

Lumax Auto Technologies Limited

Annual Report
2014-2015



DIVERSITY

EMPLOYEES

ACHIEVEMENTS

PRODUCTS

VISION

PEOPLE

GROWTH

USA

INDIA

ITALY

JAPAN

KOREA

CUSTOMERS

DIVERSITY

02

CHAIRMAN'S
MESSAGE

04

CSR

12

AWARDS

06

AUTO
COMPONENT
INDUSTRY IN
INDIA

07

MAKE IN
INDIA

11

RECENT
ACHIEVEMENT

13

INSIGHTS

17

DIRECTOR'S
REPORT AND
ANNEXURES

64

AUDITOR'S
REPORT ON
ACCOUNTS

67

BALANCE
SHEET

69

CASH FLOW
STATEMENTS

96

AUDITOR'S
REPORT ON
CONSOLIDATED
FINANCIAL
STATEMENT

68

STATEMENT OF
PROFIT AND
LOSS

130

NOTICE OF
ANNUAL
GENERAL
MEETING

70

NOTES TO
FINANCIAL
STATEMENTS

139

PROXY FORM

137

ATTENDANCE
SLIP

102

CONSOLIDATED
CASH FLOW
STATEMENT

103

NOTES TO
CONSOLIDATED
FINANCIAL
STATEMENTS

100

CONSOLIDATED
BALANCE
SHEET

101

CONSOLIDATED
STATEMENT OF
PROFIT AND
LOSS

V

VALUES

Excellence delivered by Passion

Leadership Development & Continuous Training of our People

Openness & Transparency to nurture everlasting Partnerships

Commitment & Dedication towards Safety

Integrity & Trust to always do the RIGHT thing

Teamwork through Mutual Respect of all

Y factor - Giving back to Society & Community

MISSION

To be a Lean, Profitable, Diversified and Learning Organization that is Highly Responsive, Energetic and Innovative by involving People as Partners and attaining highest levels of Quality, Excellence & Technology across our domains.

VISION

To be a Sustainable, Respected & Profitable Brand with a Global Presence, that continues to enhance Stakeholder Value and exceed Customer Expectations as the Preferred Supplier.

CORE PURPOSE

To Create a Happy, Safe, Participative, Proud & Admirable place to work that inspires individuals to consistently deliver Total Customer Satisfaction.





Dear Shareholders,

Just like the years before, we have entered into another year, another phase, and another beginning at Lumax. We are climbing up the ladder of success and I'm glad that we are doing it together. Growing and engaging together has always been the focal point of our operations.

Your company's net worth stood at Rs.2,633 million in the fiscal year of 2014-15. This was a great growth since the year before, where the company stood at a net worth of Rs.2,260 million. Your company's return on capital employed, dropped to 18% in 2013-14, but gained an increase and stood at 26% in 2014-15, which was better than the past two years. Dividend percentage had stood at 60% since 2010-11 to 2013-14. However, positively, in the year 2014-15, it increased to 70%. These statistics are only hoping to get better. Your company's total income has been recorded as the best in the last five years; it stands at Rs.8,413 million for the fiscal year of 2014-15.

This was a direct increase by Rs.748 million from last year. Your company's earnings after tax were Rs.450 million for the fiscal year of 2014-15. This was an increase from the last two years. These figures have marked an overall positive environment for your company.

