



Lumax Automotive Systems Limited

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9th

**ANNUAL REPORT
2008-2009**

LUMAX
AUTOMOTIVE PARTS

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Lumax Automotive Systems Ltd.

BOARD OF DIRECTORS

Mr. U. K. Jain- Chairman & Managing Director
Mr. Nitin Jain- Executive Director
Mrs. Kamlesh Jain
Mr. Virender Ganda
Mr. Prem Das Gandhi
Mr. Vinay Panchmiya

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Private Limited
246, 1st Floor, Sant Nagar, East of Kailash,
New Delhi-110065
Tel. No. : 26292682-83
Fax No. : 26292681
e-mail : admin@skylinerta.com

AUDITORS

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

BANKERS

Syndicate Bank

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Monika Gupta

CORPORATE OFFICE

A-116/117, DDA Sheds, Okhla Industrial Area,
Phase-II, New Delhi-110020
Ph.: 40500400, 40500406, Fax: 40500429
e-mail : cs@lumaxauto.com

REGISTERED OFFICE

63-64, Gokhale Market,
New Delhi-110054
Tel. No. : 23915364, 23984652
Fax No. : 23916350
e-mail : cs@lumaxauto.com

WORKS

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

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Lumax Automotive Systems Ltd.

NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of Lumax Automotive Systems Limited will be held on Thursday, the 24th Day of September 2009 at 10.00 A.M. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2009 and the Balance Sheet as at that date together with the Directors' and Auditors' Reports thereon.
2. To appoint a director in place of Mr. Virender Ganda who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Prem Das Gandhi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and on a poll, vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must reach the Company at its registered office at least 48 hours before the time fixed for the meeting. A Proxy form is attached herewith.
2. The register of members and the share transfer books of the Company will remain closed from 14th September 2009 to 24th September 2009 (both days inclusive).
3. Members/ Proxies should bring the attendance slip sent herewith, duly filled in and signed and handover the same at the entrance of the hall.
4. Members should bring their copies of annual report, as no separate copy would be provided at the venue of the annual general meeting.
5. Members are advised that no gift/gift coupons will be distributed at the annual general meeting of the Company.

By Order of the Board
For Lumax Automotive Systems Limited

Place: New Delhi
Date: 24/08/2009

Monika Gupta
Company Secretary

Details of the directors seeking re-appointment in annual general meeting scheduled on 24th September, 2009.

Name of director	Date of birth	Date of appointment	Qualifications	Expertise in specific functional area	Name of the Companies in which also holds directorship	Name of Companies in the committees of which holds membership/ chairmanship
Mr. Virender Ganda	31/03/1952	18/05/2004	LL.B., FCS & FCWA	Wide experience in legal field.	1. UPTEC Computer Consultancy Ltd. 2. Vishvas Securities Ltd.	Nil
Mr. Prem Das Gandhi	04/03/1938	28/04/2008	MA	Wide experience in trading business of computers, office products and Pharmaceuticals	Nil	Nil



Lumax Automotive Systems Ltd.

DIRECTORS' REPORT

To the members of
LUMAXAUTOMOTIVE SYSTEMS LIMITED

Your Directors have pleasure in presenting the 9th Annual Report together with audited accounts of the Company for the year ended 31st March 2009.

Financial Results:

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

Rs in million		
Particulars	2008-2009	2007-2008
SALES (excluding excise duty)	1000.45	1017.48
Profit (before interest, dep. & tax)	103.57	101.36
(-) Interest	48.94	34.85
(-) Depreciation	39.58	31.64
PROFIT/(LOSS) :	15.05	34.87
(-) Tax provision	6.10	21.72
(+) Deferred tax credit	(0.44)	(0.42)
(+) Balance in the P&L A/c b/f	46.23	38.16
(+) Transfer from revaluation reserve	0.33	0.33
PROFIT - for appropriation	55.07	51.22
Appropriation :		
Proposed equity dividend		-
Transfer to general reserve		5.00
Balance retained in P&L A/c	55.07	46.22

Dividend:

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

Operations:

Your Company's total turnover during the year under review was Rs.1000.45 million as compared to Rs. 1017.48 million during the previous year.

Directors:

In accordance with the requirement of the Companies Act, 1956 and Articles of Association of the Company, Mr. Virender Ganda and Mr. Prem Das Gandhi are liable to retire by rotation and being eligible offer themselves for reappointment.

Brief resume of the directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of board committees, shareholding and relationships between directors inter-se, as stipulated under clause 49 of the listing agreements with the stock exchanges, are annexed elsewhere in this report.

