Notices of Interest of Directors.
 - Minutes of Meetings of Audit Committee and other Committees of the Board, as also resolutions passed by circulation.
 - Annual Operating Plans of Businesses, Capital Budgets and any updates.
 - Quarterly results for the Company and its operating divisions or business segments.
 - Dividend declaration.
 - Quarterly summary of all Long-Term Borrowings made, Bank Guarantees issued, Loans and Investments made.
 - Sale of material nature, of Investments, Subsidiaries, Assets, which is not in normal course of business, if any.

- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
 - Internal Audit findings and Statutory Auditor Reports (through the Audit Committee).
 - Details of any Joint Venture, Acquisitions of Companies or Collaboration Agreement, if any.
 - Status of Business Risk Exposures, its Management and related action plans.
 - Making of Loans and Investment of surplus funds.
 - Non-Compliance of any Regulatory, Statutory or Listing requirements and Shareholders service such as Non-Payment of Dividend, delay in Share Transfer (if any), etc.
 - Show Cause, Demand, Prosecution Notices and Penalty Notices which are materially important.
 - Fatal or Serious Accidents, Dangerous occurrences, any material effluent or pollution problems.
 - Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company.
 - Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
 - Significant Labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like implementation of Voluntary Retirement Scheme etc.
 - Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property.
 - Brief on statutory developments, changes in Government policies etc. with impact thereof, directors' responsibilities arising out of any such developments.
 - Brief on clarifications made to the press.
- (vi) The Chairman of the Board and the Company Secretary in consultation with other concerned members of the Senior Management and Nominees of Technical and Financial Collaborator, finalise the agenda papers for the Board meetings.

B. Detailed Agenda Papers Provided to Board at the Meeting

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

C. Recording Minutes of proceedings at Board Meetings

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

D. Post Meeting Follow-up Mechanism

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

E. Role of the Company Secretary in Overall Governance Process

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

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

S. No.	Name of the Directors	Category of Directorship	No. of Board Meetings attended	No. of Directorships in other Public companies ¹	No. of Committee Positions held in other Public Companies ²		Last AGM Attended	Relationship Intere
					Chairman	Member		
1	Mr. D.K. Jain	Executive Director (CMD)	6	3	1	-	Yes	Related as Father to Mr. Deepak Jain and Mr. Anmol Jain
2	Mr. Deepak Jain	Sr. Executive Director	6	1	-	-	Yes	Related as Son to Mr. D.K Jain and as Brother to Mr. Anmol Jain
3	Mr. Anmol Jain	Sr. Executive Director	6	2	-	-	Yes	Related as Son to Mr. D.K Jain and as Brother to Mr. Deepak Jain
4	Mr. Ikuo Abe	Sr. Executive Director (Stanley Nominee)	2	-	-	-	Yes	Related as Nominee Directors of Stanley
5	Mr. Atsushi Ishii	Executive Director (Stanley Nominee)	3	-	-	-	Yes	Related as Nominee Directors of Stanley
6	Mr. A. Nakamura	Non Executive Director (Stanley Nominee)	-	-	-	-	No	Related as Nominee Directors of Stanley
7	Mr. A.P. Gandhi	Non-Executive Independent Director	5	9	2	2	No	Not related to any Director.
8	Mr. Deep Kapuria	Non-Executive Independent Director	1	3	2	-	Yes	Not related to any Director.
9	Mr. Gursaran Singh	Non-Executive Independent Director	4	3	-	-	No	Not related to any Director.
10	Mr. Suman Jyoti Khaitan	Non-Executive Independent Director	1	4	1	3	No	Not related to any Director.
11	Mr. M.C. Gupta	Non-Executive Independent Director	6	2	2	1	No	Not related to any Director.
12	Mr. Dhiraj Dhar Gupta	Non-Executive Independent Director	3	4	-	-	No	Not related to any Director.

Note: Mr. Ikuo Abe, Mr. Atsushi Ishii (Nominees of Stanley) and Mr. Dhiraj Dhar Gupta Independent Director has been appointed as Director(s) on 31-07-2008. Mr. Makio Natsusaka (Nominee of Stanley) has been appointed as Director in the Board Meeting held on 30-06-2009, pursuant to withdrawal of Nomination of Mr. A. Nakamura by Stanley Electric Co. Ltd.

1 Excludes Directorship in Foreign Companies.

2 As per amended guidelines, Committee here means Audit Committee and Shareholders/Investors Grievance Committee.

Lumax Industries Limited

a. Directors who relinquished office during the year ended 31st March, 2009.

Sl.No.	Name of the Directors	Category of Directors	No. of Board Meetings attended	No. of other Directorships	Committee Memberships	Committee Chairmanship	Last AGM Attended
1	Mr. Y.Muraga	Executive Director (Nominee of Stanley)	2	Nil	Nil	Nil	No

Note: Mr. Y Muraga has resigned w.e.f.07-07-08.

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

The Board of Directors had met six times during the financial year ended 31st March, 2009. The intervening period between two Board Meetings was well within the maximum time gap of 4 months, as prescribed under Code of Corporate Governance. The details of Board Meetings held during the year are as under:-

S.No.	Date of Board Meeting	Board's Strength	No. of Directors present
1.	26-05-2008	10	07
2.	28-06-2008	10	06
3.	31-07-2008	9	07
4.	11-09-2008	12	09
5.	20-10-2008	12	08
6.	31-01-2009	12	08

(As Mr. Y. Muraga resigned on 07-07-2008, the total strength of the Board reduced from ten Directors to Nine Directors on 31-07-2008 and three Directors were appointed in the Board Meeting of 31-07-2008, accordingly in the next Board Meeting(s) the strength of the Board increased to twelve Directors).

3. COMMITTEES OF THE BOARD :

Currently, the Board has three Committees:

- (A) The Audit Committee.
- (B) The Remuneration Committee.
- (C) The Investor Grievance and Share Transfer Committee.

The Company's process and procedure related to the Board Meetings are also applicable and followed in the Committee Meetings. The brief details of the various committees of the Board and their constitution and functions are as under:

A. Audit Committee

- a) Composition and Attendance

The Audit Committee comprises of Four Non-Executive Independent Directors. The Composition of the Audit Committee is as follows :

S.No.	Name of Directors	Status	Category of Membership
1.	Mr. Deep Kapuria	Chairman	Non-Executive Independent Director
2.	Mr. A.P. Gandhi	Member	Non-Executive Independent Director
3.	Mr. Gursaran Singh	Member	Non-Executive Independent Director
4	Mr. M. C. Gupta	Member	Non-Executive Independent Director

In order to broad base the Audit Committee, Board of Directors in their meeting held on June 28, 2008 have appointed Mr. M.C Gupta, Independent Director as member of the Audit Committee.

The Audit Committee had met five times during the Financial Year April 1, 2008 to March 31, 2009. The attendance of the meetings are as under :-

S.No.	Directors	No. of Meetings attended
1	Mr. Deep Kapuria	1
2	Mr. A.P. Gandhi	5
3	Mr. Gursaran Singh	3
4	Mr. M. C. Gupta	4

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

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

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

The Committee has powers as envisaged under Clause 49(II) of the Listing Agreement and as specified by the Board of Directors of the Company and includes the following terms of references:-

b) Powers of Audit Committee

Audit Committee shall have following Powers:-

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

c) Role of Audit Committee

- 1.) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2.) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fee.
- 3.) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- 4.) Reviewing, with management, the annual financial statements before submission to the Board for approval with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with Listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
 - g. Qualifications in Draft Audit Report.

- 5.) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- 6.) Reviewing with the management, performance of the Statutory and Internal Auditors, adequacy of Internal Control systems.
- 7.) Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 8.) Discussion with Internal Auditors on any significant findings and follow-up thereon.
- 9.) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
- 10.) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 11.) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- 12.) To Review the functioning of Whistle Blower mechanism, in case the same is existing.
- 13.) Carrying out any other function, which may be specified as a role of the Audit Committee under amendments, if any, from time to time as per the listing agreement, Companies Act, 1956, and other statutes.

d) Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:-

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

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

B. Remuneration Committee

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

The Remuneration Committee comprises of three Directors as its members. All the members of the Committee are Non-Executive Director and have sound knowledge of management practices. The Chairman of the Committee, Mr. A.P Gandhi is a Non-Executive Independent Director nominated by the Board. The power and role of the Remuneration Committee is as per guidelines set out in the Listing Agreement.

The constitution of the Remuneration Committee is as follows :-

S.No.	Name of Directors	Status	Category of Membership
1.	Mr. A.P. Gandhi	Chairman	Non-Executive Independent Director
2.	Mr. Deep Kapuria	Member	Non-Executive Independent Director
3.	Mr. Suman Jyoti Khaitan	Member	Non-Executive Independent Director

The Remuneration Committee had met once during the year 2008 – 2009 to consider and approve the appointment/ re-appointment and fixation of Remuneration of Whole-Time Directors viz. Mr. D.K.Jain, Chairman and Managing Director, Mr. Deepak Jain, Senior Executive Director, Mr. Anmol Jain, Senior Executive Director and Mr. Ikuo Abe, Senior Executive Director and Mr. A.Ishii, Executive Director (Nominees of Stanley Electric Co. Ltd. Japan).

Mr. Deep Kapuria and Mr. A. P. Gandhi were present and the payment of remuneration to the Whole time Directors was unanimously approved by all the members present.

a) Remuneration Policy:

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

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

The details of Remuneration paid / payable to Whole Time Directors during the financial year ended 31st March, 2009.

S.No.	Name of the Directors	Salary (Rs.)	Perquisites and other benefits (Rs.)	Commission (Rs.)	Total (Rs.)
1.	Mr. D.K. Jain	4,127,205.00	2,154,149.00	-	6,281,354.00
2.	Mr. Deepak Jain	3,824,705.00	1,898,540.00	-	5,723,245.00
3.	Mr. Anmol Jain	3,489,205.00	1,766,479.00	-	5,255,683.00
4.	Mr. Y. Muraga	2,297,706.00	214,416.00	-	2,512,122.00
5.	Mr. Ikuo Abe	6,132,685.00	890,885.00	-	7,023,570.00
6.	Mr. Atsushi Ishii	5,727,679.00	627532.00	-	6,355,211.00

(The Remuneration of Mr. Y. Muraga is upto July 7, 2008 and Mr. Ikuo Abe and Mr. Atsushi Ishii is from August 1, 2008 onwards and also includes the amount of "Absence Fees". Please also refer explanation in Director Report under the heading 'Auditors' and Note no. 16 of Schedule 25 of Notes to Accounts.)

None of the Non-Executive Directors held shares in the Company.

There is no Stock Option Scheme of the Company for any Director and there are no Security/Instrument of the Company pending for conversion into Equity Shares.

C. Shareholders/Investors Grievance & Share Transfer Committee

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

S.No.	Name of Directors	Status	Category of Membership
1.	Mr. Deep Kapuria	Chairman	Non-Executive Independent Director
2.	Mr. D.K. Jain	Member	Chairman & Managing Director (Executive Chairman).
3.	Mr. Deepak Jain	Member	Senior Executive Director

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

The Quorum for the functioning of the Committee is any two Members present. The Share Transfer formalities are attended by the Committee once in a fortnight.

The total complaints received and replied to the shareholders during the year ended 31st March, 2009 were 401. There were no complaints which were not solved to the satisfaction of the shareholders and pending during the year.

During the year 12 meetings of Committee were held. The following is the attendance record at the Committee during the year:

Shareholders/Investors Grievance & Share Transfer Committee Attendance

S.No.	Name of Members	No. of Meetings attended
1.	Mr. Deep Kapuria	12
2.	Mr. D.K. Jain	12
3.	Mr. Deepak Jain	11

4. COMPLIANCE OFFICER OF THE COMPANY:

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

5. GENERAL BODY MEETING

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

Financial Year	Date	Time	Location
2005-06	06-09-2006	10.30 A.M.	FICCI Auditorium, New Delhi
2006-07	23-07-2007	11.00 A.M.	FICCI Auditorium, New Delhi
2007-08	01-09-2008	10.30 A.M.	FICCI Auditorium, New Delhi

Special Resolutions passed in the previous three Annual General Meetings.