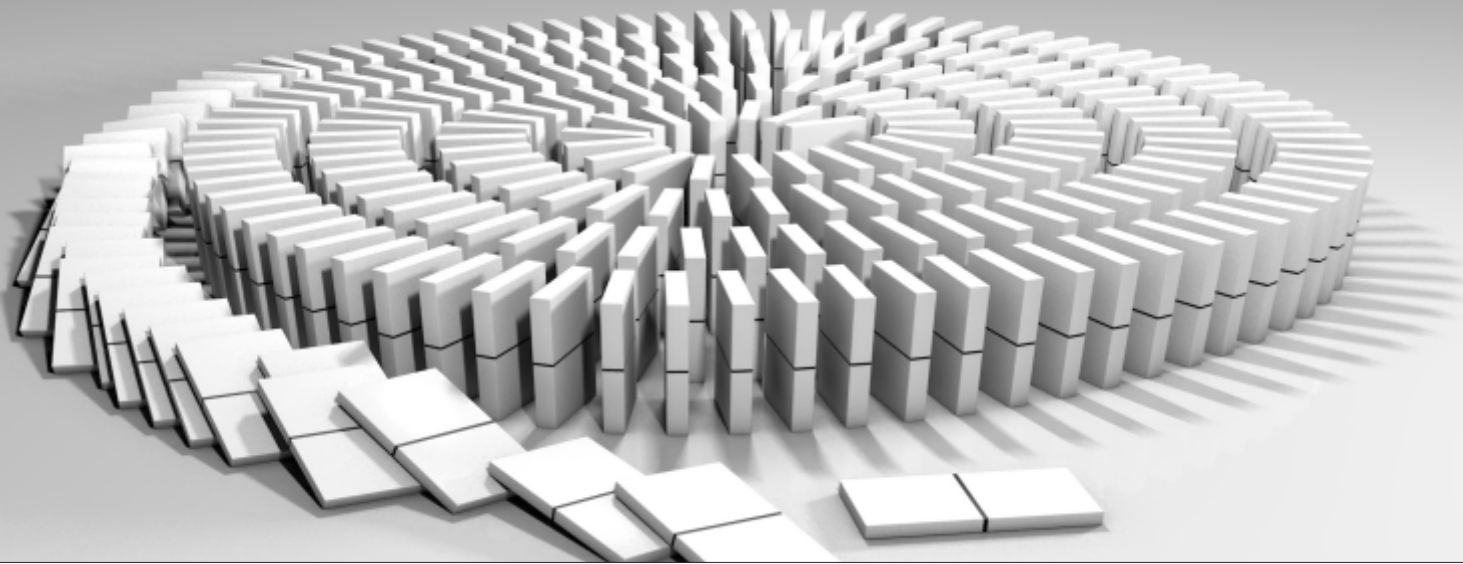
The global economic situation showed signs of strengthening this year. Key factors such as finance availability, poor public transport system, improved infrastructure, low car penetration, rising family income, etc., are giving the Indian automotive industry a welcoming push. Similarly, the formation of a new government, a stabilized rupee in the first half of the fiscal year, schemes like Make in India, etc., gave the nation's economy a boost.

To ensure continuing competitiveness, the company undertook various initiatives such as newer products, better marketing strategies, expansion of business, etc. With these initiatives, we strive to improve profit sustainability. The legacy of our group "to fight and win in all circumstances" must be lived up to. Your Board is extremely focused on the need to manage this balance between current and future returns with great care, optimizing both without imperiling either. The business is taking decisive steps to free up capital and operational resources, but for the time being the imperative of securing the longer-term future means that our current fiscal responsibility remains constrained.

As an integral part of our last year's strategy, we focused on keeping inventory levels low even this year. This helped us reduce the burden on the company as a whole and also on our channel partners. Such decisions are possible only due to our technological capabilities and the company's pursuit to offer world-class quality products.

We will remain committed in making intelligent investments, the fruit of which will be borne by all of us together. The year before last year (2013-2014) was perhaps the worst year in automotive industry. With its ending and the formation of a new government, we see recovery that not only looks promising, but also stable.





A TEAM THAT BELIEVES IN WINNING

This year we achieved a lot of milestones. Our newsletter 'Sagar' has completed 10 years as a publication, connecting all members of our family. To add to that, the company recommended dividend of 70%--an increase from the last 4 years; we sold 45% Stake of Lumax Manno Allied Technologies Limited to Manno Industrial Co., Ltd., Japan; a facility for manufacturing of Chassis and Fabrication Parts was set up at Aurangabad (Maharashtra); an action plan made for implementation of TPM culture in all plants of the company; Robo plant, Aurangabad, was awarded the BAL TPM Award and Chakan plant, Pune was awarded 2nd Prize in CII JIT Circle Award.

