

## BOARD'S REPORT

Dear Members,

Your Directors with immense pleasure present the 41st Annual Report of Lumax Auto Technologies Limited ("Company") on the business and operations together with Audited Financial Statements of the Company for the year ended March 31, 2022.

The Key highlights of Financial Performance of the Company for the year along with previous year figures are as follows:

### I. FINANCIAL PERFORMANCE - STANDALONE & CONSOLIDATED

(₹ in Lakhs unless otherwise stated)

|   | Standalone                        |                                   | Consolidated                      |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Revenue from contracts with customers   | 1,15,703.46                       | 90,294.89                         | 1,50,792.43                       | 1,10,792.85                       |
| Other Income  | 2,161.56                          | 2,206.43                          | 1,281.29                          | 1,818.47                          |
| <b>Total Income</b>   | <b>1,17,865.02</b>                | <b>92,501.32</b>                  | <b>1,52,073.72</b>                | <b>1,12,611.32</b>                |
| <b>Total Expenses</b>   | <b>1,09,940.48</b>                | <b>86,934.50</b>                  | <b>1,40,550.70</b>                | <b>1,05,388.78</b>                |
| <b>Profit before tax, share in net profit/(loss) of associates, exceptional items</b> | <b>7,924.54</b>                   | <b>5,566.82</b>                   | <b>11,523.02</b>                  | <b>7,222.54</b>                   |
| Profit/(loss) of associates   | -                                 | -                                 | (57.41)                           | (9.33)                            |
| <b>Profit before exceptional items and tax</b>  | <b>7,924.54</b>                   | <b>5,566.82</b>                   | <b>11,465.61</b>                  | <b>7,213.21</b>                   |
| Exceptional items   | 175.05                            | -                                 | 175.05                            | 63.00                             |
| <b>Profit before Tax</b>  | <b>7,749.49</b>                   | <b>5,566.82</b>                   | <b>11,290.56</b>                  | <b>7,150.21</b>                   |
| Tax Expenses  | 1,886.87                          | 1,358.09                          | 3,103.18                          | 2,034.80                          |
| <b>Profit after Tax</b>   | <b>5,862.62</b>                   | <b>4,208.73</b>                   | <b>8,187.38</b>                   | <b>5,115.41</b>                   |
| <b>Profit for the year attributable to -</b>  |                                   |                                   |                                   |                                   |
| a) Owners of Lumax Auto Technologies Limited  | 5,862.62                          | 4,208.73                          | 6,940.90                          | 4,712.96                          |
| b) Non- controlling interests   | -                                 | -                                 | 1,246.48                          | 402.45                            |
| <b>Other Comprehensive Income</b>   | <b>(3,607.78)</b>                 | <b>3,854.32</b>                   | <b>(3,565.74)</b>                 | <b>3,853.11</b>                   |
| Other Comprehensive Income attributable to -  |                                   |                                   |                                   |                                   |
| a) Owners of Lumax Auto Technologies Limited  | (3,607.78)                        | 3,854.32                          | (3,575.58)                        | 3,858.23                          |
| b) Non-controlling interests  | -                                 | -                                 | 9.84                              | (5.12)                            |
| <b>Total Comprehensive Income</b>   | <b>2,254.84</b>                   | <b>8,063.05</b>                   | <b>4,621.64</b>                   | <b>8,968.52</b>                   |
| Total Comprehensive Income attributable to -  |                                   |                                   |                                   |                                   |
| a) Owners of Lumax Auto Technologies Limited  | 2,254.84                          | 8,063.05                          | 3,365.32                          | 8,571.19                          |
| b) Non-controlling interests  | -                                 | -                                 | 1,256.32                          | 397.33                            |
| <b>Paid-up Equity Share Capital (Face value of ₹ 2 each)</b>                          | <b>1,363.15</b>                   | <b>1,363.15</b>                   | <b>1,363.15</b>                   | <b>1,363.15</b>                   |
| <b>Earnings Per Share (EPS) Basic &amp; Diluted (in ₹)</b>                            | <b>8.60</b>                       | <b>6.17</b>                       | <b>10.18</b>                      | <b>6.91</b>                       |

## BOARD'S REPORT (Contd.)

### A. COMPANY PERFORMANCE

After a tough financial year 2020-21, the current financial year started with lots of hope and enthusiasm for recovery across the industry. However, the second wave of covid hit the industry due to which the growth as envisaged did not materialize. Despite fresh covid waves, the industry showed some resilience and after every wave of covid, the industry saw a pent up demand. However, this resilience was partly over shadowed by supply constraints for semi conductor and increase in commodity prices. Despite all these constraints, the Company has achieved a historic high in revenue and profits for the year.