(i) AGM held on 06-09-2006 :

1.) Re-appointment of Mr. Deepak Jain as an Executive Director.

(ii) AGM held on 23-07-2007:

- 1.) Revised Payment of Remuneration to Mr. D.K. Jain, Chairman and Managing Director.
- 2.) Revised Payment of Remuneration to Mr. Deepak Jain, Executive Director.
- 3.) Revised Payment of Remuneration to Mr. Anmol Jain, Executive Director.

(iii) AGM held on 01-09- 2008 :

- 1.) Re-appointment of Mr. D. K. Jain, as Chairman & Managing Director for a further period of 3 years.
- 2.) Revision in Remuneration to Mr. Deepak Jain and re-designating him as Senior Executive Director.
- 3.) Re-appointment of Mr. Anmol Jain as Senior Executive Director for a further period of 3 years.
- 4.) Appointment of Mr. Ikuo Abe, as Director and also as a Senior Executive Director.
- 5.) Appointment of Mr. Atsushi Ishii, as Director and also as Executive Director

(iv) Postal Ballot Resolution passed on 09-09-2008 :

During the year the Company has passed a Special Resolution under Section 17 of the Companies Act, for alteration in the Object Clause of the Memorandum of Association of the Company through Postal Ballot mechanism. Mr. R.K Jain, Practising Company Secretary was appointed as Scrutinizer. The Company followed the procedure as prescribed under the Companies Act, 1956 and The Companies (Passing of Resolution by Postal Ballot), Rules, 2001 for conducting the Postal Ballot Process and Mr. D.K Jain, Chairman and Managing Director, Mr. Deepak Jain, Senior Executive Director, Mr. Anmol Jain, Senior Executive Director along with Mr. B.S. Bhadauriya, Vice President (Legal) and Company Secretary, were authorised by the Board of Directors to conduct the Postal Ballot Process and were responsible for the entire postal ballot process. The detail of Special resolution passed in the last year through Postal Ballot is as follows :

Date of Notice	Date of passing of Resolution	Particulars of Resolution	Percentage of votes cast in favour of Resolution
31-07-08	09-09-08	Resolution under Section 17 of the Companies Act, 1956, for amendments in the Main Object Clause of the Memorandum of Association by including two more clauses related to the activities of Research and Development.	Out of the total postal ballots received from 503 members, 486 members gave their assent to the resolution constituting 99.95% votes to the total no of votes received.

6. CODE OF CONDUCT

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

7. DISCLOSURES

- a.) During 2008-09, other than the transactions entered in the normal course of business and reported as the related party transactions in the annual accounts, the Company had not entered any materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters/ Director/Senior Employees or relatives etc., which could have a potential conflict with the interest of Company at large.
- b.) The Audit Committee is briefed with all related party transaction undertaken by the Company.
- c.) The Senior Employees have made disclosures to Board that they did not have personal interest in any material financial and commercial transactions that could result in a conflict with the interest of the Company at large.
- d.) The Company has a Code of Conduct for its Board and Senior Employees (as per Corporate Governance Code) and the same is available at the Company's website. The Company has obtained a compliance certificate from all concerned.
- e.) There has been no Non-Compliance penalties/strictures imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.
- f.) The Company follows the Accounting Standards laid down by the Institute of Chartered Accountants of India, and there has been no deviation in the accounting treatment during the year except as mentioned in Para 4(a) and 4 (b) of the Auditors Report and the Management explanation on this are given in the Director Report.
- g.) The Company do not have any Whistle Blower Policy. However, the Company promotes a favorable environment for employees to have an open access to the respective functional Heads, Executive Directors and Chairman and Managing Director, so as to ensure ethical and fair conduct of the business of the Company.
- h.) The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement.
- i.) The Company has not issued shares pursuant to the public issue or any other issue which are unclaimed and lying in the escrow account, accordingly the requirement of disclosure in the Annual Report as per Clause 5A of the Listing Agreement is not applicable.
- j.) The Company has formulated a Code of Conduct for Preventions of Insider Trading in the Shares of the company in accordance with the SEBI (Prohibition of Insider Trading) Regulation, 1992.

8. MEANS OF COMMUNICATION

The Quarterly/Yearly results of the Company are published in leading and widely circulated English dailies viz. 'The Economic Times', 'The Business Standard', 'DNA', 'The Financial Times', 'Mumbai Mirror' and a Hindi daily 'The Nav Bharat Times' as per the requirements of the Listing Agreement with the Stock Exchanges. The results are also faxed to the Stock Exchanges where the Equity Shares of the Company are listed, in accordance with the provisions of the Listing Agreement.

The Company's financial results and official news releases are also displayed on the Company's website at www.lumaxindustries.com.

Pursuant to Clause 51 of the Listing Agreement, all data related to quarterly as well as annual financial results, shareholding pattern etc. are updated at the Electronic Data Information Filing And Retrieval (EDIFAR) website maintained by SEBI namely www.sebidifar.nic.in

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

10. GENERAL SHAREHOLDERS INFORMATION

- a.) **Annual General Meeting** : The 28th Annual General Meeting is Scheduled as under :-
 Date : 18th-August-2009
 Time : 10.30 A.M
 Venue : FICCI Golden Jubilee Auditorium,
 Tansen Marg, New Delhi -110001
- b.) **Date of Book Closure** : 08 August, 2009 to 18th August, 2009 (both days inclusive).
- c.) **Registered Office** : Lumax Industries Limited
 B-85-86, Mayapuri Industrial Area,
 Phase – I, New Delhi - 110064.
- d.) **Financial Year** : 1st April to 31st March
- e.) **For the year ended March 31, 2009 results were announced on:**

Adoption of Quarterly Results Ended	In the Month of
30 th June, 2008	July 31, 2008
30 th September, 2008	October 20, 2008
31 st December, 2008	January 31, 2009
31 st March, 2009 (Audited Annual Accounts)	June 30, 2009

Lumax Industries Limited

f.) Financial Calendar for 2009-10 (Provisional) :

S. No.	Adoption of Quarterly Results Ended	In the Month of
1.	30 th June, 2009	4th week of July 2009
2.	30 th September, 2009	4th week of October 2009
3.	31 st December, 2009	4th week of January 2010
4.	31 st March, 2010 (Audited Annual Accounts)	4th week of June 2010

g.) Dividend & Dividend Payment Date:

A dividend of Rs. 1/- per share (10%) has been recommended by the Board of Directors for the Financial Year 2008-09 which is subject to the approval of the Shareholders at the ensuing Annual General Meeting. For Demat Shareholders and Physical Shareholders who have opted for ECS, Dividend Amount of Rs.1/- per share will be credited directly to their respective bank accounts through ECS, wherever such facilities are available, soon after the declaration of dividend in the AGM. For others, Dividend Warrants will be posted by September 5, 2009 (tentative).

h.) Unclaimed Dividends :

Unclaimed Dividend for the year 2001-2002 shall become transferable to the Investor Education & Protection Fund by November, 2009. The Company has been writing periodical reminders to all the shareholders, whose Dividends are lying unpaid in the Unpaid Dividend Account.

i.) Share Transfer System :

All work related to Share Registry, both in physical form and electronic form, is handled by the Company's Registrar and Transfer Agent. The Company has appointed M/s Karvy Computer Share Pvt Ltd as the Registrar & Share Transfer Agent. The Share transfers in physical form are approved by the Shareholders/Investors Grievance & Share Transfer Committee which meets regularly on a weekly/fortnightly basis. The total number of shares transferred during the financial year 2008-09 were 7,604, which were registered and returned to the respective transferees within a period ranging from two to three weeks, provided the documents lodged with the Registrars/Company are clear in all respects.

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

Address : M/s Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081
Tel : 040-23420816-824 Fax : 040-23420814
E-mail : einward.ris@karvy.com
Website : www.karvycomputershare.com
Contact Person : Mr. Shyam S. Rautela

k.) Investors Correspondence :

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

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

l.) Listing on Stock Exchanges:

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

m.) ISIN No. : INE162B01018 :

Listing Fee for the year 2008-09 has been paid to The Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

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

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

o.) Shareholding Pattern of the Company as on 31st March, 2009 :

S. No.	Category	No. of shares held	%age of shareholding
A.	Promoters' Holding		
1.	Promoters		
	Indian Promoters	2,397,650	25.65
	Foreign Promoters	4,489,730	48.03
2.	Persons acting in concert	-	-
	SUB -TOTAL(A)	6,887,380	73.68
B.	Non-Promoters Holding		
3.	Institutional Investors		
a	Mutual Funds and UTI	1,740	0.02
b	Banks, Financial Institutions, Insurance Companies, Central/State Govt. Institutions/ Non-Government Institutions.	400	0.00
c	FII's	10,220	0.11
	SUB -TOTAL (B 3)	12,360	0.13
4.	Others:-		
a	Private Corporate bodies	668,305	7.15
b	Indian Public	1,773,503	18.97
c	NRIs (Including Foreign Company)	6,184	0.07
d	Any other	-	-
	SUB -TOTAL(B 4)	2,447,992	26.19
	SUB -TOTAL(B)(3+4)	2,460,352	26.32
	GRAND TOTAL (A+B)	9,347,732	100.00

p.) Distribution of Shareholding as on 31st March, 2009 :

No. of Shares held		No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
1	500	17,021	97.83	893,590	9.56
501	1,000	182	1.05	135,288	1.45
1001	2,000	91	0.52	125,532	1.34
2,001	3,000	26	0.15	63,409	0.68
3001	4,000	10	0.06	36,117	0.39
4,001	5,000	10	0.06	44,704	0.47
5,001	10,000	21	0.12	145,431	1.56
10,001	& above	37	0.21	7,903,661	84.55
Total		17,398	100.00	9,347,732	100.00

q.) Dematerialisation of Shares :

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

r.) Status of Dematerialisation as on 31st March, 2009 :

No. of Shares Dematerialised	6,459,032 (69.10% of the total Share Capital)
No. of Shareholders in Demat form.	8,482 (48.75% of the total No. of Shareholders)

Lumax Industries Limited

s.) Stock Market Data during the Financial Year 2008-09 :

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

Month	BSE				NSE			
	Share Price		Sensex Points		Share Price		S&P CNX Nifty Points	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
April 2008	195.00	155.60	17480.74	15297.96	199.00	158.15	5230.75	4628.75
May 2008	197.00	153.20	17735.70	16196.02	198.15	153.50	5298.85	4801.90
June 2008	168.90	120.00	16632.72	13405.54	170.00	110.50	4908.80	4021.70
July 2008	149.00	110.00	15130.09	12514.02	154.00	108.00	4539.45	3790.20
August 2008	199.00	125.05	15579.78	14002.43	199.00	125.05	4649.85	4201.85
September 2008	169.00	115.50	15107.01	12153.55	172.00	111.00	4522.40	3715.05
October 2008	132.00	74.00	13203.86	7697.39	127.00	70.55	4000.50	2917.15
November 2008	92.95	62.25	10945.41	8316.39	96.00	65.05	3240.55	2502.90
December 2008	99.00	60.00	10188.54	8467.43	95.00	60.10	3110.45	2570.70
January 2009	118.40	68.50	10469.72	8631.60	120.00	68.00	3147.20	2661.65
February 2009	77.00	65.25	9724.87	8619.22	79.85	61.80	2969.75	2677.55
March 2009	72.00	60.00	10127.09	8047.17	72.55	56.50	3123.35	2539.45

