

LUMAX INDUSTRIES LIMITED

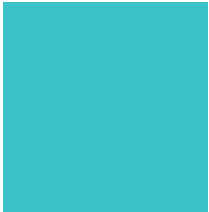
ANNUAL REPORT
FY 2014-2015

VELOCITY

CHAIRMAN'S
MESSAGE 3



PROFIT
&
LOSS
ACCOUNT



MAKE IN
INDIA
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5^{CSR}

75



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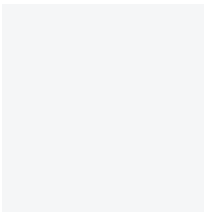


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MISSION

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.

CORE PURPOSE

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

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.

VALUES

- V**
- E**xcellence delivered by Passion
- L**eadership Development & Continuous Training of our People
- O**penness & Transparency to nurture everlasting Partnerships
- C**ommitment & Dedication towards Safety
- I**ntegrity & Trust to always do the RIGHT thing
- T**eamwork through Mutual Respect of all
- Y**factor - Giving back to Society & Community





Dear Shareholders,

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.

In India, the average age of a car buyer is decreasing every year, helping enhance sales. In the third quarter of FY'2014-15, the overall Indian Automotive Industry has shown a YoY positive growth rate of 11%: Passenger Vehicle segment grew at the rate of 3%, Commercial Vehicle segment at 5%, and Two Wheeler segment at 4%.

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. Our task is to allocate resources to compete effectively in today's market while giving priority to ensuring that we emerge as winners in the coming multichannel, customer-centric market. 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.

Largely, however, taking a lead forward this year your company has moved forward from addressing existing business issues to driving our strategy for future growth and value. We remain focused on the present but we are starting to accelerate into the future with dedicated strategies. We aspire to make intelligent investments resulting into profitable business endeavor, the results of which will be shared by all.





A TEAM THAT BELIEVES IN WINNING

The financial year 2013-2014 was perhaps the worst year in automotive industry. With its ending, we see some recovery that not only looks promising, but also stable. Conquering lot of milestones last year, our flagship company—Lumax Industries Ltd.—has completed 25 years of listing with Bombay Stock Exchange. We also celebrated a 30-years bond between Lumax Industries Limited and Stanley Electric Co. Ltd. Last but not the least, our newsletter 'Sagar' has completed 10 years as a publication, connecting all members of our family.

Our fiscal increase in growth was 2.31% with a return on capital employed being of 13.20% and our cash profits were up by 24.8%.

You may be assured that we will compete hard in the current market but the bigger prize we seek on your behalf is to utilize the unique assets and resources of Lumax to ensure we emerge as leaders in the future world.

Speaking of CSR activities, our company's initiatives in this sector revolved 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 were parallel and continuously conducted.

On the road to pursuit of goals, the most important resource we have is our colleagues who are the ones who work passionately and exceed the needs of customers. The entire Board is eminently gratified to have them as the Lumax family for all that they do.

Our shareholders, suppliers, and channel partners remain our pillars of strength. I thank them sincerely for their commitment towards the organization. In all situations, they have demonstrated utmost dedication and trust. This restoring faith from all of you makes us take confident decisions, and this in turn has led to the company's expansion on a global platform with successful results.

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.



INFLUENCING LIVES

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.



CORPORATE SOCIAL RESPONSIBILITIES



INFLUENCING LIVES



POSITIVE VIBES

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



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.



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

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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.



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



POSITIVE VIBES

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India is the second-largest two-wheeler manufacturer, the largest motorcycle manufacturer and the fifth largest commercial vehicle manufacturer in the world.

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Tractor sales in the country are expected to grow at CAGR of 8-9% in the next five years, upping India's market potential for international brands.

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India is currently the 7th largest producer in the world with an average production of 17.5 Million vehicles, of which 2.3 Million are exported.

The emergence of large automotive clusters in the country: Delhi-Gurgaon-Faridabad in the north, Mumbai-Pune-Nashik- Aurangabad in the west, Chennai-Bengaluru-Hosur in the south and Jamshedpur-Kolkata in the east.

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India's exports of auto components increased at a compound annual growth rate (CAGR) of 15 per cent to US\$ 10.2 billion in the period FY09-14. The domestic auto component market is expected to account for 74 per cent of total sales by 2021 with a total market size of US\$ 85 billion. Also, exports could account for as much as 26 per cent of the market by 2021.

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