#### STANDALONE

On standalone basis, the revenue from operations during the Financial year 2021-22 stood at ₹ 1,15,703.46 Lakhs as compared to ₹ 90,294.89 Lakhs in the last year registering a growth of 28%.

For the Financial Year 2021-22, the profit before tax and exceptional items stood at ₹ 7,924.54 Lakhs as compared to ₹ 5,566.82 Lakhs in the last year witnessing a significant increase of 42%. The PBT after exceptional items stood at ₹ 7,749.49 Lakhs as compared to ₹ 5,566.82 Lakhs in the last year registering an increase of 39%. The Profit after Tax (PAT) stood at ₹ 5,862.62 Lakhs as compared to ₹ 4,208.73 Lakhs registering a significant increase of 39%. The Basic and Diluted Earnings per share stood at ₹ 8.60 registering a significant increase of 39%.

#### CONSOLIDATED

For the Financial Year 2021-22 on consolidated basis, the Company achieved revenue of ₹ 1,50,792.43 Lakhs as compared to ₹ 1,10,792.85 Lakhs registering a growth of 36%. The profit before tax, exceptional items and share in net profit of Joint Ventures stood at ₹ 11,523.02 Lakhs as compared to ₹ 7,222.54 Lakhs in the previous year witnessing a significant increase of 60%. The PBT after exceptional items and share in net profit of Subsidiaries and Associates stood at ₹ 11,290.56 Lakhs as compared to ₹ 7,150.21 Lakhs in the last year registering an increase of 58%. The Profit after Tax (PAT) stood at ₹ 8,187.38 Lakhs as compared to ₹ 5,115.41 Lakhs registering a significant increase of 60%. The Basic and Diluted Earnings per share stood at ₹ 10.18 registering a significant increase of 47%.

### SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2022 was ₹ 13,63,15,410 divided into 6,81,57,705 equity shares of ₹ 2/- each. During the year under review, the Company has not issued shares or granted stock options or sweat equity.

### DIVIDEND

The Board of Directors (herein referred to as "the Board") have recommended a dividend of ₹ 3.50/- (i.e. 175%) per equity share of face value of ₹ 2/- each for the FY 2021-22 subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM").

The proposed Dividend for FY 2021-22, would result in appropriation of ₹ 2,385.52 Lakhs as against ₹ 2,044.73 Lakhs in last FY 2020-21. The Dividend payout ratio works out to 40.69%.

The dividend, if declared, will be subject to tax deduction at source at the applicable rates. For details, shareholders are requested to refer to the Notice of AGM.

The Register of Members and Share Transfer Books shall remain closed from Tuesday, the July 12, 2022 to Friday, the July 22, 2022 (both days inclusive). The Dividend as recommended by the Board, if approved by the shareholders at the ensuing AGM shall be paid to the eligible shareholders, whose names appear in the Register of Members as on Monday, the July 11, 2022 within the stipulated time period.

### DIVIDEND DISTRIBUTION POLICY

As per the amendment dated May 05, 2021 in the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") (as amended from time to time), the Top 1000 Listed Companies based on Market Capitalization, has to mandatorily formulate a Dividend Distribution Policy.

Accordingly, the Board of Directors in their meeting held on August 11, 2021 had approved and adopted the Dividend Distribution Policy of the Company, which can be accessed on the website of the Company at <https://www.lumaxworld.in/lumaxautotech/downloads/dividend-distribution-policy.pdf>

## BOARD'S REPORT (Contd.)

### AMOUNT TRANSFER TO RESERVES

The Board of the Company do not propose to transfer any amount to reserves other than transfer of undistributed profits to surplus in statement of Profit & Loss.

### B. SUBSIDIARIES AND ASSOCIATE COMPANIES & CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the Listing Regulations, applicable provisions of the Companies Act, 2013 (herein referred to as "the Act") and Ind AS 110, the Audited Consolidated Financial Statements are provided in the Annual Report of the Company.

As on March 31, 2022, the Company has Eleven (11) Subsidiaries (including One (1) step down subsidiary). The performance highlights of these Companies are follows:

#### a) Lumax Mannoh Allied Technologies Limited (LMAT)

LMAT, a 55% subsidiary, formed in collaboration with Mannoh Industrial Co., Limited, Japan. The entity manufactures gear shifters and enjoys a market leadership position in India. The Revenue of LMAT stood at ₹ 20,127.64 Lakhs for the FY 2021-22.