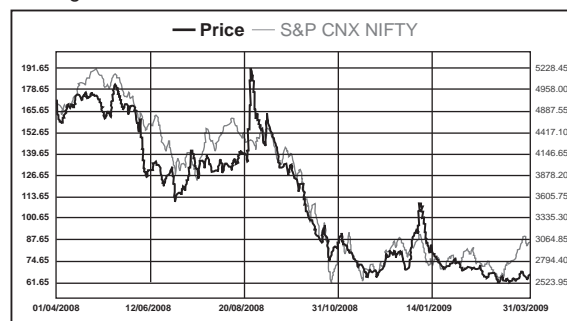
t.) The details of monthly Closing Share Price on BSE & NSE and the Stock Performance vis-a-vis S&P CNX Nifty in a Graph is given below:

Monthly Closing Share Price on BSE & NSE along with Sensex and Nifty Points (April 2008 to March 2009)

Month	BSE (Rs.)	Sensex	NSE (Rs.)	Nifty
April 2008	176.00	17,287.31	175.10	5,165.90
May 2008	169.00	16,415.57	169.00	4870.10
June 2008	123.10	13,461.60	125.10	4040.55
July 2008	132.00	14,355.75	129.00	4332.95
August 2008	163.70	14564.53	164.05	4360.00
September 2008	119.75	12,860.43	117.15	3921.20
October 2008	84.00	9,788.06	81.70	2885.60
November 2008	70.40	9,092.72	68.10	2755.10
December 2008	89.00	9,647.31	89.35	2959.15
January 2009	72.10	9,424.24	74.00	2874.80
February 2009	68.00	8,891.61	67.50	2763.65
March 2009	65.90	9,708.50	66.20	3020.95

Stock Performance vis- a- vis S&P CNX Nifty

The performance of the Company's Share related to Nifty is given in the charts below:



u.) Plant Locations of the Company as on 31st March, 2009 :

The Company has its manufacturing units at :

1)	Plot No.16, Sector-18, Maruti Complex, Gurgaon , Haryana.
2)	Plot No.6, Industrial Area, Dharuhera, District Rewari, Haryana.
3)	D2-43/2, M.I.D.C. Industrial Area, Chinchwad, Pune, Maharashtra.
4)	Plot No.37, WMDC, Kharabwadi, Ambethan Road, Chakan, Tel. Khed, District Pune, Maharashtra.
5)	608-609, Chakan Talegaon Road, Mahalunge Ingle, Chakan, District Pune, Maharashtra.
6)	Plot No. 51, Tata Vendor Park, Industrial Estate, Pant Nagar Uttarakhand.
7)	Warehouse at Plot No.E-38, Site-IV, Surajpur Greater Noida, District Gautam Budh Nagar, Uttar Pradesh.

11. NON-MANDATORY REQUIREMENTS

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

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

12. CEO & CFO CERTIFICATE

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

13. OTHER INFORMATION**Electronic Clearing Service (ECS)**

SEBI had vide its Circular No.DCC/FITTCIR-3/2001 dated October 15, 2001 advised that all Companies should mandatory use ECS facility wherever available. In the absence of ECS facility, companies may use warrants for distributing the dividends and vide its Circular No.D&CC/FITTCIR-04/2001 dated November 13, 2001 had advised companies to mandatorily print the Bank Account details furnished by the Depositories, on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. However, members who wish to receive dividend in an account other than the one specified while opening the Depository Account, may notify their DPs about any change in the Bank Account details.

Nomination Facility

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

Lumax Industries Limited

CEO & CFO Certification under Clause 41 & 49(V) of the Listing Agreement to be placed before the Board along with Audited Annual Accounts for the year ended 31st March 2009.

- a. We certify to the Board that we have reviewed Financial Statements and Cash Flow Statement for the year ended 31st March 2009 and that to the best of our knowledge and belief;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies, if any.
- d. We have indicated to the Auditors and the Audit Committee
- (i) significant changes in internal control over financial reporting during the year, if any;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
- (iii) There were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Gurgaon
Date: June 30, 2009

NAVAL KHANNA
GROUP FINANCE HEAD

D.K. JAIN
CHAIRMAN & MANAGING DIRECTOR

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

I D.K. Jain, Chairman & Managing Director of the Company hereby certify that the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct of the Company for the FY-2008-09.

Place : Gurgaon
Date : June 30, 2009

D.K. JAIN
CHAIRMAN & MANAGING DIRECTOR

Auditors' Certificate on Corporate Governance

To,
The Members of Lumax Industries Limited

We have examined the compliance of conditions of Corporate Governance by Lumax Industries Limited, for the year ended on March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

Pankaj Chadha (Partner)
Membership No.: 91813

Place : Gurgaon
Date : June 30, 2009

Auditors' Report

To

The Members of Lumax Industries Limited

1. We have audited the attached Balance Sheet of Lumax Industries Limited ('the Company') as at March 31, 2009 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4.
 - a) *As stated in Note 15(a) of Schedule 25, the Recoverable Amount of assets (including CWIP) consisting of land, building and certain plant and machinery pending installation aggregating to Rs.178,293,439 is yet to be ascertained and impairment in values thereof, if any, is accordingly not provided for which is not in accordance with the requirements of Accounting Standard 28 on Impairment of Assets. Pending such determination, we are unable to ascertain impact, if any, on these financial statements.*
 - b) *As stated in Note 15(b) of Schedule 25 recoverability of claims recoverable of Rs. 8,887,465 is not ascertainable in the absence of conclusion of negotiations and confirmation of the claim by the party involved. In absence of the endorsement of the claim, we are unable to ascertain the appropriateness of recognition of such claims as required under the provisions of Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets consequential impact where of is not ascertainable.*
5. Without qualifying our opinion, we would like to draw attention to Note 16 of Schedule 25 of the Financial Statements. The Company has incurred managerial remuneration to foreign Directors of Rs.15,890,904 during the year, which is in excess of the limits specified by the relevant provisions of the Companies Act, 1956, by Rs.69,49,977. The Company has made an application to the appropriate regulatory authorities in this regard, for payment of such excess remuneration to managerial personnel. Pending the final outcome of the Company's application, no adjustments have been made to the accompanying financial statements in this regard.
6. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations,

- which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
 - iv. In our opinion, *subject to our remarks in paragraph 4(a) and 4(b) above*, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, *the said accounts, subject to our comments in paragraph 4(a) and 4(b) above, the effect of which on the financial statements is not currently determinable*, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2009;
 - b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Pankaj Chadha
Partner

Place : Gurgaon
Date : June 30, 2009

Membership No. 91813

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

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification
 - (c) There was no substantial disposal of fixed assets during the year.
- (ii)
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

Lumax Industries Limited

- (c) The movement of inventories with the third parties was not recorded correctly in the stock records maintained at various stock locations and has resulted in material discrepancies being identified on receipt of confirmation of inventory from the third parties. The above discrepancies noticed have been properly dealt with in the books of account. Except to the extent stated above, the Company is maintaining proper records of inventory.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) The Company's major purchases of inventory and fixed assets and major sales of components are stated to be of proprietary / specialized nature, and hence, in such cases, the comparison of prices with the market rates or with purchases from / sales to other parties can not be made. Read with the above, in our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. The clause relating to sale of services is not applicable to the Company. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lacs entered into during the financial year, as informed because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state

insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

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

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty demand against the rejected goods sent on 57(f) (4) challans	7,255,448	July, 1994 to February, 1999	High Court, Chandigarh
The Central Excise Act, 1944	Excise duty demand against excess credit taken against the material procured from 100% EOU	461,372	1999-00 to 2001-02	High Court, Chandigarh
The Central Excise Act, 1944	Excise duty demand against excess credit taken against the material procured from 100% EOU	1,617,745	1999-00 to 2001-02	Joint commissioner of Central Excise- Gurgaon
Service Tax Act, 1994	Service tax Demand raised on Royalty and Technical know how	3,451,809	1999-00 to 2002-03	Asstt. Commissioner of Service Tax – Gurgaon
The Central Excise Act, 1944	Excise duty demand for interest on differential duty due to price escalation	343,218	2001-02 to Oct 2005	Asstt. commissioner of Central Excise- Gurgaon
Local Area Development Tax Act, 2005	Demand of tax on certain fixed assets including interest	105,971	2000-2001	Jt. Excise & Taxation Commissioner (Appeals), Faridabad
Income tax Act, 1961	Income tax demand on various disallowances	2,375,490	AY 2004-05	CIT (Appeals), New Delhi
Income tax Act, 1961	Income tax demand on various disallowances	27,884,526	AY 2005-06	CIT (Appeals), New Delhi

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. We have been informed that the Company does not have any loans outstanding from financial institutions during the year and has not issued any debentures.
- (xii) According to the information and explanations 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) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the

- Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that the Company has used funds raised on short-term basis for long-term investment. *Short term funds amounting to Rs.202,637,218 raised by increase in current liabilities has been invested for acquisition of fixed assets whose useful life is estimated between 10 and 28 years.*
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

Place : Gurgaon
Date : June 30, 2009

per Pankaj Chadha
Partner
Membership No. 91813

Lumax Industries Limited

Balance Sheet as at March 31, 2009

Particulars	Schedules	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	93,477,320	93,477,320
Reserves and Surplus	2	<u>1,311,897,281</u>	<u>1,340,122,551</u>
		<u>1,405,374,601</u>	<u>1,433,599,871</u>
Loan Funds			
Secured Loans	3	976,441,575	552,466,908
Unsecured Loans	4	<u>316,861,998</u>	<u>323,869,315</u>
		<u>1,293,303,573</u>	<u>876,336,223</u>
Deferred Tax Liability (net)	5	<u>153,241,547</u>	<u>176,253,881</u>
	TOTAL	<u>2,851,919,721</u>	<u>2,486,189,975</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	3,714,859,503	2,677,550,187
Less : Accumulated Depreciation / Amortization		<u>1,509,467,789</u>	<u>1,301,455,316</u>
Net Block		<u>2,205,391,714</u>	<u>1,376,094,871</u>
Capital Work-in Progress including Capital Advances		392,607,639	437,441,563
Pre-operative Expenditure	7	-	3,879,812
		<u>2,597,999,353</u>	<u>1,817,416,246</u>
Investments	8	36,689,144	469,952,716
Current Assets, Loans and Advances			
Inventories	9	763,125,970	708,903,385
Sundry Debtors	10	624,176,511	689,617,242
Cash and Bank Balances	11	190,028,711	45,916,015
Other Current Assets	12	50,735,386	9,554,096
Loans and Advances	13	<u>287,536,477</u>	<u>167,620,789</u>
		<u>1,915,603,055</u>	<u>1,621,611,527</u>
Less: Current Liabilities and Provisions			
Current Liabilities	14	1,629,032,905	1,321,724,220
Provisions	15	<u>69,338,926</u>	<u>101,126,584</u>
		<u>1,698,371,831</u>	<u>1,422,850,804</u>
Net Current Assets		<u>217,231,224</u>	<u>198,760,723</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)	16	-	60,290
	TOTAL	<u>2,851,919,721</u>	<u>2,486,189,975</u>
Notes to Accounts	25		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

