

15th

ANNUAL REPORT

2014-15

Lumax Automotive Systems Limited

BOARD OF DIRECTORS

Mr. U. K. Jain- Chairman & Non-Executive Director
 Mr. Nitin Jain- Managing Director
 Mr. Milan Jain- Executive Director
 Mrs. Kusum Garg
 Mr. Rajendra Prasad Agrawal

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Ms. Monika Gupta

BANKERS

Syndicate Bank
 IDBI Bank Ltd.

REGISTRAR & TRANSFER AGENT

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

AUDITORS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

WORKS

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

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NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the members of Lumax Automotive Systems Limited will be held on Monday, the 28th day of September 2015 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 Balance Sheet of the Company as at March 31, 2015 and the Profit & Loss Account for the year ended on that date together with reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Milan Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. R. Jain & Sanjay Associates, Chartered Accountants, New Delhi, the retiring Auditors of the Company, as the Statutory Auditors of the Company having firm registration no.012377N on remuneration as may be fixed by the Board of Directors.

SPECIAL BUSINESS

4. To appoint Mrs. Kusum Garg as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mrs. Kusum Garg, who was appointed as an Additional Director pursuant to the provisions of section 161(1) of the Companies Act, 2013 who holds office up to the date of this annual general meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years effective from the date of her appointment."
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:-
"RESOLVED THAT pursuant to section 196, 197 and 198 read with schedule V of the Companies Act, 2013 and Rules made there-under (including any amendment(s) or modification(s) thereof for the time being in force), and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and subject to the approval of Central Government, if necessary, and such other approvals as may be required for the time being in force and amended from time to time, the consent of the Members be and is hereby accorded for reappointment of Mr. Nitin Jain (DIN: 00061859), as Whole time director designated as Managing Director of the Company, for a period of five (5) years with effect from May 23, 2016 on the terms & Conditions as set out in explanatory statement herein, with the authority to nomination and remuneration committee/ board of directors (herein after referred as "The board", which term shall deem to include any committee which the board may constitute to exercise its powers of the said appointment and remuneration not exceeding the limits specified under Schedule V to the Companies Act 2013, or any statutory re-enactment thereof.
RESOLVED FURTHER THAT the remuneration payable to Mr. Nitin Jain as Managing Director by way of salary, ex-gratia payment or Commission, perquisites and other allowances, shall not exceed the remuneration set out in the explanatory Statement herein or as may be approved by Central government.
RESOLVED FURTHER THAT Notwithstanding anything contained herein above stated, where in any financial year, during the currency of his tenure as Managing Director, the Company has no profits or inadequate profits, the above mentioned remuneration or as decided by the Board or any committee thereof from time to time shall be paid to Mr. Nitin Jain as minimum remuneration".
RESOLVED FURTHER THAT Mr. U.K Jain, Chairman, Mr. A.K Goel, Chief Financial Officer and Mrs. Monika Gupta, Company Secretary be and are hereby severally authorised to do all such acts, deeds and

6. things as may be required to give effect to the above resolution(s)
 To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:-
"RESOLVED THAT pursuant to section 196, 197 and 198 read with schedule V of the Companies Act, 2013 and Rules made there-under (including any amendment(s) or modification(s) thereof for the time being in force), and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and subject to the approval of Central Government, if necessary, and such other approvals as may be required for the time being in force and amended from time to time, the consent of the Members be and is hereby accorded for reappointment of Mr. Milan Jain (DIN: 01053303), as Whole time director designated as Executive Director of the Company, for a period of five (5) years with effect from August 31, 2015 on the terms & Conditions as set out in explanatory statement herein, with the authority to nomination and remuneration committee/ board of directors (herein after referred as "The board", which term shall deem to include any committee which the board may constitute to exercise its powers of the said appointment and remuneration not exceeding the limits specified under Schedule V to the Companies Act 2013, or any statutory re-enactment thereof.
RESOLVED FURTHER THAT the remuneration payable to Mr. Milan as Executive Director by way of salary, ex-gratia payment or Commission, perquisites and other allowances, shall not exceed the remuneration set out in the explanatory Statement herein or as may be approved by Central government.
RESOLVED FURTHER THAT Notwithstanding anything contained herein above stated, where in any financial year, during the currency of his tenure as Executive Director, the Company has no profits or inadequate profits, the above mentioned remuneration or as decided by the Board or any committee thereof from time to time shall be paid to Mr. Milan Jain as minimum remuneration".
RESOLVED FURTHER THAT Mr. U.K Jain, Chairman, Mr. A.K Goel, Chief Financial Officer and Mrs. Monika Gupta, Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution(s)