#### b) Lumax Cornaglia Auto Technologies Private Limited (LCAT)

LCAT, a 50% subsidiary, formed in collaboration with Cornaglia S.p.A. Italy. The entity manufactures air intake systems, urea tank & injection blow moulded parts. The revenue of LCAT stood at ₹ 9,938.93 Lakhs for the FY 2021-22.

#### c) Lumax Metallics Private Limited (LMPL) (formerly: Lumax Gill Austem Auto Technologies Private Limited)

LMPL is a wholly owned subsidiary of the Company. The revenue of LMPL stood at ₹ 3,934.26 Lakhs for the FY 2021-22.

The Board of Directors of the Company have in their meeting held on February 09, 2022 decided to amalgamate LMPL with the Company. Accordingly, a Scheme of Amalgamation has been filed with the National Company Law Tribunal on May 03, 2022.

#### d) Lumax FAE Technologies Private Limited (LFAE)

LFAE, a subsidiary, formed in collaboration with FAE, Spain. LFAE manufactures Oxygen

Sensors. The revenue of LFAE stood at ₹ 248.26 Lakhs for the FY 2021-22.

#### e) Lumax Jopp Allied Technologies Private Limited (LJAT)

LJAT, a 50% subsidiary formed in collaboration with Jopp Holding GmbH, Germany. LJAT manufactures Gear Shift Towers, AMT Kits & AGS. The revenue of LJAT stood at ₹ 408.73 Lakhs for the FY 2021-22.

#### f) Lumax Yokowo Technologies Private Limited (LYTL)

LYTL is a 50% subsidiary formed in collaboration with Yokowo Co., Ltd., Japan to manufacture Antennas & other Vehicle Communication Products. LYTL is likely to start its commercial production during the FY 2022-23.

#### g) Lumax Ituran Telematics Private Limited (LITPL)

During the period under review, LITPL became a Subsidiary Company of the Company w.e.f. January 01, 2022. Earlier, it was a Joint Venture between the Company and Ituran Location and Control Limited, Israel for the sale of telematic products and services. The revenue of LITPL stood at ₹ 179.34 Lakhs for the FY 2021-22.

#### h) Lumax Alps Apline India Private Limited (LAIPL)

LAIPL is a 50% subsidiary formed in collaboration with Alps Alpine Co. Ltd., Japan during FY 2021-22. LAIPL is engaged in the business of manufacturing of electric devices and components for automotive use. The entity has started its manufacturing operations with effect from December 01, 2021. LAIPL has achieved a turnover of ₹ 954.12 Lakhs for the financial year 2021-22.

#### i) Lumax Management Services Private Limited (LMS)

LMS, a wholly owned subsidiary of the Company, is a full-time Corporate service provider to its Group Companies. The Revenue of LMS stood at ₹ 2,959.23 Lakhs for the FY 2021-22.

#### j) Lumax Integrated Ventures Private Limited (LIVE)

LIVE, a wholly owned subsidiary of the

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Company, was established for manufacturing of Non-Automotive Parts. LIVE has one (1) subsidiary i.e. Lumax Energy Solutions Private Limited which is under the process of Voluntary Liquidation. Velomax Mobility Private Limited, the other subsidiary of LIVE has been voluntarily struck off during FY 2021-22. SIPAL Enginerring Private Limited, an Associate of LIVE, is under the process of Voluntary Liquidation. The Consolidated turnover of the LIVE stood at ₹ NIL for the FY 2021-22.

### STATEMENT CONTAINING HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

In accordance with the provisions of Section 129(3) of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014 a report on performance and financial position of Subsidiaries, Joint Venture, Associate Companies forms part of this Annual Report in the prescribed Form AOC-1 as a part of Financial Statements.

Further, in accordance with the provisions of Section 136(1) of the Act, the Audited Financial Statements, including the Consolidated Financial Statements and related information and audited accounts of subsidiaries and associates are available on the website of the Company i.e. <https://www.lumaxworld.in/lumaxautotech> and the same shall also be made available for inspection at Registered Office of the Company during the working hours.

## II. STATE OF COMPANY'S AFFAIRS

With the improved situation of COVID and consequent opening of the economy, FY 2021-22 was expected to be a better year after a tough year 2020-21, however due to fresh waves of COVID coupled with supply chain constraints and increase in commodity prices, the industry performance remained subdued.