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

per Pankaj Chadha
Partner
Membership No. 91813

D. K. Jain
Chairman & Managing Director

Deepak Jain
Sr. Executive Director

Place : Gurgaon

Date : June 30, 2009

Naval Khanna
Group Finance Head

B.S.Bhadauriya
Company Secretary

Profit and Loss Account for the year ended March 31, 2009

Particulars	Schedules	For the year ended March 31, 2009 Rs.	For the year ended March 31, 2008 Rs.
INCOME			
Turnover (Gross)	17	5,908,940,109	6,037,028,188
Less: Excise duty		(675,618,715)	(817,250,700)
Turnover (Net)		5,233,321,394	5,219,777,488
Other Income	18	61,798,842	118,734,002
	TOTAL	5,295,120,236	5,338,511,490
EXPENDITURE			
Purchase of Trading Goods		93,852,555	644,626,429
Raw Materials and Components Consumed {including job work charges of Rs.38,750,521 (Previous year Rs.67,590,060)}		3,281,029,700	3,139,598,575
Cost of Sale of Moulds, Tools & Dies		293,422,006	27,006,967
Personnel Expenses	19	543,491,246	463,258,877
Operating and other Expenses	20	719,215,774	690,122,787
Decrease/ (Increase) in Inventories	21	84,988,154	(86,482,110)
Depreciation/ Amortisation (Refer Note No. 13 to Schedule 25)		223,355,145	193,097,466
Less: Transfer from Revaluation Reserve		(1,100,131)	(1,521,710)
Financial Expenses	22	92,463,454	65,121,793
	TOTAL	5,330,717,903	5,134,829,074
Profit Before Tax and prior period items		(35,597,667)	203,682,416
Prior period items	23	837,505	1,736,186
Profit Before Tax and after prior period items		(36,435,172)	201,946,230
Current tax {including Rs. 1,733,612 (net) being provision for earlier years written back, (Previous year Rs 1,956,002 being excess provision for earlier years, written back)}		(1,733,612)	68,956,002
Deferred tax (credit)/(Previous year Rs 2,078,089 being Credit for earlier years)		(23,012,333)	(13,600,694)
Fringe benefit tax		4,500,000	5,119,515
Total tax expense		(20,245,945)	60,474,823
Net Profit		(16,189,227)	141,471,407
Balance brought forward from Previous year		55,496,161	55,062,395
Less : Impact of Revised AS-15		-	(17,292,125)
Profit Available for Appropriation		39,306,934	179,241,677
Appropriations:			
Proposed dividend		9,347,732	37,390,928
Tax on dividend		1,588,180	6,354,588
Transfer to General Reserve		-	80,000,000
Surplus carried to Balance Sheet		28,371,022	55,496,161
Earnings per share	24		
Basic & Diluted {Nominal value of shares of Rs.10 Previous year : Rs.10}		(1.73)	15.30
Notes to Accounts	25		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date
For **S.R. BATLIBOI & ASSOCIATES**
Chartered Accountants

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

per **Pankaj Chadha**
Partner
Membership No. 91813

D. K. Jain
Chairman & Managing Director

Deepak Jain
Sr. Executive Director

Place : Gurgaon

Date : June 30, 2009

Naval Khanna
Group Finance Head

B.S.Bhadauriya
Company Secretary

Lumax Industries Limited

Cash Flow Statement for the period April 1, 2008 to March 31, 2009

S.No. PARTICULARS	2008-2009 (Rs.)	2007-2008 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
- Net profit before taxation	(36,435,172)	201,946,230
Adjustment for :		
- Depreciation	222,255,014	191,575,756
- Provision for doubtful debts / advances	3,799,072	-
- Provision for warranty claims	-	8,448,000
- Miscellaneous expenditure written off	60,290	584,655
- Interest expenses	92,463,454	49,295,768
- Interest income	(5,398,886)	(9,303,087)
- Foreign exchange difference (net)	-	(1,113,062)
- Profit on sale of long term / current investments (net)	(354,735)	(2,817,204)
- Dividend income from long term/current investments	(29,725,833)	(27,393,311)
- Bad debts/advances written off	9,180,310	25,685,973
- Profit on fixed assets sold / discarded (net)	(271,591)	(29,433,143)
Operating Profit before Working Capital Changes	255,571,923	407,476,575
Movements in working capital:		
- (Increase) in inventories	(54,222,585)	(257,695,085)
- (Increase) in sundry debtors	52,461,349	8,264,364
- (Increase) /decrease in loans and advances	(119,915,688)	8,506,517
- (Increase) in Other current assets	(41,181,290)	-
- Increase in current liabilities and provisions	309,113,570	270,737,644
Cash Generated From Operations	401,827,279	437,290,015
- Direct Taxes Paid	(19,143,768)	75,695,109
Net cash from operating activities	4,209,711,047	361,594,906
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of fixed assets	(1,010,115,181)	(579,399,196)
- Proceeds from sales of fixed assets	6,448,519	60,813,016
- Purchase of Investments	-	(1,789,137,512)
- Sale of Investments	433,618,307	1,356,452,335
- Dividend received on investments	29,725,833	27,393,310
- Interest received	5,398,886	17,547,292
- Movements in fixed deposits with banks (Receipts pledged with bank)	(155,934,321)	125,161,028
Net cash (used) in investing activities	690,857,957	(781,169,727)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from equity shares	-	10,000,000
- Proceeds from equity (share premium)	-	530,030,000
- Proceeds from long term borrowings	475,025,139	207,437,677
- Proceeds from financial lease obligation	(11,877,613)	-
- Proceeds from body corporate loan	45,270,000	-
- Repayment of long term borrowings	(88,902,102)	(228,139,201)
- Proceeds from/(repayment) of bank borrowings and short term loans (net)	48,687,982	(124,801,482)
- Repayment of sales tax deferment	(22,182,351)	-
- Repayment of body corporate loan	(29,053,706)	-
- Interest Paid	(92,463,454)	(48,974,277)
- Deferred tax liability	(23,012,334)	-
- Dividend Paid	(37,071,688)	(41,866,230)
- Tax on dividend paid	(6,354,588)	(7,148,912)
Net cash (used) in financing activities	258,065,285	296,537,575
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(11,824,625)	(123,037,246)
Cash & Cash equivalents at the beginning of the year	20,543,593	143,580,839
Cash & Cash equivalents at the end of the year	8,721,968	20,543,593
Components of Cash and Cash Equivalents		
Cash in Hand	1,471,041	1,944,353
Balances with Scheduled Banks:		
On Current Accounts	5,063,337	16,730,890
On Unpaid Dividend Accounts	2,187,590	1,868,350
	8,721,968	20,543,593

NOTES:

- (a) 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.
- (b) Negative figures have been shown in brackets.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

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

per Pankaj Chadha
Partner
Membership No. 91813

D. K. Jain
Chairman & Managing Director

Deepak Jain
Sr. Executive Director

Place : Gurgaon

Date : June 30, 2009

Naval Khanna
Group Finance Head

B.S.Bhadauriya
Company Secretary

Schedules to the Accounts

Particulars	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
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Schedule 1: Share Capital

Authorised

12,000,000 (Previous year 12,000,000)
equity shares of Rs. 10/- each

120,000,000

120,000,000

Issued, subscribed & paid up

9,347,732 (Previous year 9,347,732) equity shares
of Rs. 10/- each fully paid up

93,477,320

93,477,320

Of the above:

- (i) 3,947,500 (Previous year 3,947,500) equity shares of Rs.10 each are allotted as fully paid-up bonus shares by capitalisation of the General Reserve.
- (ii) 10,000 (Previous year 10,000) equity shares of Rs.10 each were allotted as fully paid-up pursuant to contracts for consideration other than cash.
- (iii) 850,232 (Previous year 850,232) equity shares of Rs. 10 each were allotted as fully paid-up, pursuant to the Scheme of Amalgamation with Laser Lamps (Haryana) Ltd.

Schedule 2: Reserves and Surplus

Capital Reserve

Balance as per last account

65,138

65,138

Revaluation Reserve

Balance as per last account

80,724,014

82,245,724

Less: Adjustment on account of depreciation on revalued amount of assets

(1,100,131)

79,623,883

(1,521,710)

80,724,014

Securities Premium Account

Balance as per last account

679,665,909

149,635,909

Add : Received during the year

-

679,665,909

530,030,000

679,665,909

General Reserve

Balance as per last account

524,171,329

444,171,329

Add: Transferred from Profit & Loss Account

-

524,171,329

80,000,000

524,171,329

Profit and Loss Account

28,371,022

55,496,161

1,311,897,281

1,340,122,551

Schedule 3: Secured Loans

Loans and Advances from Banks

- Term loans
- Cash credit facilities

747,865,598

377,543,804

201,006,889

138,795,633

Loans from Body Corporate

19,363,647

30,200,000

Hire Purchase Loans

- From Banks
- From a Body Corporate

1,831,380

3,807,536

5,501,724

1,902,531

Interest accrued and due

872,337

217,404

976,441,575

552,466,908

Lumax Industries Limited

Notes

- i) a) Term Loan from Syndicate Bank amounting to Rs 350,000,000 is secured by way of first charge on the plant & machineries along with the unregistered equitable mortgage (UREM) on land and building, situated at Chakan-II unit (except assets exclusively hypothecated to banks & Body Corporates)
- b) Term Loans from Syndicate Bank amounting to Rs 270,000,000 is secured by extension of charge by way of hypothecation on the plant and machineries along with the UREM on land and building, situated at Chakan-II unit. This facility is further secured by UREM of Dharuhera unit along with hypothecation on plant and machinery of Dharuhera (both present and future) & those of Gurgaon unit (acquired from proceeds of this facility).
- c) Term Loans from ABN AMRO Bank N.V. to the extent of Rs 94,375,000 is secured by way of first pari passu charge on the land & building alongwith all the plant and machineries, situated at Gurgaon units, both present and future.
- d) Term Loans includes Buyer's Credit amounting to Rs. 33,490,598 from Citi Bank secured by way of first pari-passu charge on all present and future stock and book debts alongwith pari-passu charge on all fixed assets at Chinchwad unit and equitable mortgage on land and building at Chinchwad unit.
- ii) a) Cash credit facilities from Citibank, N.A. amounting to Rs 93,292,045 is secured by way of first pari-passu charge on all present and future stock and book debts alongwith pari-passu charge on all fixed assets at Chinchwad unit and equitable mortgage on land and building at Chinchwad unit.
- b) Cash credit facilities from ABN Amro Bank N.V. amounting to Rs 12,304,455 is secured by way of first pari-passu charge on all the stock & book debts of the Company. This facility is further secured by way of first pari-passu charge against the immovable property and plant & machinery at Chinchwad unit of the Company.
- c) Cash credit facilities from Syndicate Bank amounting to Rs 95,410,389 is secured by way of first pari-passu charge on all the stock & book debts of the Company, both present and future. This facility is further secured by extension of charge by way of hypothecation on the plant and machinery alongwith the UREM on Land and Building situated at Chakan-II unit.
- iii) Loans from body corporate amounting to Rs. 19,363,647 is secured against the respective mould for which such loan has been granted.
- iv) Hire purchase loans from banks aggregating to Rs. 1,831,380 and from the body corporates aggregating to Rs 5,501,724 are secured by way of hypothecation of the respective vehicles acquired out of the proceeds thereof.
- v) The following loans are repayable within one year:
- Term loans Rs. 164,375,000 (Previous year Rs.86,250,000).
 - Hire purchase loans from banks - Rs. 1,257,099 (Previous year Rs. 1,976,156).
 - Hire purchase loans from body corporate - Rs. 2,687,075 (Previous year Rs. 766,608).
 - Interest accrued and due Rs. 872,337 (Previous year Rs. 217,404).