Speaking of CSR activities, our company's initiatives in this sector revolve around three main sectors: girl child, education, and health. We have adopted four schools in the Northern Regions and one in the Western Region. Activities such as awareness drives, health checkups, and relief funds are parallel and continuously conducted.

Our shareholders, employees and suppliers remain our pillars of strength. Their collective hard work has helped the Group to record a strong performance in a challenging market. I thank them sincerely for their commitment towards the company. Even in complex situations, they have demonstrated utmost dedication. The restoring faith from all of you makes us take confident decisions to keep the company growing upward on the world map. We will continue to work with as much sincerity and honesty as before in order to create value for our customers and shareholders and for the multi-dimensional growth of the company.

In the end, remember there are no secrets to success. It is the result of preparation, hard work, and learning from failures.

Sincere Regards,

DK Jain
Chairman





“Society and Business go hand in hand. Our society has given a lot to us, now it’s our turn to contribute for the welfare of the society.”

Mr. D. K. Jain, Group Chairman



“Nothing is greater than the service of the mankind; it’s our moral responsibility to serve the needy people. We must strive to make our lives huge and worthy”.

Mrs. Usha Jain.



“The success of an organization doesn’t belong to a single person, rather it’s a dream which become successful by joint efforts of the people and our deeds for the well being of mankind encourage us to perform best. It’s not just an act rather an ideology that blends business & ethics.”

Mr. Deepak Jain & Mr. Anmol Jain.



CORPORATE SOCIAL RESPONSIBILITIES



Your company has always been supportive of social causes that need attention. To focus our efforts in a more streamlined way, we decided to focus our CSR activities on girl child issues, underprivileged children, and education along with health. For decades now, we are dedicating ourselves to these causes, hoping that small changes from our side collectively will bring out bigger transformations.

In the years to come, we hope to contribute more and more to these causes, until one day, when they don't remain a cause anymore. We will forever strive to eradicate such social evils as a part of our corporate social responsibility. Your company will continue making you proud.

Keeping this approach in our mind and heart, we initiated a lot of campaigns. With the passing of every year, we take them to the next level, affecting more and more people as we move ahead in time.

Parallely, we also continuously look at different ways in which we can enrich the lives of our employees - our strongest pillars. We strive to add value to even their lives, making them positive about their professional lives.

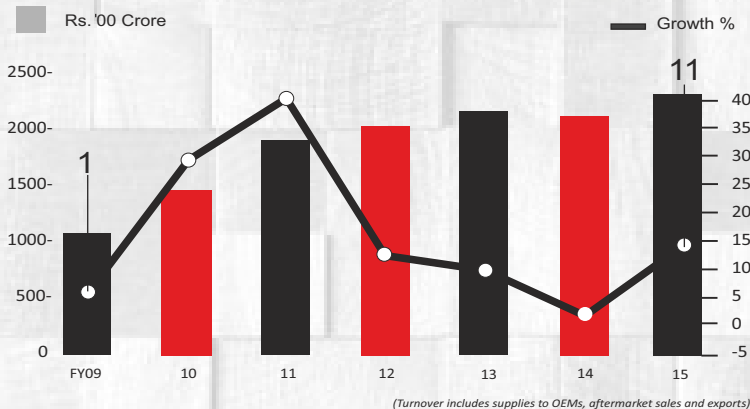
Our goal to spread positivity to everyone around us has always been important us. In our endeavors to grow with people, we are and will always be very committed. Your faith in our vision has only made it stronger.