According to Society of Indian Automobile Manufacturers (SIAM) report, the industry produced a total 229.33 lakh vehicles including Passenger Vehicles, Commercial Vehicles, Three wheelers, Two wheelers and Quadricycle during FY 2021-22 as against 226.55 lakh vehicles produced during last FY 2020-21 showing a growth of 1.23%. The automotive sector saw both ups and down during this period, witnessing the longest sustained downfall in automotive industry. During this turbulent and unprecedented time, the Company with its strong order book and products in development,

remained the market leader and a preferred supplier for all the Original Equipment Manufacturers (OEMs) in India.

It has been a pretty successful year for the Company, with addition of new customers in the portfolio coupled with the new businesses from existing customers to improve top line.

To succeed in the digital era, where technologies are changing the ground rules in every industry, the Company undertook several new initiatives for enhancement of its existing Information Technology (IT) systems to meet the regulatory and other organizational requirements. The Company's focus was on automation.

Top Management is very keen on Digital Transformation of the Company in the real sense and formed committee of 10 key employees from all the departments. This committee conducted various meetings with the key stakeholders and prepared detailed roadmap. This detailed roadmap has been made keeping in mind the vision of the Company, adoption of latest technologies, automation of processes & data security. The Company has defined four stages for digital health assessment i.e. nascent, emerging, robust & Leading across all the elements of the process value chain. Company's roadmap for digital transformation is having following key objectives:

- Digitalizing all the manual processes
- Standard Manufacturing Cockpit at plant level AI/ML based alert system
- Dashboard for the Top Management at Corporate Level
- Robust Data security & surveillance system to protect data as well as cyber attacks.

Team is working on the above objectives and achieved good results in the digitalization of the process, Supply Chain & Security. In the next year, the Company's target is to maximize the impact of Digitalization. Company will witness improvement in Marketing, Human Resource practices, Manufacturing Operations and enhance Design capabilities.

In its endeavour to stay connected with the retail partners, despite the physical distancing and travel restrictions, the Lumax after market launched "Lumax Retail World" an android app for the trade. The retailers, post registration, can access the complete range of Lumax after market catalogue and also place orders online with their respective distributors. Information and notifications on New products are shared real-time and details of the latest offers/schemes etc. can also be explored by the retailers.

## BOARD'S REPORT (Contd.)

The Company continues to uphold the highest standards of Corporate Governance, treating its various stakeholders as an ethical requisite rather than a regulatory necessity and continue to base all its actions on the principles of fairness, trust and transparency, standing by its core values of Respect, Integrity, Passion and Excellence.

All in all, the Company made good progress in all areas in FY 2021-22, and the management is quite confident that going forward the Company will continue to deliver value to all its customers and stakeholders. The long term outlook for the Company remains positive and it is poised to outperform the industry.

### A. CAPACITY & FACILITY EXPANSION

During FY 2021-22, the Company has upgraded its manufacturing facilities at Chakan, Bangalore and Manesar as per customer requirement to cater new product lines and meet their increased volumes.

### B. QUALITY INITIATIVES

The Company strives to be a supplier of choice across all its customers and is always committed to develop and design new products, in line with its strategy towards delivering competitive advantage to the customers. In the said perspective, Total Productive Maintenance (TPM) has been successfully implemented across all plants of the Company to create a culture and environment which continuously improves quality, cost and delivery parameters.

In addition, various plants of the Company have received awards for Quality initiatives i.e. Kaizen Award from Bajaj, NCQC Excellence Award, ACMA Award in HSS, Qualified for BAL Platinum Award, Quality Control Circle (QCC) is an integral part for ensuring quality across all processes. By implementing these various initiatives, improvement of Quality is willingly carried out by employees in true spirit, resulting in minimizing rejection and cost.

### C. MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to the provisions of Regulation 34 read with Schedule V of the Listing Regulations, Management Discussion & Analysis Report is annexed as part of this report separately as **Annexure - A** and provides details on overall Industry Structure and Developments, financial and operational performance and other material developments during Financial Year under review.

### D. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the Financial Year ended March 31, 2022, there was no change in the nature of business of the Company.

## III. GOVERNANCE AND ETHICS

### A. CORPORATE GOVERNANCE

The report on Corporate Governance together with the Auditor's Certificate on Compliance of conditions of Corporate Governance as stipulated in Regulation 34 read with Schedule V of the Listing Regulations is annexed and forms part of this Report as **Annexure - B**.