Schedules to the Accounts

Particulars	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
Schedule 4: Unsecured Loans		
Other loans and advances		
- Sales tax deferment loan (interest free) from Director of Industries, Haryana	242,595,730	264,778,081
- Loans from bodies corporate	65,350,084	38,297,437
- Finance Lease Obligation	8,916,184	20,793,797
	<u>316,861,998</u>	<u>323,869,315</u>
Note:		
Sales tax deferment loan (interest free) from Director of Industries, Haryana Rs. 23,769,700 (Previous year Rs. 18,056,314), loan from bodies corporate Rs. 65,350,084 (Previous Year Rs. 38,297,437) and finance lease obligation of Rs. 8,315,600 (Previous year Rs. 11,877,613) are repayable within one year.		
Schedule 5: Deferred Tax Liability (net)		
Deferred Tax Liabilities		
- Differences in depreciation in block of fixed assets as per tax books and financial books.	237,377,505	198,849,491
- Effect of lease accounting	1,032,422	(7,842)
Gross Deferred Tax Liabilities	<u>238,409,927</u>	<u>198,841,649</u>
Deferred Tax Assets		
- Provision for doubtful debts and advances	1,699,295	407,991
- Provision for warranty	2,742,644	4,063,165
- Effect of expenditure debited to profit and loss account but allowed for tax purposes in following years	21,609,810	18,116,612
- Unabsorbed Depreciation	58,764,142	-
- Effect of 40 (i) (a)	280,130	-
- Demerger Expenses	72,359	-
Gross Deferred Tax Assets	<u>85,168,380</u>	<u>22,587,768</u>
Net Deferred Tax Liability	<u>153,241,547</u>	<u>176,253,881</u>

Schedule 6: Fixed Assets

(Amount in Rs.)

Particulars	Tangible Assets							Intangible Assets			Total		
	Leasehold Land	Freehold Land	Buildings	Plant and Machinery		Furniture & Fixtures and Office Equipment	Vehicles		Computer Software		Technical Knowhow	Current Year	Previous Year
				Owned	Leased		Owned	Leased	Owned	Leased			
Gross Block													
At 01.04.2008	35,808,402	109,547,221	259,619,901	2,049,172,742	52,266,639	46,835,642	41,675,387	11,219,879	17,021,985	19,940,400	34,441,989	2,677,550,187	2,595,917,170
Additions	-	-	271,902,125	761,679,262	-	12,174,013	6,087,133	6,978,377	181,480	-	-	1,059,002,390	200,578,743
Deductions	-	-	-	(13,317,014)	-	(129,931)	(8,246,129)	-	-	-	-	(21,693,074)	(118,945,726)
Adjustment	-	-	-	24,787	-	(24,787)	1,408,886	(1,408,886)	-	-	-	-	-
At 31.03.2009	35,808,402	109,547,221	531,522,026	2,797,559,777	52,266,639	58,854,937	40,925,277	16,789,370	17,203,465	19,940,400	34,441,989	3,714,859,503	2,677,550,187
Depreciation / Amortisation													
At 01.04.2008	4,030,930	-	75,265,598	1,126,214,700	41,695,592	23,471,619	12,925,427	1,248,841	10,533,010	5,439,723	629,876	1,301,455,316	1,195,436,281
For the year	422,276	-	12,131,396	181,054,026	4,173,495	4,318,922	3,913,798	1,415,484	742,041	6,746,684	8,610,497	223,528,619	193,584,888
Deletions	-	-	-	(10,086,408)	-	(115,688)	(5,314,050)	-	-	-	-	(15,516,146)	(87,565,853)
Adjustment	-	-	-	24,787	-	(24,787)	331,152	(331,152)	-	-	-	-	-
At 31.03.2009	4,453,206	-	87,396,994	1,297,207,105	45,869,087	27,650,066	11,856,327	2,333,173	11,275,051	12,186,407	9,240,373	1,509,467,789	1,301,455,316
For previous year	378,928	-	8,613,036	165,629,065	3,963,555	2,062,271	3,489,614	853,579	2,363,525	5,439,723	791,592	193,584,888	
Net Block													
At 31.03.2009	31,355,196	109,547,221	444,125,032	1,500,352,672	6,397,552	31,204,871	29,068,950	14,456,197	5,928,414	7,753,993	25,201,616	2,205,391,714	1,376,094,871
At 31.03.2008	31,777,472	109,547,221	184,354,303	922,958,042	10,571,047	23,364,023	28,749,960	9,971,038	6,488,975	14,500,677	33,812,113	1,376,094,870	
Capital work in progress (including capital advances Rs 42,746,219 (Previous year Rs. 142,925,274))												392,607,639	437,441,563

Notes :

- Plant & Machinery includes Electrical Installations of Rs. 43,218,815 (Previous year Rs. 15,513,580) (Accumulated depreciation Rs. 7,543,798 (Previous year Rs. 5,365,975)), Plastic Moulds of Rs 947,320,220 (Previous year Rs. 912,139,842) (Accumulated depreciation Rs 737,410,031 (Previous year Rs. 657,812,905)), Steel Moulds of Rs 67,590,163 (Previous year Rs. 67,590,163) (Accumulated depreciation Rs 62,473,442 (Previous year Rs. 61,614,794)) and other Tools of Rs. 211,460,057 (Previous year Rs. 146,112,011) (Accumulated depreciation Rs. 66,738,284) (Previous year Rs. 56,659,160).
- Fixed Assets comprising of Land, Buildings and Plant & Machinery were revalued by a firm of valuers on different dates in earlier years, resulting in increase in their net values by Rs.82,669,280, Rs.1,351,067 and Rs.15,601,770 respectively, which was credited to Revaluation Reserve.
- Depreciation for the year includes Rs. 173,474 (Previous Year 487,422) being depreciation either capitalised / transferred on in-house development of tools.
- Leasehold land includes Rs 17,106,545 (Previous year Rs. 17,106,545) pending registration in the name of the company.
- Borrowing cost aggregating Rs. 26,511,608 (Previous year Rs. Nil) is capitalised during the year.
- Fixed Assets include the following assets given on operating lease :

(Amount in Rs.)

Particulars	Gross Block		Depreciation for the year ended		Accumulated Depreciation	
	As at 31.03.2009	As at 31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Plant and Machinery	21,014,151	21,014,151	1,184,432	1,203,915	12,567,402	11,384,970
Furniture & Fixture and Office Equipment	875,569	875,569	37,920	37,922	589,891	551,970
Grand Total	21,889,720	21,889,720	1,222,352	1,241,837	13,159,292	11,936,940

Lumax Industries Limited

Particulars	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
Schedule 7: Pre-Operative Expenditure		
Salary, Wages & Bonus	-	1,480,931
Contribution to Provident Fund	-	2,138
Communication costs	-	69,792
Travelling & Conveyance	-	1,304,549
Legal & Professional	-	90,225
Repairs & Maintenance	-	859,677
Miscellaneous Expenses	-	72,500
	<u>-</u>	<u>3,879,812</u>

Schedule 8: Investments

Long Term Investments (at cost)

a) Trade, unquoted

SL Lumax Ltd 3,298,986 (Previous year 3,150,000) Equity Shares of Rs.10 each fully paid up	35,474,204	31,500,000
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b) Other than trade, unquoted

Inapex Ltd. 60,000 (Previous year 60,000) Equity Shares of Rs.10 each fully paid up	603,000	603,000
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Current Investments (at lower of cost and market value)

a) Shares of PNB Gilts Ltd. (quoted)

32,900 (Previous year 32,900) Equity Shares of Rs.10 each fully paid up	611,940	597,135
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b) Units of Mutual funds (quoted)

i) ICICI Prudential FMP - Series 36 - Eighteen Month Plan B - Retail Growth Nil (Previous year 13,410,000) units of Rs.10 each	-	134,100,000
ii) LOTUS India FMP - 3 Months - Series XXVI Dividend Nil (Previous year 15,103,803) units of Rs.10 each	-	151,038,031
iii) SBI Debt Fund Series - 90 days Nil (Previous year 15,211,455) units of Rs.10 each	-	152,114,550
	<u>36,689,144</u>	<u>469,952,716</u>

- Aggregate amount of quoted Investments {Market value Rs.611,940 (Previous year Rs. 448,033,981)}	611,940	437,849,716
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- Aggregate amount of unquoted Investments	36,077,204	32,103,000
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- Refer Note No. 10 of Schedule 25 for investment purchased and sold during the year.		
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Particulars	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
Schedule 9: Inventories (at lower of cost and net realisable value)		
Raw materials and components {including Stock in transit Rs. 20,486,815 (Previous year Rs.9,281,675)}	307,297,569	287,743,343
Stores and spares (including packing material)	26,410,088	20,610,592
Moulds, tools and dies in process	212,980,971	99,123,954
Work-in-progress	61,613,785	57,765,039
Finished goods & Traded goods {including in transit Rs. 18,037,171 (Previous year Rs. 98,803,885)}	154,823,557	243,641,473
Waste	-	18,984
	<u>763,125,970</u>	<u>708,903,385</u>
Schedule 10: Sundry Debtors		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	15,916,837	30,951,082
Unsecured, considered doubtful	3,657,533	1,114,455
Other debts		
Unsecured, considered good	608,259,674	658,666,160
	<u>627,834,044</u>	<u>690,731,697</u>
Less : Provision for doubtful debts	3,657,533	1,114,455
	<u>624,176,511</u>	<u>689,617,242</u>
Schedule 11: Cash and Bank Balances		
Cash on hand	1,471,041	1,944,353
Balances with scheduled banks:		
On current accounts	5,063,337	16,730,890
On unpaid dividend accounts	2,187,590	1,868,350
On deposit accounts (Receipts pledged with bank & others)	181,306,743	25,372,422
	<u>190,028,711</u>	<u>45,916,015</u>
Schedule 12: Other Current Assets		
Fixed Assets held for sale (at net book value or estimated net realisable value, whichever is lower)	46,972,607	6,972,607
Interest receivable on fixed deposits	3,762,779	2,581,489
	<u>50,735,386</u>	<u>9,554,096</u>
Schedule 13: Loans and Advances		
Unsecured, considered good		
Loans to employees	4,028,257	3,792,422
Advances recoverable in cash or kind or for value to be received	83,262,170	42,343,908
Balances with customs, excise, etc	165,152,687	109,492,547
Security deposits	9,149,196	11,991,912
Advance payment of tax (net of provision Rs. 209,957,820, Previous year - Rs. Nil)	25,944,167	-
Unsecured, considered doubtful		
Advances recoverable in cash or kind or for value to be received	1,341,863	85,869
	<u>288,878,340</u>	<u>167,706,658</u>
Less: Provision for doubtful loans and advances	1,341,863	85,869
	<u>287,536,477</u>	<u>167,620,789</u>

Lumax Industries Limited

Particulars	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
Schedule 14: Current Liabilities		
Acceptances	16,325,317	61,299,397
Sundry creditors for goods, expenses, etc.	1,246,150,852	1,015,369,693
Liability for expenses (including payable to Directors Rs. 9,759,614, Previous year Rs.6,887,838)	73,981,749	71,270,547
Security Deposit	25,150,000	25,000,000
Advances from customers	233,978,998	94,365,050
Book Overdraft	-	9,885,683
Interest accrued but not due on loans	300,271	1,016,231
Unpaid dividends	2,187,590	1,868,350
Other liabilities	30,958,128	41,649,269
	<u>1,629,032,905</u>	<u>1,321,724,220</u>
Included in Sundry creditors are:		
i). Total outstanding dues of Micro, Small and Medium Enterprises. (Refer Note No.18 of Schedule 25)	196,474	549
ii). Total outstanding dues of Creditors other than Micro, Small and Medium Enterprises.	<u>1,245,954,378</u>	<u>1,015,369,144</u>
Schedule 15: Provisions		
Provision for Taxation (Net of advance tax - Rs. Nil, Previous year - Rs 210,497,516)	-	1,102,177
Provision for Fringe benefit tax (net of advance tax payments of Rs 4,100,000, Previous year Rs 4,819,515)	400,000	400,000
Proposed dividend	9,347,732	37,390,928
Tax on proposed dividend	1,588,180	6,354,588
Provision for Leave encashment	45,940,014	32,747,739
Provision for Gratuity	3,994,027	6,969,742
Provision for Warranties		
- Opening Balance	16,161,410	7,713,410
- Additions during the year	1,246,000	15,830,000
- Utilisation	(724,410)	(4,235,000)
- Reversals	(8,614,027)	(3,147,000)
- Closing balance	8,068,973	16,161,410
	<u>69,338,926</u>	<u>101,126,584</u>
Schedule 16: Miscellaneous Expenditure (to the extent of not written off or adjusted)		
Upfront fees paid to a bank		
Balance as per last account	-	321,484
Less: written off during the year	-	(321,484)
	<u>-</u>	<u>-</u>
Deferred VRS Expenditure		
Balance as per last account	60,290	323,461
Less: written off during the year	(60,290)	(263,171)
	<u>-</u>	<u>60,290</u>