Subsidiary Company:

In compliance with the provisions of section 212 of the Companies Act, 1956, the audited statement of accounts along with Directors' Report of Lumax Magna Donnelly Automotive Mirrors Private Limited for the year ended 31st March 2009, are annexed.

Consolidated Financial Statements:

As the Lumax Magna Donnelly Automotive Mirrors Private Limited (subsidiary company) operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company, the consolidated financial statements are not required to be prepared as per AS -21.

Auditors and Auditors' report:

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

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

Management Discussion and Analysis Report:

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

Lumax Automotive Systems Ltd.

Corporate Governance:

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

Deposits:

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

Particulars of Employees:

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

However, having regard to the provisions of section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any members interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

Listing:

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

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

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

Conservation of energy:

The Company has always been conscious about the need for conservation of energy. Energy saving is one of the factor for the economic growth of the economy it remained an area of high priority for the Company.

Technology absorption:

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

Foreign Exchange Earning and Outgo:

This information is given in notes to accounts at point No.9 and 10.

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

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

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

Industrial Relation:

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

Acknowledgement:

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

Place : New Delhi
Date : 24/08/2009

For & On behalf of the Board of Directors

U.K. JAIN
Chairman & Managing Director

Lumax Automotive Systems Ltd.

CORPORATE GOVERNANCE REPORT

Company's Philosophy

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

Board of Directors

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

During the year under review 10 board meetings were held on 28th April 2008, 10th July 2008, 30th July 2008, 26th August 2008, 20th October 2008, 25th October 2008, 24th December 2008, 30th January 2009, 9th March 2009 and 24th March 2009. Details of composition and category of the Board, attendance of Directors in the Board Meetings and last AGM, number of directorships and chairmanships/memberships of committee of each director held in other public companies are shown below:

Name of Director	Category	No. of Board Meeting attended	Last AGM attended	No. of Directorship in other public companies	No. of Committee positions held in other Public companies		Relationship, Inter-se
					Chairman	Member	
U.K. Jain	Executive Chairman, Promoter	10	Yes	-	-	-	Related as husband to Mrs. Kamlesh Jain and as father to Mr. Nitin Jain
Nitin Jain	Executive, Promoter	10	Yes	-	-	-	Related as son to Mr. U.K. Jain and Mrs. Kamlesh Jain
Kamlesh Jain	Non-Executive, Promoter	10	Yes	-	-	-	Related as wife to Mr. U.K. Jain and as mother to Mr. Nitin Jain
Virender Ganda	Non-Executive, Independent	9	Yes	2	-	-	Not related to any Director
Vinay Panchmiya	Non-Executive, Independent	9	Yes	-	-	-	Not related to any Director
Prem Das Gandhi	Non-Executive, Independent	9	Yes	-	-	-	Not related to any Director

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company, which is also available on the website of the Company. All Board members and senior management that includes Company executives who report affirmed their compliance with the said Code. A declaration signed by the Chairman and Managing Director to this effect is provided elsewhere in the Annual Report.

Audit Committee

The terms of reference of the Audit Committee of the Company includes all activities stipulated under Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement and, inter-alia, includes overseeing the audit functions, review of Company's financial performance, review of critical findings of internal audit, review of financial reporting systems & processes, review of the quarterly, half yearly and annual financial statements and other financial disclosures including their adequacy, correctness and credibility.

The Audit Committee comprises of three non-executive directors with majority of them being independent Directors.
Composition of the Audit Committee: -

Lumax Automotive Systems Ltd.

Name of the Directors	Meetings held	Meeting attended
Mr. Vinay Panchmiya -Chairman	4	4
Mr. Prem Das Gandhi	4	4
Mrs. Kamlesh Jain	4	4

Mr. Prem Das Gandhi is having financial and accounting Knowledge. The Company Secretary acts as a Secretary of the Committee. During the year, the Committee met 4 times on 28th April 2008, 30th July 2008, 25th October 2008 and 30th January 2009.

Remuneration Committee

The terms of reference of the Remuneration Committee in brief pertain to determine the Company's policy on and approve specific remuneration packages for Executive Directors after taking into account financial position of the Company, interest of the Company and shareholders etc.

During the year, the Committee met once on 26th August 2008.