Auto Component Industry in India

We all know that the global economic slowdown had its effects on the Indian Automobile Industry. After almost two years, we saw an upward trend that was not only calming, but also hopeful to improve, especially with a new government at the center. The automobile industry in our country is one of the largest; with some of the best volumes of manpower, it is only growing. The 'Make in India' initiative started by the new government is bringing in positivity in huge volumes. There are tremendous opportunities for growth and investment. We are now looking at a better phase in the future, where production and sales will probably be in their best figures.

**Turnover Growth At 4-Yr High
(Auto component industry turnover)**

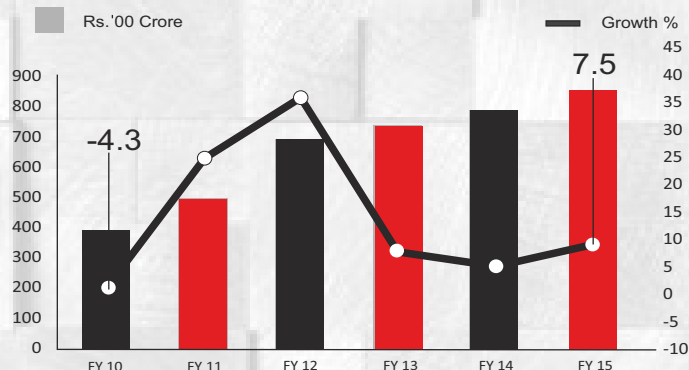


**Export Growth Still in Double Digits (In Rupee Terms)
(Exports)**

	Rs. '00 Cr	\$ Billion	Growth %*
FY 10	189	4.2	19.3
FY 11	303	6.7	60.3
FY 12	427	8.8	40.9
FY 13	526	23.3	23.2
FY 14	614	10.2	16.7
FY 15	685	11.2	11.6

* Rupee terms

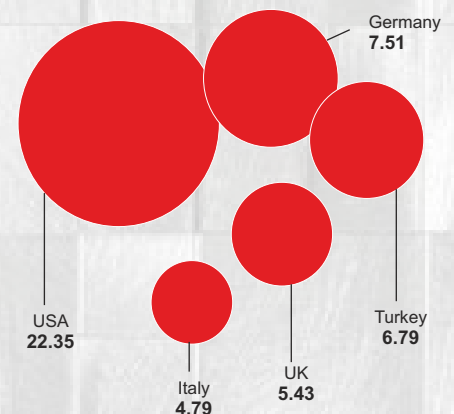
**India Still A Net Importer of Auto Parts, China Remains The Largest Exporter With 24% Share
(Imports)**



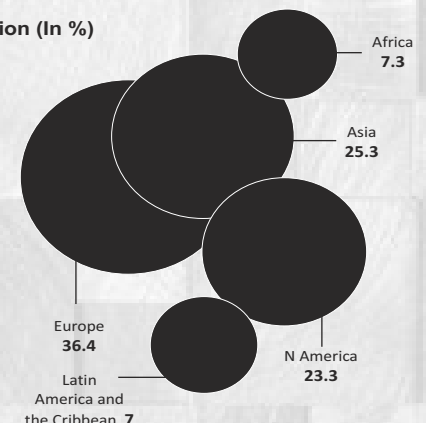
**Decline in Capital Investment a worry
Capital investment (Rs' 00 Crore)**



**US Largest Country Market, Europe No.1 Regionwise
Countries (In %)**



Region (In %)



MAKE IN INDIA

AUTO INDUSTRY

By 2015, India is expected to be the fourth largest automotive market by volume in the world.

Two-wheeler production has grown from 8.5 Million units annually to 15.9 Million units in the last seven years. Significant opportunities exist in rural markets.

An R&D hub: strong support from the government in the setting up of NATRiP centres. Private players such as Hyundai, Suzuki, GM are keen to set up an R&D base in India.

* Make In India *IBEF
Research and publication

The industry currently accounts for almost 7% of the country's GDP and employs about 19 million people both directly and indirectly.

100% FDI is allowed under the automatic route in the auto sector, subject to all the applicable regulations and laws.

MAKE

IN

INDIA