Particulars	For the year ended March 31, 2009 Rs.	For the year ended March 31, 2008 Rs.
Schedule 17: Turnover (Gross)		
Sales of Manufactured Goods	5,508,099,689	6,006,618,223
Sales of Moulds, Tools and Dies	<u>400,840,420</u>	<u>30,409,965</u>
	<u>5,908,940,109</u>	<u>6,037,028,188</u>
Schedule 18: Other Income		
Interest:		
- Bank deposits {Tax deducted at source Rs. 1,177,820 (Previous year Rs. 2,403,308)}	5,172,648	8,540,422
- Others on security deposits {Tax deducted at source Rs. Nil, (Previous year Rs. Nil)}	<u>226,238</u>	762,665
Dividend income from other than trade, current investments	<u>29,711,028</u>	27,393,310
Scrap sales {Net of excise duty of Rs. 1,369,960 (Previous year Rs. 1,245,027)}	<u>14,942,494</u>	12,664,841
Profit on fixed assets sold / discarded (Net of loss Rs. 674,398, Previous year Rs. 1,650,079)	<u>271,591</u>	29,433,143
Profit on sale of long term investments (trade)	-	1,863,963
Profit on sale of current investments (quoted)	<u>354,735</u>	953,241
Change in carrying value of current investment (quoted)	<u>14,805</u>	-
Miscellaneous income	<u>11,105,303</u>	<u>37,122,417</u>
	<u>61,798,842</u>	<u>118,734,002</u>
Schedule 19: Personnel Expenses		
Salaries, wages and bonus (refer note no. 13 to schedule 25)	473,818,054	402,623,194
Contribution to provident and other defined contribution funds	<u>18,367,876</u>	15,642,611
Gratuity expenses	<u>6,270,051</u>	4,886,102
Workmen and staff welfare expenses	<u>45,035,265</u>	<u>40,106,970</u>
	<u>543,491,246</u>	<u>463,258,877</u>
Schedule 20: Operating and Other Expenses		
Consumption of stores and spares (refer note no. 13 to schedule 25)	18,202,377	16,202,920
Packing material consumed	<u>90,779,656</u>	71,915,763
Power and fuel (refer note no. 13 to schedule 25)	<u>188,328,317</u>	179,657,194
Rent	<u>12,020,108</u>	14,867,703
Rates and taxes	<u>8,125,807</u>	10,190,011
Insurance	<u>5,614,434</u>	8,106,629
Repairs and maintenance		
- Plant & Machinery (refer note no. 13 to schedule 25)	<u>25,645,637</u>	34,731,735
- Buildings	<u>1,294,440</u>	5,228,932
- Others (refer note no. 13 to schedule 25)	<u>19,522,666</u>	17,833,991
Freight and forwarding charges	<u>72,707,459</u>	61,725,101
Discount, rebates and claims	<u>3,064,861</u>	2,468,535
Cash discount on sales	<u>18,273,650</u>	16,485,728
Commission to managing director	-	3,973,118
Commission on sales - other than sole selling agent	<u>421,800</u>	-
Travelling and conveyance	<u>35,995,763</u>	44,967,149
Directors' sitting fees	<u>137,500</u>	84,500
Auditors' remuneration		
- Statutory audit	<u>1,800,000</u>	1,800,000
- Tax audit	<u>350,000</u>	350,000
- Limited review	<u>1,050,000</u>	1,050,000
- Other services	-	1,625,000
- Out-of-pocket expenses	<u>132,500</u>	104,770
Donations and contribution to charitable institutions	<u>30,200</u>	99,803
Royalty	<u>67,440,743</u>	54,231,733

Lumax Industries Limited

Particulars	For the year ended March 31, 2009 Rs.	For the year ended March 31, 2008 Rs.
Schedule 20 : Operating and Other Expenses (Contd.)		
Research & development expenses	24,556,340	10,703,745
Warranty costs	11,163,857	36,282,933
(Increase)/ decrease of excise duty on inventory	(10,567,029)	1,478,602
Exchange difference (Net of gain Rs. 68,906,060, Previous year Rs. 72,110,877)	63,734,635	1,787,314
Bad and doubtful debts/advances written off	9,180,310	25,685,973
Provision for doubtful debts / advances (net)	3,799,072	-
Miscellaneous expenditure written off	60,290	584,655
Miscellaneous expenses (refer note no. 13 to schedule 25)	46,350,381	65,899,250
	<u>719,215,774</u>	<u>690,122,787</u>
Schedule 21: Decrease/ (Increase) in Inventories		
Closing Inventories		
Work-in-progress	61,613,785	57,765,039
Finished goods and Traded goods	154,823,557	243,641,473
Waste	-	18,984
	<u>216,437,342</u>	<u>301,425,496</u>
Opening Inventories		
Work-in-progress	57,765,039	38,637,168
Finished goods and Traded goods	243,641,473	176,065,471
Waste	18,984	240,747
	<u>301,425,496</u>	<u>214,943,386</u>
Net Decrease / (Increase) in inventories	<u>84,988,154</u>	<u>(86,482,110)</u>
Schedule 22: Financial Expenses		
Interest		
- on term loans	33,334,587	23,142,918
- to banks	27,701,249	15,421,687
- others	11,926,620	10,731,163
Lease finance charges	1,989,794	3,315,313
Bank charges	17,511,204	12,510,712
	<u>92,463,454</u>	<u>65,121,793</u>
Schedule 23: Prior Period Items		
Raw material consumption	-	1,383,520
Miscellaneous expenses	837,505	352,666
	<u>837,505</u>	<u>1,736,186</u>
Schedule 24: Earnings per share (EPS)		
Net profit as per Profit and Loss Account	(16,189,227)	141,471,407
Weighted average Number of Equity Shares in Calculating Basic and Diluted EPS	9,347,732	9,246,639
Basic and Diluted Earnings per share	<u>(1.73)</u>	<u>15.30</u>

Schedule 25 : Notes to Accounts

1. Nature of operations

The Company is a leading manufacturer and supplier of auto components, mainly automotive lighting systems for four wheeler and two wheeler applications. The Company has technical as well as financial collaboration with Stanley Electric Co. Ltd., Japan.

2. Statement of Significant Accounting Policies**a) Basis of preparation**

The financial statements have been prepared to comply in all material respects in accordance with the notified Accounting Standards issued under Companies Accounting Standard Rules, 2006, 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 except for the changes in accounting policy discussed more fully below, are consistent with those applied in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Changes in Accounting Policies**Exchange Differences on Long Term Foreign Currency Monetary Items**

Upto 31st December, 2008, the company was charging off exchange differences arising on foreign currency monetary assets and liabilities to profit and loss account. Pursuant to Companies (Accounting Standards) Amendments Rules, 2009, the Company has exercised the option of deferring the charge to the Profit and Loss Account arising on exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, on long-term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origination). As a result, such exchange differences so far as they relate to the acquisition of a depreciable capital asset have been adjusted with the cost of such asset and would be depreciated over the balance life of the asset, but not beyond, accounting period ending on or before 31st March 2011.

Had the Company continued to use the earlier basis of accounting for exchange differences arising on long-term foreign currency monetary items, the charge to the Profit and Loss Account after tax for the current period would have been higher by Rs. 8,760,920; the net block of fixed assets would have been lower by Rs. 8,760,920.

d) Fixed Assets

- i) Fixed assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use.
- ii) Insurance spares / stand by equipments are capitalized as part of respective mother assets.

e) Depreciation

- i) Depreciation is provided using the Straight Line Method as per the useful lives of assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956, whichever is higher. The rates prescribed under schedule XIV of the Companies Act, 1956 are considered fair representation for the life estimated by the management.
- ii) Cost of Leasehold land and leased plant and machinery is amortized over the period of lease or their useful lives whichever is lower.
- iii) Individual assets costing up-to Rs.5000/- are depreciated fully in the month of purchase.
- iv) Insurance spares / standby equipments are depreciated prospectively over the remaining useful lives of the respective mother assets.
- v) In respect of the revalued assets, the difference between the depreciation calculated on the revalued amount and that calculated on the original cost is recouped from the Revaluation Reserve Account.

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f) Intangibles

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

S. No.	Intangible Assets	Estimated Useful Life (Years)
1.	Computer Software	Over the Estimated Economic useful lives ranging from 3.5 to 4 years
2.	Technical Know-how	Over the period of Technical Assistance Agreement i.e. 8 years

g) Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

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

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

i) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long - term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long - term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

j) Inventories

Inventories are valued as follows:

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

k) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which coincides with their delivery to the customer.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

l) Research & Development Costs

Research cost are expensed as incurred. Development cost are expensed as incurred unless they meet the criteria of capitalization of intangible asset in accordance with AS - 26.

m) Miscellaneous Expenditure

- i) Payments made under the Voluntary Retirement Scheme are amortised over a period of five years or by March 31, 2010, whichever is earlier.
- ii) Charges paid for re-scheduling and reduction in the interest rate of the existing high cost loans is written off over the revised repayment tenure of the loans.

n) Foreign Currency Translation

Foreign currency transactions

- i) **Initial Recognition**
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii) **Conversion**
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- iii) **Exchange Differences**
Exchange differences arising on the settlement of monetary items or on reinstatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses .

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2011.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise

- iv) **Forward exchange contracts not intended for trading or speculation purposes**

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

o) Retirement and other Employee Benefits

- i) Retirement benefits in the form of Provident Fund and Superannuation Schemes are defined contribution schemes and the

contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

- ii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the end of each year. The actuarial valuation is done as per projected unit credit method.
- iii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit cost method made at the end of each financial year. The liability as at the year end represents the differences between the actuarial valuation of the future gratuity liability of continuing employees and the fair value of the plan assets with the Life Insurance Corporation of India (LIC) as at the end of the year.
- iv) Actuarial gains/losses are immediately taken to profit and loss account.

p) Income Taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit 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 differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised 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 realised. In situation where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

q) Earnings per share

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

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

r) Provisions

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

Accordingly, warranty costs are provided on an accrual basis, taking into account the past trend of warranty claims received by the Company, to settle the obligation at the balance sheet date.

s) Expenditure on New Projects and Substantial Expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned, if any, during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

t) Segment Reporting Policies

The Company's operating businesses are organised and managed separately according to the nature of products and services

provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

u) Cash and Cash Equivalents

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

v) Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

3. Segment Information

Business Segments:

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

*Geographical Segments **

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

Sales Revenue by Geographical Market

S. No.	Particulars	Year Ended March 31, 2009 (Rs.)	Year Ended March 31, 2008 (Rs.)
1.	Domestic Market	5,086,109,040	5,115,270,379
2.	Overseas Market	147,212,354	104,507,109
	Total	52,33,321,394	5,219,777,488

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

S. No.	Particulars	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
1.	Domestic	593,266,846	646,063,543
2.	Overseas	30,909,665	43,553,699
	Total	624,176,511	689,617,242

* The Company has common assets situated in India only for producing goods for Domestic and Overseas Markets.