Composition of the Remuneration Committee: -

Name of the Directors	Meetings held	Meeting attended
Mr. Virender Ganda- Chairman	1	1
Mr. Jagdeep Kapoor	1	1
Mr. Vinay Panchmiya	1	1

Remuneration of whole time and Managing Directors:

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Total (Rs.)
Mr. U.K. Jain, Managing Director	1090000	100800	1190800
Mr. Nitin Jain, Executive Director	650500	422210	1072710

None of the Non Executive Directors is drawing any remuneration.

Shareholders' Committee

The objective of the Committee is to monitor the redressal of shareholders and Investors complaints relating to transfer of shares, non-receipt of Annual Report, issue of duplicate shares etc.

During the period under review, 2 Shareholders' Committee meetings were held on 30th July 2008 and 30th January 2009.

Composition of the Shareholders' Committee: -

Members	Meetings held	Meeting attended
Mr. Virender Ganda- Chairman	2	2
Mr. U.K. Jain	2	2
Mr. Nitin Jain	2	2

Ms. Monika Gupta, Company Secretary is the Compliance Officer of the Company.

During the year the Company received 4 complaints, all of which have been completely resolved to the satisfaction of stakeholder. As on date, there is no pending complaint of any stakeholder.

General Body Meeting

Details of the Annual General Meeting held during the last three years are as follows: -

Year	Date	Time	Venue	Special Resolution Passed
2007-08	26/09/2008	10.00 A.M	The Executive Club, New Delhi	N.A
2006-07	25/09/2007	3.00 P.M	Air Force Auditorium, New Delhi	Appointment of Mr. Milan Jain u/s 314(1B)
2005-06	25/09/2006	3.30 P.M	Air Force Auditorium, New Delhi	N.A

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

Lumax Automotive Systems Ltd.

Subsidiary Company

The revised clause 49 of the listing agreement defines a "Material Non Listed Indian Subsidiary" as an unlisted subsidiary, incorporated in India whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively of the listed holding Company and its subsidiary in the immediately preceding accounting year.

The Company has only one subsidiary Company which is not listed on any Stock Exchange and fall within the meaning of "Material Non-Listed Indian Subsidiary". However, the following compliances are duly made by the Company;

- The Audit Committee reviews the financial statements made by the subsidiary Company.
- The minutes of the Board meetings of the subsidiary Company are placed at the Board meeting of the Company.
- A statement of all significant transactions and arrangements made by the subsidiary Company are informed to the Board at periodical intervals.

Disclosure

- During the year under review, the Company had entered into transactions in the normal course of business with some of the entities in which some of the directors are interested and which have been disclosed adequately in the notes forming part of the accounts. There was no potential conflict of interest with that of the Company.
- The Company has complied with various rules and regulations prescribed by the stock exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authorities on all matters relating to the capital markets, and no penalties or strictures have been imposed on the Company by any of them in this regard during the last three years.
- The Company has followed the accounting standards laid down by the Institute of Chartered Accountants of India.
- The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement. Non-mandatory requirements relating to Remuneration Committee have been adopted by the Company.

Means of Communication

- The Company publishes un-audited Quarterly financial results normally in "Financial Express" (English) and "Jansatta" (Hindi) Newspapers. The results are promptly furnished to the Stock Exchanges for display on their respective website.
- Management discussion and analysis forms the part of the Annual Report.

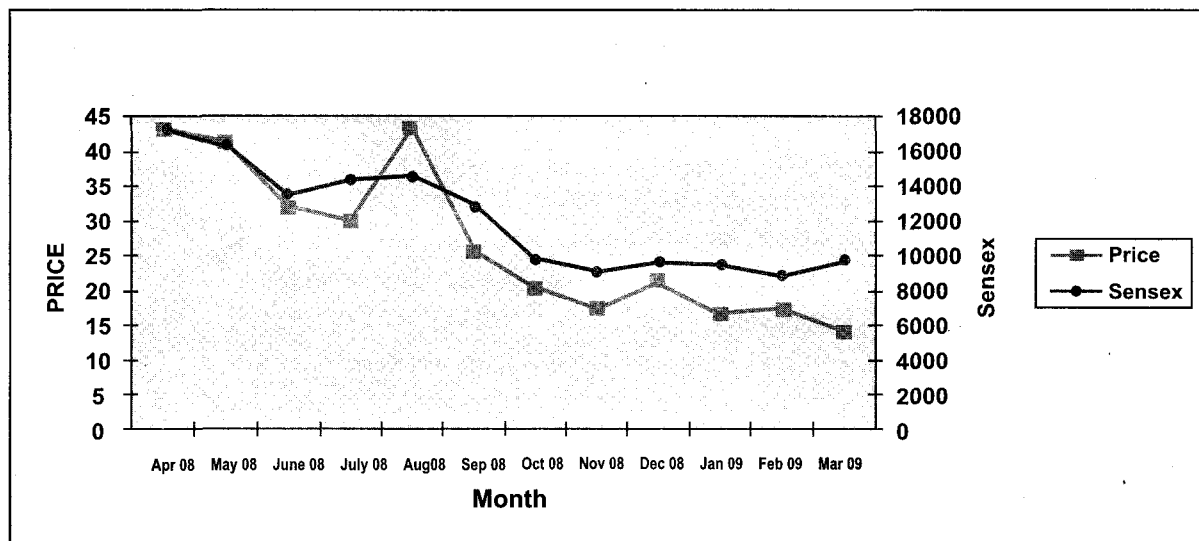
General information to shareholders:

- **Date and Venue of the AGM** : 24th September 2009 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074
- **Financial Year** : 1st April to 31st March.
- **Book Closure Date** : 14th September to 24th September 2009 (both days inclusive)
- **Listing on Stock Exchanges & (Stock Code)** : The Stock Exchange, Mumbai (532537)
National Stock Exchange (Lumaxauto)
ISIN No. "INE547G01019"
No dues are pending towards Listing Fee.
- **Stock Market Data** :

Stock Exchange	The Stock Exchange, Mumbai		National Stock Exchange of India Ltd.	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Mar-09	18.65	13.85	17.95	13.90
Feb-09	18.50	16.05	18.45	15.85
Jan-09	25.45	16.20	24.90	16.55
Dec-08	21.75	15.15	21.95	15.30
Nov-08	21.95	14.80	21.95	15.10
Oct-08	26.80	18.65	26.70	18.00
Sep-08	44.30	25.55	44.00	25.65
Aug-08	53.85	28.00	54.00	30.00
Jul-08	36.80	26.00	37.00	26.15
Jun-08	42.00	30.10	44.85	28.80
May-08	47.00	40.60	45.25	36.05
Apr-08	48.40	38.10	47.70	37.65

Lumax Automotive Systems Ltd.

● Share Price Performance :



● Registrar and Transfer Agent :

Skyline Financial Services Private Limited
246, 1st Floor, Sant Nagar, East of Kailash,
New Delhi-110065
Ph: 26292682-83, Fax: 26292681

● Share Transfer System :

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

● Distribution of Shareholding :

As on 31st March, 2009

No. of Shares	No. of Shareholders		Total Shares	%
	Number	%		
Up to 500	20352	98.46	795260.00	10.74
501 – 1000	180	0.87	135307.00	1.83
1001 – 2000	64	0.31	93606.00	1.26
2001 – 3000	21	0.10	55159.00	0.74
3001 – 4000	11	0.05	38654.00	0.52
4001 – 5000	9	0.04	43313.00	0.58
5001 – 10000	6	0.03	45248.00	0.61
10001 and above	27	0.13	6197559.00	83.70
Total	20670	100.00	7404106.00	100.00

● Shareholding pattern :

As on 31st March, 2009

Category	No. of shares held	(%) of shareholding
Promoters/Group Companies	5441014	73.49
Mutual Funds & UTI	31773	0.43
Banks/Financial Institutions	485	0.01
FIs	110	0.00
Private Corporate Bodies	485861	6.56
Indian Public	1442033	19.47
NRIs/OCBs	2830	0.04
Any other (clearing member)	0	0.00
Total	7404106	100



Lumax Automotive Systems Ltd.

- **Dematerialization of shares and liquidity:**

As on 31st March 2009, 40.96% of the Paid up equity capital of the Company was in the dematerialized mode. The shares of the Company are tradable compulsorily in electronic form.

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

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

- **Plant Locations:**

Haryana

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

Maharashtra

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

- **Correspondence Address:
of the Company-**

Ms. Monika Gupta, Company Secretary
Lumax Automotive Systems Limited,
A-116/117, DDA Sheds, Okhla Industrial Area,
Phase-II, New Delhi-110020
Ph.: 40500400, 40500406, Fax: 40500429
e-mail : cs@lumaxauto.com

- **Regarding Shares-**

Skyline Financial Services Private Limited
246, 1st Floor, Sant Nagar, East of Kailash,
New Delhi-110065
Ph: 26292682-83, Fax: 26292681
e-mail:admin@skylinerta.com

- **E-mail id for investor grievances:**

cs@lumaxauto.com