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

**Monika Gupta
Company Secretary**

Place: New Delhi
Date: 10/08/2015

NOTES:

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/Herself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
 A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Shareholders are requested to bring their copy of annual Report to the meeting, as no Separate copy would be provided at the venue of the Annual general Meeting.
4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are

requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

5. Registers of Members and share Transfer Books of the Company will remain closed from September 22, 2015 to September 28, 2015 (both days inclusive)
6. A statement giving the relevant details of the Directors seeking re-appointment under Item Nos. 2 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
7. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
8. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
9. Members, who shares in physical form in the multiple folios in identical names or joint holding in the same order of names, are requested to send the share certificate(s) to the company for consolidation into a single Folio. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
10. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
11. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting. The members are requested to get their shares dematerialized.
12. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

- a) cs@lumaxauto.com, lumaxauto@gmail.com or its registered office at 63-64 Gokhle market, Delhi-110054.

The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
14. Voting through electronic means
 - (a) In compliance with the provision of section 108 of the Companies Act, 2013 read with rule 20 of Companies (Management & Administration) Rules, 2014, and clause 35B of listing agreement the company is pleased to provide its shareholders to exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted

that this e-voting facility is optional. This facility will be available at the link www.evoting.nsdl.com during the following voting period:

Commencement of e-voting	:	From September 24, 2015 at 9.00 A.M.
End of e-voting	:	Up to September 27, 2015 at 5.00 P.M.

E-voting shall not be allowed beyond September 27, 2015 at 5.00 P.M. During the E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for e-voting is September 21, 2015.

- (b) The company has engaged the services of NSDL as the Authorized Agency to provide e-voting facilities.
- (c) The company has appointed M/s Bindal Anubhav and Associates, as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
- (d) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (e) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'. It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.
15. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants. The nomination form can be downloaded from the Company's website www.lumaxauto.com

By order of the Board
For Lumax Automotive Systems Ltd.

Place: New Delhi
Date: 10/08/2015

Monika Gupta
Company Secretary

EXPLANATORY STATEMENT

Item no. 4

The board of directors of the Company appointed, Mrs. Kusum Garg as an Additional Director of the Company with effect from February 13, 2015 pursuant to the provisions of section 161(1) of Act.

In terms of the provision of section 161 (1) of the Act, Mrs. Kusum Garg would hold office up to the date of the ensuing annual general meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Act proposing the candidature of Mrs. Kusum Garg for the office of Director of the Company.

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

Upon the approval of the shareholders to her appointment, as an Independent Director, the appointment of Mrs. Kusum Garg, as such, shall be formalized by Board by issuing a letter of appointment to her, which shall be open for inspection by the members at the registered office of the Company, in terms of

applicable provisions of the Act.

A brief profile of proposed Independent Director is included as a part of Corporate Governance Report.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director for her respective appointment, is concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolution as set out at item no. 4 for approval of the Members.

Item no. 5 and 6

Mr. Nitin Jain has been the Managing Director of the Company since May 23, 2011. The term of office of Mr. Nitin Jain, as Managing Director of the Company will expire on May 22, 2016.

The term of office of Mr. Milan Jain, Whole-time-Director, designated as Executive Director, will expire on August 30, 2015.

The present proposal is to seek the members' approval for the re-appointment and remuneration payable to Mr. Nitin Jain as Managing Director and Mr. Milan Jain as Whole-time-Director, designated as Executive Director, in terms of the applicable provisions of the Companies Act, 2013.