4. Related Party Disclosure

S. No.	Particulars	Names of Related Parties
1.	Key Management Personnel	Mr. D. K. Jain (Chairman & Managing Director) Mr. Deepak Jain (Sr. Executive Director) Mr. Anmol Jain (Sr.Executive Director) Mr. Y. Muraga (Executive Director) Mr I. Abe (Sr.Executive Director) Mr A. Ishii (Executive Director)
2.	Relatives of Key Management Personnel	Mr. S.C. Jain (Father of Chairman) Mr. U. K. Jain (Brother of Chairman) Mr. M. K. Jain (Brother of Chairman) Mrs. Usha Jain (Spouse of Chairman)
3.	Enterprise significantly influenced by Key Management Personnel or their Relatives	Lumax Auto Technologies Ltd. (Formerly Dhanesh Auto Electricals Ltd.) Lumax DK Auto Industries Ltd. Lumax Tours & Travels Ltd. Lumax Investment and Finance Pvt. Ltd. Sheela Finance Pvt. Ltd. Deepak Auto Pvt. Ltd. Mahavir Udyog Ltd. D.K. Jain & Sons (HUF) Lumax Automotive Systems Ltd. Lumax International Pvt. Ltd. Lumax Auto Pvt. Ltd. Bharat Enterprises
4.	Associate	Stanley Electric Co. Ltd., Japan
5.	Joint Venture	SL Lumax Ltd.

5. Leases – In case of assets taken on lease

a) Finance Lease

The Company has acquired plant and machinery, moulds and vehicles under finance leases, the cost of which is included in the gross block of Plant and Machinery and Vehicles respectively under Fixed Assets. The lease term is for 5 years in case of moulds and 3 years in case of vehicles, after which the legal title will pass on to the Company. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no sub leases:

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Gross Amount	88,996,409	83,426,918
Less: Accumulated depreciation	60,388,667	48,384,155
Net Block	28,607,742	35,042,763
Total minimum lease payments at the year-end		
Finance Lease liabilities- minimum lease payments:		
Not later than 1 year	13,335,265	17,092,596
Later than 1 year and not later than 5 years	4,392,766	12,651,986
Later than 5 years	Nil	Nil
Total minimum lease payments	17,728,031	29,744,582
Less: Future finance charges on Finance Leases	1,478,744	3,240,718
Present value of Finance Lease liabilities	16,249,287	26,503,864
The present value of Finance Lease liabilities is as follows:		
Not later than 1 year	12,208,579	14,620,377
Later than 1 year and not later than 5 years	4,040,708	11,883,487
Later than 5 years	Nil	Nil
	16,249,287	26,503,864

b) Assets taken under Operating Leases

Lease payments of Rs 12,020,108 (previous year - Rs 14,867,703) have been recognised as an expense in the profit and loss account for the year ended March 31, 2009.

Certain office premises, office equipments and Plant & Machinery (DG Set) are obtained on operating leases. There are no contingent rents in the lease agreements. The lease terms is for 1-3 years and are renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases and all the leases are cancellable in nature.

c) Assets given on Operating Lease

The Company has leased out certain plant & machinery, furniture & fixtures and office equipment, as per details given in Schedule 6, on operating lease. The lease term is for 5 years and is renewable thereafter. There are no restrictions imposed by lease arrangements.

Particulars	Year ended	
	March 31, 2009 (Rs)	March 31, 2008 (Rs)
Uncollectible minimum lease payments receivable at the Balance sheet date	Nil	Nil
Future minimum lease payments		
Not later than one year	1,100,000	980,000
Later than one year and not later than five years	1,000,000	2,100,000
Later than five years	Nil	Nil
Total	2,100,000	3,080,000

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6. Interest in Joint Venture Companies

Pursuant to Accounting Standard – 27 on Financial Reporting of Interests in Joint Ventures, the relevant information relating to the Joint Venture Company, is as given below:

Name of the Joint Venture Company	Country of Incorporation	Proportion of Ownership Interest	Description of Interest
SL Lumax Ltd.	India	21.29%	JV is established principally for manufacture, assemble and to sell automotive components

The Company's share in the aggregate amounts of each of the assets, liabilities, incomes, expenses, capital commitments and contingent liabilities as at/ for the years ended 31st March, 2009 and 31st March, 2008 are as under:

S.No.	Proportion of Company's Interest in Joint Venture	2008-09 (Un-audited) (Rs.)	2007-08 (Audited) (Rs.)
1.	Assets	699,106,269	667,088,898
2.	Liabilities	637,849,324	539,979,236
3.	Income	919,693,488	635,312,499
4.	Expenses	984,289,698	581,156,873
5.	Contingent Liabilities	35,572,341	34,964,004

Notes:

- The above details represent proportionate amount of the Company's share in the Joint Venture.
- In the absence of the audited accounts for the year 2008-09, information is furnished based on the un-audited management certified accounts.

7. Capital Commitments

S.No.	Particulars	2008-09 (Rs.)	2007-08 (Rs.)
1.	Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for.	86,014,324	721,035,000

8. Contingent Liabilities not provided for

S. No.	Particulars	2008-09 (Rs.)	2007-08 (Rs.)
(i)	Guarantees given against loan taken by a related party.	-	150,000,000
(ii)	Bills of exchange discounted from a bank.	130,523,592	131,507,092
(iii)	Demand raised by Central Excise department against the rejected goods sent on 57(f) (4) challans, being disputed by the Company.	7,755,448	7,755,448
(iv)	Other Excise Duty Demands, being disputed by the Company.	2,422,335	2,422,335
(v)	Demand raised by Service Tax department for the service tax on Royalty and Technical know how, being disputed by the Company.	3,451,809	3,451,809
(vi)	Demand raised by ESIC department against short contribution paid by the Company, being disputed by the Company.	2,880,138	2,880,138
(vii)	Demand raised by Sales Tax Authorities against purchase tax on inter-unit stock transfers, being disputed by the Company.	1,736,251	1,833,474
(viii)	Various other claims made against the Company not acknowledged as debts, being disputed by the Company.	391,081	391,081
(ix)	Income Tax demand in respect of Assessment Year 2004-05 for which the Company has filed an appeal with CIT (Appeals).	2,375,490	2,375,490
(x)	Income Tax demand in respect of Assessment Year 2005-06 for which the Company has filed an appeal with CIT (Appeals).	27,884,526	-
(xi)	Cases pending with Labour Courts (amount not ascertainable).		

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

9. Gratuity and other Post-Employment Benefit Plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for gratuity.

Profit and Loss account

Net employee benefit expense in respect of Gratuity (recognised in Employee Cost)

Amount in Rs.

Particulars	2008-09	2007-08
Current service cost	4,441,479	3,463,241
Interest cost on benefit obligation	3,023,637	2,554,086
Expected return on plan assets	(3,369,772)	(2,786,049)
Net actuarial(gain) / loss recognised in the year	2,174,707	1,654,824
Past service cost	-	-
Net Benefit Expense	6,270,051	4,886,102
Actual Return on Plan Assets	3,679,617	2,821,832

Balance sheet

Details of Provision for Gratuity

Particulars	2008-09	2007-08
Defined benefit obligation	48,500,412	39,478,608
Fair value of plan assets	(44,506,385)	(32,508,866)
	3,994,027	69,69,742
Less: Unrecognised past service cost	-	-
Plan asset / (liability)		
Total	3,994,027	69,69,742

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

Particulars	2008-09	2007-08
Opening defined benefit obligation	39,478,608	33,839,932
Interest cost	3,023,637	2,554,086
Current service cost	4,441,479	3,463,241
Benefits paid	(927,864)	(3,827,704)
Actuarial (gains) / losses on obligation	2,484,552	3,449,053
Closing defined benefit obligation	48,500,412	39,478,608

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

Particulars	2008-09	2007-08
Opening fair value of plan assets	32,508,866	31,077,402
Expected return	3,369,772	2,786,049
Contributions by employer	9,246,319	2,437,336
Benefits paid	(928,417)	(3,827,704)
Actuarial gains / (losses)	309,845	35,783
Closing fair value of plan assets	44,506,385	32,508,866

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

Particulars	Gratuity	
	2008-09 %	2007-08 %
Investments with insurer	100	100
Total	100	100

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

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

Particulars	2008-09 %	2007-08 %
Discount rate	7.75	8
Expected rate of return on assets	9.19	9.17
Employee turnover	5	10

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

Notes :

- Information relating to experience adjustment in the actual valuation of gratuity as required by Para 120(n)(ii) of the Accounting Standard 15 (revised) on Employee Benefits is not available with the Company.
- The Company's expected contribution to the fund in the next year is not presently ascertainable and hence, the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date as required by para 120 (o) of the Accounting Standard – 15 (Revised) on Employee Benefits is not disclosed.

10. Following Investments have been Purchased & Sold during the year :

(Amount in Rs.)

Description	Number/ Units	Purchased	Sold	Realised Gain	Dividend Reinvested
Unit of Equity Shares of : SL Lumax Ltd.	148,986	3,974,204			
Unit of mutual funds of : ICICI Prudential FMP	13,410,000		134,100,000		
LOTUS INDIA FMP - Dividend	15,505,512		153,130,753	117,839	2,008,546
SBI Debt Fund Series	15,748,632		155,037,333	236,896	2,685,887
Total		3,974,204	442,268,086	354,735	4,694,433

Investments Purchased & Sold during the previous year:

Description	Number / Units	Purchased	Sold	Realised Gain	Dividend Reinvested
Unit of Equity Shares of : Lumax Investment & Finance (P) Limited*	175,020	1,750,200	3,614,163	1,863,963	
Unit of Mutual Funds of :					
LIC MF FMP series 25 – 3 months Dividend Plan	50,000,000	500,000,000	500,000,000		
G 210 Standard Chartered Arbitrage fund - Plan A- Dividend (included Rs 648,644 in purchased amount for dividend re-invested)	4,387,909	44,748,644	44,751,404	2,760	648,644
LOTUS INDIA FMP Series XV Dividend (included Rs 5,021,737 in purchased amount for dividend re-invested)	30,502,174	305,021,737	305,079,691	57,954	5,021,737
Reliance Short Term Retail Plan – Dividend Plan	9,496,496	100,000,000	100,472,323	472,323	
B 83FD Birla Sun Life Short Term Fund – Dividend Payout	9,987,615	100,000,000	100,420,204	420,204	
L157D SBI Debt Fund series - Dividend (included Rs 2,114,550 in purchased amount for dividend re-invested)	15,211,455	152,114,550	152,114,550		2,114,550
5309 HDFC FMP - Wholesale Plan Dividend, Option Payout	15,000,000	150,000,000	150,000,000		
Total		1,353,635,131	1,356,452,335	2,817,204	7,784,931

11. Derivative Instruments and Unhedged Foreign Currency Exposure

(a) Forward contract outstanding as at Balance Sheet date

Particulars of Derivatives	Purpose
JPY 47,206,254	Hedging of Foreign Currency Loan
JPY 16,719,300	Hedging of Foreign Currency Loan

(b) Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

Particulars	Amount (in Rs.)		Amount (in Currency)		Foreign Currency
	CY	LY	CY	LY	
Export Debtors	19,606,229	40,596,669	2,835	44,528	EUR
			138,905	268,247	GBP
			85,400	-	JPY
			184,341	423,938	USD
Import Creditors	290,327,366	140,465,811	381,573	681,708	EUR
			3,869	10,776	GBP
			364,456,201	76,086,473	JPY
			1,425,593	1,642,334	USD

Closing rate of:

EUR 1 = Rs. 66.86 / 68.25

GBP 1 = Rs. 72.25 / 73.60

JPY 1 = Rs. 0.51 / 0.52

USD 1 = Rs. 50.65 / 51.25

12. Details of Research and Development Expenses are as follows:

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Salaries, allowances and bonus	-	3,361,614
Contribution to provident fund	-	180,530
Testing / design /sample charges / others	24,556,340	7,161,601
Total	24,556,340	10,703,745

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The Company has incurred expenses on its Research and Development centre approved and recognised by the Ministry of Science & Technology, Government of India.