### B. DIRECTORS & KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

#### DIRECTORS

The Composition of Board of Directors is in conformity with the applicable provisions of Act and Listing Regulations.

During the year under review, none of the Directors and Key Managerial Personnel has been appointed or resigned from the Company. However, Mrs Diviya Chanana, the Independent Director of the Company has resigned from the Board of the Company with effect from May 10, 2022 due to the reason for not being able to comply with the provisions of Section 149 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

#### KEY MANAGERIAL PERSONNEL

As on March 31, 2022, Mr D.K. Jain, Executive Chairman, Mr Anmol Jain, Managing Director, Mr Vikas Marwah, Chief Executive Officer, Mr Ashish Dubey, Chief Financial Officer and Mr Anil Tyagi, Company Secretary are Key Managerial Personnel (KMPs) of the Company as per the provisions of the Act.

Mr. Anil Tyagi Company Secretary of the Company has submitted his resignation from the position of Company Secretary and Compliance Officer with effect from May 12, 2022 and the Board of Directors in their meeting held on May 12, 2022 approved the appointment of Mr. Raajesh Kumar Gupta as Company Secretary and Compliance officer of the Company with effect from May 13, 2022.

## BOARD'S REPORT (Contd.)

### RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

In accordance with the Articles of Association of the Company and Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr Deepak Jain, Director (DIN:00004972) is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

A brief profile of Mr Deepak Jain is provided in the Notice of the ensuing AGM of the Company.

### C. INDEPENDENT DIRECTORS

As on March 31, 2022, the Board has 5 (Five) Independent Directors including one Woman Independent Director, representing diversified fields and expertise.

Details are provided in the relevant section of the Corporate Governance Report.

### D. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

In pursuance to SEBI (Listing obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021, the Definition and Criteria of Independence of the Independent Directors has been amended as per Regulation 16 (1)(b) for all the Listed Companies and the same has come into effect from January 01, 2022. Accordingly the requisite declarations, as per the Regulation 16 (1) (b) and Regulation 25 read with the provisions of Section 149 (6) of the Act, have been received from the Independent Directors regarding meeting the criteria of Independence as laid down under those provisions. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

The Board took on record the declaration and confirmation submitted by the independent directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the Listing Regulations.

Mrs Diviya Chanana, the Independent Director of the Company has resigned from the Board of the Company with effect from May 10, 2022 due to

the reason for not being able to comply with the provisions of Section 149 of Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board place on record its sincere appreciation for the contribution made and service rendered by Mrs Diviya Chanana during here tenure as an Independent Director of the Company.

### E. NUMBER OF BOARD MEETINGS AND COMMITTEES OF BOARD

During the FY 2021-22, the Board of Directors met Five (5) times viz. May 04, 2021, June 12, 2021, August 11, 2021, November 11, 2021 and February 09, 2022. Further, It is confirmed that the gap between two consecutive meetings was not more than one hundred and twenty days as provided in Section 173 of the Act.

Pursuant to the requirements of Para VII (1) of Schedule IV of the Act and the Listing Regulations, a separate Meeting of Independent Directors was also held on February 25, 2022, without the presence of Non-Independent Directors and Members of the management to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive, Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board. The details on Attendance during the Board Meetings and other Committee Meetings of Board of Directors are provided in Corporate Governance Report which forms part of the Boards' Report.

### BOARD DIVERSITY AND POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Pursuant to the provisions of Section 178(1) of the Act and Regulation 19(4) read with Part D of Schedule II of Listing Regulations, the Company has in place the Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMP) and Other Employees including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided u/s 178(3) of the Act.

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills qualifications and professional experiences perspectives and backgrounds



## BOARD'S REPORT (Contd.)

which is necessary for achieving sustainable and balanced development. The Board has adopted a policy on Nomination, Remuneration and Board Diversity which sets out the criteria for determining qualifications, positive attributes and independence of a director.

The main features of the Policy are as follows:

- It acts as a guideline for matters relating to appointment and re-appointment of directors;
- It contains guidelines for determining qualifications, positive attributes of Directors, and independence of a Director;
- It lays down the criteria for Board Membership;
- It sets out the approach of the Company on Board Diversity; and
- It lays down the criteria for determining independence of a Director, in case of appointment of an Independent Director.