The Board of Directors of the Company at its meeting held on August 10, 2015 has, subject to the approval of Members, re-appointed Mr. Nitin Jain and Mr. Milan Jain for a further period of 5 years from the expiry of their term, on the remuneration determined by the Nomination and Remuneration Committee of the Board at its meeting held on August 10, 2015. Mr. Milan Jain shall be liable to retire by rotation.

In view of the contributions made by Mr. Nitin Jain and Mr. Milan Jain and their extensive knowledge of Company's operations and rich experience and expertise in managing the affairs of the Company; and in view of remuneration paid to professionals of similar experience, work profile and responsibility, in the industry, the Board on the recommendation of the Nomination and Remuneration Committee, has, subject to the approval of Members and the Central Government, the remuneration to be paid to Mr. Nitin Jain, Managing Director and Mr. Milan Jain, Executive Director, effective from April 1, 2015, for the period of their term as Managing Director and Executive on the terms and conditions as set out in the explanatory statement herein. The payment is subject to the approval of members of the Company by way of a special resolution and approval from the Central Government, if necessary.

The remuneration to be paid to Mr. Nitin Jain, Managing Director and Mr. Milan Jain, Executive Director of the Company is subject to the approval by the Company in a General Meeting and the Central Government, if necessary, in accordance with the relevant provisions of the Companies Act, 2013 read with Schedule V to the said Act. The resolution set out in the notice is intended for this purpose.

The Board recommends the special resolution set forth at item no. 5 and 6 of the Notice for approval of the members.

None of the Directors of the Company, except Mr. Nitin Jain, Mr. Milan Jain and Mr. U.K. Jain, Non-Executive Director, is in any way concerned or interested in this resolution.

Brief Particulars of the terms of remuneration payable to Mr. Nitin Jain and Mr. Milan Jain are as under:

Salary

Salary(basic) per month:

Rs. 2,00,000/- (Two Lakhs to each of Director) in a time scale of Rs. 2,00,000/- - Rs. 4,00,000/-. Annual Increment shall be payable on 1st April of each year (starting from April, 2016) as may be decided by the Board of Directors or Remuneration Committee of Directors and will be merit based.

Perquisites and Allowances:

Special Allowance

Monthly Special Allowance of 20% of the Salary (basic) applicable for the relevant period.

Leave Travel Allowance

The yearly payment in the form of allowance shall be equivalent to one month's salary (basic).

House Rent Allowance

Monthly House Rent Allowance of 60% of the Salary (basic) applicable

for the relevant period.

Medical Reimbursement

Expenditure incurred by them and their family, subject to a ceiling of Rs. 50,000/- (Fifty Thousand) per annum.

Club Fees

Actual fees for a maximum of two clubs, subject to a maximum of Rs. 50,000 (Fifty Thousand) per annum. This will not include Admission fees and Life Membership fees.

Hospitalization Insurance Scheme

As per the scheme of the company, Hospitalization Insurance coverage shall be provided to them and dependent family members.

Provident Fund and Gratuity

Contribution to Provident Fund and Gratuity will be as per the Rules/ Scheme of the Company.

Leave Encashment Provision

Leave as per the Rules of the company. Encashment of unveiled leaves at the end of the tenure at specified intervals will be as per Scheme of the Company.

Provision of car and other

Provision for one car along with driver for use in relation to Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Commission pay

In addition to the above, they shall be entitled for a commission @ 1% on the Net Sales of the Company each year.

The above may be regarded as an abstract of the terms and conditions and memorandum of concern or interest for the purpose of Section 190 of the Companies Act, 2013 and the requirements of the said Act may be deemed to have been sufficiently complied with.

The salary and other allowances mentioned above shall be within the limit specified under section II, part II of Schedule V of the Act.

STATEMENT, PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 WITH RESPECT TO ITEM NO.5 AND 6 OF THE NOTICE:

I. General Information:

1. Nature of Industry:

The Company is engaged in manufacturing of auto ancillary components.