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Salaries, allowances and bonus	18,966,029	-
Contribution to provident fund	888,307	-
Staff Welfare	1,297,138	-
Insurance	10,017	-
Repair & maintenance	139,986	-
Travelling & conveyance	2,393,155	-
Research & development expenses	675,566	-
Miscellaneous expenses	1,148,338	-
Depreciation	26,942	-
Total	25,545,478	-

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

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Salary, wages and bonus	1,997,659	1,997,659
Consumption of stores and spares	58	4,614,662
Power and Fuel	-	277,611
Repair and Maintenance – Plant & Machinery	104,698	1,202,288
Repair and Maintenance - Others	2,340,302	2,997,347
Depreciation	173,474	487,422
Miscellaneous expenses	1,180,192	440,335
Total	5,796,383	12,017,324

14. During the year, an amount of Rs 303,152,581 (Previous Year Rs. 240,001,035) has been utilized by the Company for modernisation / expansion of its existing plants, out of the Preferential issue proceeds, in line with the objects of the Preferential Issue and the unutilized money is Rs. Nil (Previous Year Rs 303,152,581).
15. a) Due to developments during the year, the management is looking at various alternatives with regard to project at Singur, West Bengal including the assets acquired / constructed for the said project. Negotiations are also being held with the Original Equipment Manufacturer for which the Plant was being put up for compensation for any potential losses. The assets (including CWIP) consist of Land, Building & certain Plant and Machinery pending installation and other assets aggregating to Rs. 178,293,439. Pending finalization of the plans/negotiations, the Recoverable Amount of these assets is yet to be determined. Consequential adjustments with regard to the impairment, if any, in the values of the above assets will be made as and when ascertained.
- b) Loans and advances include Claims Recoverable of Rs 8,887,465 on account of pre-operative expenses incurred on the project at Singur, West Bengal. Negotiations are being held with the Original Equipment Manufacturer for which the Plant was being put up for compensation against these expenses. Pending finalization of the negotiations and confirmation of the claim, the recoverability of the above claim is yet to be determined. Consequential adjustments with regard to the shortfall in recoveries, if any, in the values of the above claim will be made as and when ascertained
16. Managerial remuneration of Rs. 6,949,977 (out of total of Rs. 15,890,904) payable to Foreign Directors, on the date of appointment, is in excess of limits laid down under the Companies Act, 1956. The company has made an application to Ministry of Corporate Affairs for approval of appointment of the above directors and for the excess remuneration payable to them, which is pending at the year end.

17. Supplementary Statutory Information

a. Directors' Remuneration

Particular	2008-09 (Rs.)	2007-08 (Rs.)
Salaries and allowances	23,809,264	8,708,124
Commission to Managing Director	-	3,973,118
Contribution to Provident fund	1,190,400	540,000
Contribution to Superannuation fund	599,520	270,000
Perquisites	7,552,001	3,451,898
Total	33,151,185	16,943,140

Note: - As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

b. Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of commission payable to directors

Particulars		2008-09* (Rs.)		2007-08* (Rs.)
Profit before Taxation – as per Profit & Loss Account		(36,435,171)		201,946,230
Add: Managerial Remuneration	33,151,186		6,943,140	
Directors Sitting Fees	137,500		84,500	
Provision for doubtful debts / advances	3,799,072		-	
Loss on fixed assets sold / discarded	9,180,310		-	
Sub total		46,268,068		17,027,640
Less: Profit on fixed assets sold / discarded (net)	271,591	9,832,896	29,433,144	218,973,870
Profit on sale of long term investments (net)	354,735		2,817,204	
Impact of Revised AS-15 adjusted out of opening Profit & Loss account	-		17,292,125	
Sub Total		626,326		49,542,473
Net Profit in accordance with Sec. 198 & 349		9,206,570		169,431,397
Commission payable @ 8% of said Net Profit	(a)	736,526	(a)	13,554,512
Maximum Remuneration Payable (including commission) @ 10% of Net Profit		920,657		16,943,140
Less: Remuneration Paid	(b)	33,151,186	(b)	12,970,022
		-		3,973,118
Lower of (a) or (b)		-		3,973,118

* Due to losses in the current year, the commission is not payable to the directors.

c. Earnings in foreign currency (on accrual basis)

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Exports at F.O.B. Value	130,126,345	104,110,078
Recovery of testing charges	1,501,478	1,983,462
Total	131,627,823	106,093,540

d. Expenditure in foreign currency (on accrual basis)

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Travelling and conveyance	13,200,317	10,442,960
Royalty (net of TDS)	60,669,568	48,808,560
Repairs and maintenance	96,647	775,281
Salaries and allowances (net of TDS)	16,351,795	12,368,124
Research & development expenses	94,073	1,896
Legal and Professional Charges	400,490	14,838,844
Miscellaneous expenses	14,818,818	827,927
Total	105,631,708	88,063,592

Lumax Industries Limited

e. Value of Imports calculated on CIF basis

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Raw materials and components	921,957,204	689,602,143
Stores and Spares	7,632,542	10,027,760
Capital goods	949,688,980	226,605,794
Total	1,879,278,726	926,235,697

f. Net dividend remitted in foreign exchange

	2008-09 (Rs.)	2007-08 (Rs.)
Period to which it relates	2007-08	2006-07
Number of non-resident shareholders	2	2
Number of equity shares held on which dividend was due	4,489,730	2,620,183
Amount remitted (in Rs.)	17,958,920	11,790,824
Amount remitted (in USD)	388,637	291,275

18. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Disclosure of Sundry Creditors is based on the information available with the Company regarding the status of suppliers as defined under the Micro, Small & Medium Enterprises Development Act, 2006.

S. No	Particulars	31.3.2009	31.3.2008
1	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	196,474	549
2	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	7,986	35,438
4	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	62,627	35,438
5	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

19. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

a. Licensed Capacity, Installed Capacity and Actual Production (as certified by the management) :

Class of Goods	Unit	Licensed Capacity#		Installed Capacity#		Actual Production	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Head Lamp Assembly	Nos.	N.A.	N.A.	6,880,000	5,550,000	5,581,254	5,496,160
Tail lamp Assemble/Rear Combination Lamp	Nos.	N.A.	N.A.	7,150,000	6,150,000	4,391,465	4,813,740

as certified by the management

b. Sales including Goods Traded in:

Class of Goods	Unit	Quantity		Value (Rs.)	
		2008-09	2007-08	2008-09	2007-08
Head Lamp Assembly	Nos.	5,625,284	5,665,983	2,846,175,956	3,162,117,424
Tail Lamp Assembly/ Rear Combination Lamp	Nos.	4,435,385	4,973,182	967,083,247	1,125,727,758
Tools*	-	-	-	400,840,420	30,409,966
Others*	-	-	-	1,019,221,771	901,522,340
Total				5,233,321,394	5,219,777,488

* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

c. Details of Opening and Closing Stock of Finished Goods including Goods Traded in:

Particulars	2008-09 (Nos.)	2007-08 (Nos.)	2008-09 (Rs.)	2007-08 (Rs.)
Opening Stock				
Head Lamp Assembly	104,782	133,446	123,976,108	95,511,799
Tail Lamp Assembly / Rear Combination Lamp	94,559	113,679	46,032,469	47,578,124
Others*			73,632,896	32,975,548
Total			243,641,473	176,065,471
Closing Stock				
Head Lamp Assembly	85,241	104,782	71,865,269	123,976,108
Tail Lamp Assembly / Rear Combination Lamp	76,133	94,559	31,684,740	46,032,469
Others*			51,273,548	73,632,896
Total			154,823,557	243,641,473

* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

d. Details of Purchase of Traded Goods :

Class of Goods	2008-09 (Nos.)	2007-08 (Nos.)	2008-09 (Rs.)	2007-08 (Rs.)
Head Lamp Assembly	24,489	141,159	58,241,519	375,996,194
Tail Lamp Assembly / Rear Combination Lamp	25,464	140,322	25,542,489	174,744,092
Others*			10,068,547	93,886,143
Total			93,852,555	644,626,429

* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

Lumax Industries Limited

e. Consumption of raw materials and components :

Particulars	Unit	Quantity		Value (In Rs.)	
		2008-09	2007-08	2008-09	2007-08
Plastic Powder	M.T.	4,436	4,404	587,862,874	592,753,167
Bulbs	Nos.	22,209,036	23,425,720	463,434,765	392,658,565
Adjustor Motors	Nos.	1,946,140	2,142,069	414,633,707	470,312,299
Others*				1,815,098,354	1,683,874,544
Total				3,281,029,700	3,139,598,575

* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

f. Imported and indigenous Raw Materials and Components Consumed :

Particulars	Percentage of total		Value (Rs.)	
	2008-09	2007-08	2008-09	2007-08
Imported	19.02 %	18.97 %	624,203,260	595,643,185
Indigenous	80.98 %	81.03 %	2,656,826,440	2,543,955,390
Total	100 %	100 %	3,281,029,700	3,139,598,575

g. Imported and indigenous stores and spares consumed :

	Percentage of total Consumption		Value (Rs.)	
	2008-09	2007-08	2008-09	2007-08
Imported	17.81%	37.25 %	3,241,386	6,034,958
Indigenous	82.19 %	62.75 %	14,960,991	10,167,962
Total	100 %	100 %	18,202,377	16,202,920

20. Excise Duty on Sales amounting to Rs. 675,618,715 (Previous year Rs. 817,250,700) has been reduced from Sales in Profit & Loss Account and Excise Duty on Decrease/ (Increase) in Stock amounting to Rs. (10,567,029) (Previous year Rs. 1,478,602) has been Considered as (income)/ expense in Schedule 20 of the financial statements.

21. Previous Year Comparatives

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

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

per Pankaj Chadha
Partner
Membership No. 91813

D. K. Jain
Chairman & Managing Director

Deepak Jain
Sr. Executive Director

Place : Gurgaon

Date : June 30, 2009

Naval Khanna
Group Finance Head

B.S.Bhadauriya
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Pursuant to the provisions of Part IV of Schedule VI of the Companies Act, 1956)

1 Registration Details	Registration No. : 12804	State Code : 55
	Balance Sheet Date : Date : 31	Month : 03 Year : 2009
2 Capital Raised During the year (Amount in Rs. Thousands)	Public Issue : Nil	Rights Issue : Nil
	Bonus Issue : Nil	Private Placement : Nil
3 Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	Total Liabilities : 2,851,920	Total Assets : 2,851,920
	Sources of Funds	
	Paid-up Capital : 93,477	Reserves & Surplus : 1,311,897
	Secured Loans : 976,442	Unsecured Loans : 316,862
	Deferred Tax Liability : 153,242	
	Application of Funds	
	Net Fixed Assets : 2,598,000	Investments : 36,689
	Net Current Assets : 217,231	Misc. Expenditure : -
	Accumulated Losses : Nil	
4 Performance of Company (Amount in Rs. Thousands) [(+) for Profit/(-) for Loss]	Turnover (*) : 5,295,120	Total Expenditure : 5,331,555
	Profit/Loss Before Tax : (-) (36,435)	Profit/Loss After Tax : (-) (16,189)
	Earning Per Share in Rs. : (-) (1.73)	Dividend Rate % : 10
5 Generic Names of Three Principal Products/ Services of Company (As per monetary terms)	Item Code No.	
	(ITC Code) : 851220.01	
	Product Description	Head Lamp, Tail Lamp, Stop Lamp, Side Lamp, Blinkers.
	Item Code No.	
(ITC Code) : 851220.02		
Product Description	Automobile Lighting Equipment	

Note :- (*) : Includes Other Income Rs.61,798 thousands.

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

D. K. Jain
Chairman & Managing Director

Deepak Jain
Sr. Executive Director

Place : Gurgaon
Date : June 30, 2009

Naval Khanna
Group Finance Head

B.S.Bhadauriya
Company Secretary



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