

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF LUMAX ANCILLARY LIMITED ('TRANSFEROR COMPANY'/ 'THE COMPANY') UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013**

**1. Background**

- 1.1. This report of the Board is being made in pursuance to the requirement of Section 232(2)(c) of the Companies Act 2013 explaining the effect of the proposed Scheme of Arrangement for Amalgamation of Lumax Ancillary Limited ("Transferor Company"/ "the Company") with Lumax Auto Technologies Limited ("Transferee Company") ("Scheme"/ "Scheme of Arrangement"), on each class of Shareholders (Promoters and non-promoter Shareholders), Creditors, Key Managerial Personnel ('KMP'), Employees and Deposit Trustees, Debenture holders and Debenture Trustee.

Such report is then required to be appended with the notice of the meeting of shareholders and creditors, if such meeting is ordered by the Hon'ble National Company Law Tribunal.

**2. Effect on Key Stakeholders**

S. No.	Category of Stakeholder	Effect of the Scheme
1.	Shareholders (Promoter and Non – Promoter Shareholders)	<p>The Company has only equity shareholders and does not have any preference shareholders.</p> <p>The entire share capital of the Company is being held by the Transferee Company along with its nominees. Upon the Scheme becoming effective, all equity shares of the Transferor Company shall stand cancelled without any further act or deed. As the Transferor Company is a wholly owned subsidiary of the Transferee Company, no shares will be issued nor any consideration will be paid in cash.</p> <p>The amalgamation will have no adverse impact either on promoter or non-promoter shareholders of the Company. On the contrary, it will simplify the corporate structure, eliminate duplication of costs, enhance operational and administrative efficiencies, and create a stronger consolidated entity with better growth prospects.</p> <p>Considering the overall rationale and benefit of the Scheme, the Board is of the view that the Scheme is in the best interest of the shareholders of the Company.</p>

**Lumax Ancillary Limited**

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2.	Key Managerial Personnel (“KMP”) and Directors	Upon the Scheme becoming effective and with effect from the Appointed Date, since the Transferor Company shall stand dissolved, the Directors and/or KMP shall cease to be the Directors and KMP of the Transferor Company.
3.	Employees	<p>Under the Scheme, no rights of the staff and employees of the Company are being affected. The services of the staff and employees of the Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.</p> <p>Further, upon the Scheme becoming effective, employees of the Company, will be deemed to have become employees of the Transferee Company without any break in their service.</p>
4.	Creditors	The Scheme will have no prejudicial effect on the Creditors of the Company. No compromise is proposed to any creditor of the Company under the proposed Scheme. With effect from the Appointed Date and upon the Scheme becoming effective, the Creditors of the Transferor Company shall become the creditors of the Transferee Company and the liability of the creditors of the Transferor Company, under the Scheme, is neither being reduced nor being extinguished.
5.	Debenture holders, Deposit Trustee and Debenture Trustee	The Company has neither accepted any deposits from any person nor issued any debentures.



*Am/WS*

### 3. Valuation

Valuation Report is not applicable in the given case, as the Transferor Company is a wholly owned subsidiary of the Transferee Company, upon the Scheme coming into effect, all equity shares of the Transferor Company held by the Transferee Company (either directly or through its nominees) shall stand cancelled without any further act, application or deed. Accordingly, no new shares shall be issued, nor any consideration in the form of cash or otherwise shall be payable by the Transferee Company in lieu of the shares of the Transferor Company.

### 4. Adoption of Report

The Board of the Company has adopted this report after noting and considering the information set forth in this report.

**For and on behalf of**  
**Lumax Ancillary Limited**



**Raajesh Kumar Gupta**  
**Director**  
**Din: 00988790**



**Date: 24.05.2024**

**Place: Delhi**