2. Date of Commencement of Commercial Production:

March 31, 1999

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable

4. Financial performance based in given indicators:

(Rs. in million)

Particulars	2014-15	2013-14	2012-13
Gross sales	769.63	892.58	(1265.20)
Profit Before tax	(137.66)	(70.09)	22.65
Profit After tax	(144.97)	(65.69)	15.79
Net Worth	129.23	(29.54)	359.59
Dividend On Equity (%)	nil	nil	nil

5. Export performance and net Foreign exchange collaborations:

Nil

6. Foreign investments or collaborators, if any:

Nil

II. INFORMATION ABOUT THE APPOINTEES:

A. Mr. Nitin Jain

1. Background details:

Name - Mr. Nitin Jain
Qualification - MBA

Age - 39 years

2. *Past remuneration:*

The details of past remuneration are given below:

Particulars : Remuneration paid during Financial Year 2014-15

Salary : Rs.46,08,000.00*

*includes allowances, perquisites and contribution towards provident fund.

3. *Recognition or awards:*

Nil

4. *Job profile and suitability:*

Mr. Nitin Jain, Managing Director, has been with LUMAX since 1996 and is responsible for the Human Resources, Administration and Operations of the Company. Being the Managing Executive Director, he is overall in-charge of the affairs of the Company, subject to superintendence, control and direction of the Board of Directors and accordingly, the day to day management and administration is vested in him. Taking into account, Mr. Nitin Jain's qualifications and prior experience and the responsibilities placed on him as Managing Director of the Company, and in view of his contribution to the Company since his appointment, the Board considers the revision in Mr. Nitin Jain's remuneration to be in the best interests of the Company. The Board is confident that Mr. Nitin Jain's management capabilities will enable the Company progress further.

5. *Remuneration proposed:*

The details of remuneration are given in the explanatory statement to the notice.

6. *Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:*

The remuneration is comparable to companies of similar size, for the profile of the position and person.

7. *Pecuniary relationship directly/indirectly with the company or managerial personnel if any:*

Mr. Nitin Jain has no pecuniary relationship directly or indirectly with the company other than his remuneration in the capacity of a Managing Director and the shares held by him in the Company. Mr. Nitin Jain is related with Mr. Milan Jain, Executive Director of the Company as his Brother and with Mr. U.K. Jain, Chairman and Director of the Company as his son.

B. Mr. Milan Jain

1. *Background details:*

Name - Mr. Milan Jain

Qualification - BBA

Age - 34 years

2. *Past remuneration:*

The details of past remuneration are given below:

Particulars : Remuneration paid during Financial Year 2014-15

Salary : Rs.46,39,285.00*

*includes allowances, perquisites and contribution towards provident fund.

3. *Recognition or awards:*

Nil

4. *Job profile and suitability:*

The executive director shall perform such duties and services and exercise such powers as shall from time to time be entrusted to him by the board. Mr. Milan Jain has been serving the company for more than 11 years and as a senior Management Team brought about the transformation of the company. The Company under his leadership became an Auto Parts Business focused entity and he is suitable for the current position.

5. *Remuneration proposed:*

The details of remuneration are given in the explanatory statement to the notice.

6. *Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:*

The remuneration is comparable to companies of similar size, for the profile of the position and person.

7. *Pecuniary relationship directly/indirectly with the company or managerial personnel if any:*

Mr. Milan Jain has no pecuniary relationship directly or indirectly with the company other than his remuneration in the capacity of a Whole Time Director and the shares held by him in the Company. Mr. Milan Jain is related with Mr. Nitin Jain, Managing Director of the Company as his Brother and with Mr. U.K. Jain, Chairman and Director as his son.

III. Other Information:

1. *Reasons of loss or inadequate profits:*

Large upfront investments in facilities and equipment, apart from manpower, manufacturing and quality, by the Company for acquiring the new business affect its profitability. In the recent years and currently there is burning issue in the country of inflation due to which the interest rate of loan has been raised and purchasing power of the consumers has been reduced and as a result market of Automobile has also not been untouched and market came down. As Euro crisis and other country's economy slowdown the automobile sector has been reduced in terms of selling and as a result the production has also been reduced.

2. *Steps taken or proposed to be taken for improvement:*

The Company's profitability in the Automobile business continues to be governed by regulatory risks. Recognising the above the Company has embarked on a forward integration programme envisaging increased production of Auto parts. The Company's apex plan focuses in increasing capacities in its business to manufacture the Auto parts.

3. *Expected increase in productivity and profits in measurable terms:*

The Company has taken initiatives to improve the position of LUMAX and start recording huge profits in the next few years.

**By order of the Board
For Lumax Automotive Systems Ltd.**

**Monika Gupta
Company Secretary**

Place: New Delhi

Date: 10/08/20105

Details of the Directors seeking re-appointment/appointment in Annual General Meeting scheduled on 28th September, 2015.

Name of Director	Date of Birth	Date of Appointment	Qualifications	Expertise in specific functional area	Name of the Companies in which also Holds Directorship	Name of Companies in the Committees of which holds Membership/Chairmanship
Mr. Milan Jain	03/12/1981	31/08/2010	B.B.A	11years experience in auto industry.	1. Lumax Automotive Care Ltd 2. Lumax Indrani Developers Ltd. 3. Lumax Automotive Components Private Ltd. 4. Lumax Electronics Pvt. Ltd.	Nil
Mrs. Kusum Garg	25/08/1978	13/02/2015	BA	Wide experience in consultancy line	1. KVDS Consultants Pvt. Ltd 2. Perizia Advisory (India) LLP	Nil

DIRECTORS' REPORT

To the members of

LUMAX AUTOMOTIVE SYSTEMS LIMITED

Your Directors have pleasure in presenting the 15th Annual Report together with audited accounts of the Company for the year ended 31st March 2015.

Financial Results

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

	Rs in million	
	2014-2015	2013-2014
SALES (excluding excise duty)	684.98	785.62
Profit (before interest, dep. & tax)	(8.91)	60.75
Exceptional Item	(12.61)	2.68
Interest	105.27	93.38
Depreciation	36.09	34.80
Tax provision	7.31	(4.41)
Profit/Loss after tax	(144.97)	(65.70)

Dividend:

No dividend is recommended for this financial year by the Board due to the losses in the Company

Operations:

Your Company's total turnover during the year under review was Rs. 684.98 million as compared to Rs. 785.62 million during the previous year.

Directors and Key Managerial Persons

Pursuant to section 203 of the Companies Act, 2013, Mr. Nitin Jain, Managing Director, Mr. A.K. Goel, CFO and Ms. Monika Gupta, VP (Legal) & Company Secretary, who were already in office before the commencement of Companies Act, 2013, have been designated as Key Managerial Personnel of the Company.

Mr. Milan Jain is liable to retire by rotation and being eligible offer himself for reappointment.

Mrs. Suman Agrawal has been associated with the company as a director for about 3 months. She resigned from the directorship of the company with effect from November 21, 2014. The directors placed on record their appreciation for the valuable advices given by them during her tenure as an Independent Director of the Company.

Mrs. Kusum Garg was appointed as an Independent Director w.e.f February 13, 2015 and she shall hold office up to the date of ensuing annual general meeting. The Company has received requisite notice in writing from the member proposing Mrs. Kusum Garg as an Independent Director.

Mr. Vishal Kapoor has been associated with the company as a director for about 1 month. He resigned from the directorship of the company with effect from June 29, 2015. The directors placed on record their appreciation for the valuable advices given by them during his tenure as an Independent Director of the Company.

Mr. Vinay Panchamiya has been associated with the company as a director for about 11 years. He resigned from the directorship of the company with effect from April 24, 2015. The directors placed on record their appreciation for the valuable advices given by them during his tenure as an Independent Director of the Company.

Mr. Nitin Jain, Managing Director and Mr. Milan Jain, Executive Director whose office of Managing Director and Executive Director is subject to renewal with effect from May 23, 2016 and August 30, 2015 respectively, and the board has proposed to reappoint them as Managing Director and Executive Director respectively with effect from May 23, 2016 and August 30, 2015 respectively. Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Commit-

tees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

The Independent director have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of section 149 of the Companies Act, 2013 and the board is also of the opinion that the independent directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as independent directors.

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

Familiarization Programme for Independent Directors

The details pertaining to Familiarization Programme for independent directors has been detailed in Annexure D.

Meetings

Seven meeting of the board of directors were held during the year. Four further details please refer report on Corporate Governance of this Annual report.

Independent Directors Meeting

During the year under review a separate meeting of the Independent Directors of the Company was held on February 13, 2015, without the presence of Non Independent Directors and members of management. The Independent Directors reviewed the performance of Non-Independent Directors and the board as a whole, performance of Chairperson of the Company and assessed the quality, and timelines of flow of information between the Company management and the board. All the Independent Directors of the Company were present in the meeting.

Auditors and Auditors' report:

The Auditors, M/s R. Jain and Sanjay Associates, Chartered Accountants, New Delhi retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment for a period of one year from the conclusion of this Annual General Meeting [AGM] till the conclusion of next AGM.

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

Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, M/s. Bindal Anubhav & Associates, Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure C to this report. The report is self-explanatory and do not call for any further comments.

Vigil Mechanism

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.lumaxauto.com under investors/policy documents/Vigil Mechanism Policy link.

Risk management policy

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, this in the opinion of the Board may threaten the existence of the company.

Corporate Social Responsibility

Section 135 of the Companies Act, 2013 lays down the criteria for the constitution of Corporate Social Responsibility (CSR) Committee by a Company and other applicable under the said provisions. As the Company does not fulfill any of the criteria mentioned therein the provisions of Corporate Social Responsibility are presently not applicable on the Company and hence the Company was not required to comply with the same.

Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as Annexure F.

Internal Financial Control

The Company has an Internal Control System, commensurate with the size,

scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Material changes and commitments after the end of financial year

There are no material changes and commitments affecting financial position of the Company which have occurred between the end of the financial year of the Company and date of the report.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

Particulars of contracts or arrangements with related parties

All the related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions, contracts, arrangements, including certain arm's length transactions, during the year under review hence, the disclosure in Form AOC 2 is not required.

Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition And Redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. (Annexure B)

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

Cost Auditors

The Company has appointed M/s Vipul Bhardwaj & Co. as the cost auditors for conducting the cost audit for the financial year 2014-15

Management Discussion and Analysis Report

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

Corporate Governance:

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

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is annexed as Annexure A.

Managerial Remuneration and other disclosures

Disclosure pursuant to section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Annexure E)

During the year, there was no employee drawing remuneration in excess of Rs. 60,00,000/- p.a. or Rs. 5,00,000/- p.m. Accordingly, information required to be given pursuant to provisions of section 134 (3) (q) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has not been given here.

No director of the Company, including its Managing Director or Whole-time Director, is in receipt of any commission from the Company.

Deposits:

The Company has not accepted deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Investor Education Protection Fund, relevant

amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

Pursuant to the provision of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on 10/10/14 on the Ministry of Corporate Affairs website.

Listing:

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

Conservation of energy:

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

Technology absorption:

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

Foreign Exchange Earning and Outgo:

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

Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed (subject to qualification by auditors in its report) along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Industrial Relation:

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

Acknowledgement:

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

For & On behalf of the Board of Directors

Place: New Delhi
Date: 10/08/2015

U. K. Jain
Chairman

Nitin Jain
Managing Director

CORPORATE GOVERNANCE REPORT

Company's Philosophy:

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

Board of Directors:

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

During the year under review 10 board meetings were held on May 30, 2014, August 14, 2014, August 26, 2014, November 14, 2014, November 21, 2014, February 13, 2015 and February 21, 2015. Details of composition and category of the board, attendance of directors in the board meetings and last AGM, number of directorships and chairmanships/memberships of committee of each director held in other public companies are shown below:

Name of Director	Category	No. of Board Meeting attended	Last AGM attended	No. of Directorship in other public companies	No. of Committee positions held in other Public companies		Relationship, Inter-se
					Chairman	Member	
U.K. Jain	Non-Executive Chairman, Promoter	7	No	-	-	-	Related as father to Mr. Nitin Jain & Mr. Milan Jain
Nitin Jain	Executive, Promoter	7	Yes	2	-	-	Related as son to Mr. U.K. Jain
Milan Jain	Executive, Promoter	7	Yes	2	-	-	Related as son to Mr. U.K. Jain
Vinay Panchmiya	Non-Executive, Independent	7	Yes	-	-	-	Not related to any Director
Prem Das Gandhi	Non-Executive, Independent	2	Yes	-	-	-	Not related to any Director
Suman Agrawal	Non-Executive, Independent	1	No	-	-	-	Not related to any Director
Kusum Garg	Non-Executive, Independent	2	No	-	-	-	Not related to any Director
Rajendra Prasad Agrawal	Non-Executive, Promoter	7	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 managing director to this effect is provided elsewhere in the annual report.

Audit Committee

The Company constituted audit committee in terms of the provisions of the Companies Act, 2013 and clause 49 of the listing agreement.

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

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

Composition of the Audit Committee: -

Name of the Directors	Meetings held	Meeting attended
Mr. Vinay Panchmiya –Chairman	4	4
Mr. Prem Das Gandhi- Member	2	2
Mrs. Suman Agrawal	1	1
Mrs. Kusum Garg	1	1
Mr. U. K. Jain - Member	4	4
Mr. Rajendra Prasad Agrawal- Member	4	4

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

During the year, the Committee met 4 times on May 30, 2014, August 14, 2014 and November 14, 2014 and February 13, 2015.

The audit committee reviews the following information:

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

Nomination and Remuneration Committee

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

During the year, the Committee met once on August 14, 2014.

Composition of the Remuneration Committee: -

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

• Remuneration of whole time and Managing Directors:

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Total (Rs.)
Mr. Nitin Jain, Managing Director	4320000	288000	4608000
Mr. Milan Jain, Executive Director	4320000	319285	4639285

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

Mr. U.K. Jain, non-executive director holding 3523704 equity shares of the Company on March 31, 2015.

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

Shareholders' Relationship Committee

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

During the period under review, one shareholders' committee meeting was held on August 14, 2014.

Composition of the Shareholders' Committee: -

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

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

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

Compliance officer:

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

General Body Meeting:

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

Year	Date	Time	Venue	Special Resolution Passed
2013-14	26/09/2014	10.00 A.M.	The Executive Club, New Delhi	N.A.
2012-13	04/09/2013	10.00 A.M.	The Executive Club, New Delhi	N.A.
2011-12	24/09/2012	10.00 A.M.	The Executive Club, New Delhi	N.A.

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

Disclosure

- During the year under review, the Company had entered into transactions in the normal course of business with some of the entities in which some of the directors are interested and which have been disclosed adequately in the notes forming part of the accounts. There was no potential conflict of interest with that of the Company.
- The Company has a separate whistle blower policy which is available on the Company's website www.lumaxauto.com. No personnel have been denied access to the Audited Committee to lodge their grievance.
- During the year under review, there are no materially significant related party transactions which have a potential conflict with the interests of the Company at large. The Company has formulated and adopted a policy on dealing with related party transaction. The policy is on the Company's website www.lumaxauto.com.
- The Company has laid down a code of conduct for prevention of Insider Trading in the shares of the Company in accordance with SEBI (Prohibition of Insider Trading) Regulation, 1992.
- The Company has complied with various rules and regulations prescribed by the stock exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authorities on all matters relating to the capital markets, and no penalties or strictures have been imposed on the Company by any of them in this regard during the last three years.
- The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement.
- The requirement of listing agreement on Corporate Governance, the information required to be given, in case of appointment of a new director or re-appointment of director, is enclosed to this report.
- The Company has not adopted the non-mandatory requirement of clause 49 of the listing agreement except the reporting of internal auditor.

Means of Communication

- The Company publishes un-audited quarterly financial results normally in "Financial Express" (English) and "Jansatta" (Hindi) newspapers. The results are displayed on the website of the Company at www.lumaxauto.com.