During the year under review, there were no substantive changes in the Policy except to align the Policy with amendments made to applicable laws and the same is available on the website of the Company at: <https://www.lumaxworld.in/lumaxautotech/downloads/nomination-and-remuneration-policy-of-directors.pdf>

### F. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

In accordance with applicable provisions of the Act and Listing Regulations, the evaluation of the Board as a whole, committees and all the Directors was conducted, as per the internally designed evaluation process approved by the Nomination and Remuneration Committee. The evaluation tested key areas of the Board's work including strategy, business performance, risk and governance processes. The evaluation considers the balance of skills, experience, independence and knowledge of the management and the Board, its overall diversity, and analysis of the Board and its Directors' functioning.

#### EVALUATION TECHNIQUE

- The evaluation methodology involves completion of questionnaires consisting of certain parameters such as Evaluation factor, Ratings and Comments, if any.
- The performance of entire Board is evaluated by all the Directors based on Board composition and quality, Board meetings and procedures, Board development, Board

strategy and risk management etc.

- The performance of the Managing Director and Executive Directors is evaluated by all the Board Members based on factors such as leadership, strategy formulation, strategy execution, external relations etc.
- The performance of Non-Executive Director and Independent Directors is evaluated by other Board Members based on criteria like managing relationship, knowledge and skill, personal attributes, independence from the management etc.
- It also involves self-assessment by all the Directors and evaluation of Committees of Board based on knowledge, diligence and participation, leadership team and management relations, committee meetings and procedures respectively.
- Further, the assessment of Chairman's performance is done by each Board Member on similar qualitative parameters.

#### EVALUATION OUTCOME

The feedback of the evaluation exercise and inputs of Directors were collated and presented to the Board and an action plan to further improve the effectiveness and efficiency of the Board and Committees is placed.

The Board as a whole together with each of its committees were working effectively in performance of its key functions- Providing strategic guidance to the Company, reviewing and guiding business plans, ensuring effective monitoring of the management and overseeing risk management function. The Board is kept well informed at all times through regular communication and meets once per quarter and more often as and when the need arises. Comprehensive agendas are sent to all the Board Members well in advance to help them prepare and ensure the meetings are productive. The Company makes consistent efforts to familiarize the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant, Product Category and Corporate Function from time to time.

The performance of the Chairman was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities for the day-to-day management of the business, with reference to the strategy and long term objectives.

## BOARD'S REPORT (Contd.)

The Executive Directors and Non-Executive Directors provided entrepreneurial leadership to the Company within a framework of prudent and effective controls, with a balanced focus on policy formulation and development of operational procedures. It was acknowledged that the management accorded sufficient insight to the Board in keeping it up-to-date with key business developments which was essential for each of the individual Directors to maintain and enhance their effectiveness.

### G. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company with related parties were in ordinary course of business and at arm's length basis. All Related Party Transactions, which are foreseen and repetitive in nature, are placed before the Audit Committee on yearly basis for obtaining prior omnibus approval of the Committee.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions formulated by the Company. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the provisions of the Act and Listing Regulations.

The details of the related party transactions as per Ind AS 24 are set out in Notes to the Financial Statements of the Company. Policy on Related Party Transaction formulated by the Company are available on the website of the Company at <https://www.lumaxworld.in/lumaxautotech/relatedparty-transaction-policy.pdf>

During the period, there were no materially significant related party transactions entered into, by the Company with Promoters, Directors or Key Managerial Personnel, which may have a potential conflict of interest for the Company at large.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, form AOC-2, containing the details of Related Party Transaction is set out as **Annexure - C** to this report.

Further, the Shareholder's approval on Material Related Party Transactions have been taken by way of Postal Ballot Notice dated November 11, 2021 and the results of which was declared by the Company on December 29, 2021.

### H. COMPLIANCE MANAGEMENT FRAMEWORK

The Company has a robust and effective framework for monitoring compliances with applicable laws. The Company has installed a Software namely AVACOM for Compliance Management and through this Software the Company is able to get the structured control over applicable compliances by each of the units of the Company.

A separate Corporate Compliance Management Team periodically reviews and monitors compliances by units and supports in effective implementation of same in a time bound manner. The Board and Audit Committee alongwith Compliance team periodically monitors status of compliances with applicable laws based on quarterly certification provided by Senior Management.

### I. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism and formulated Whistle Blower Policy, for Directors, employees and business associates to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics, in accordance with the provisions of Section 177 (10) of the Act and Regulation 22 of the Listing Regulations. Audit committee oversee the implementation of vigil mechanism and provides adequate safeguards against unfair treatment to the whistle blower who wishes to raise a concern and also provides for direct access to the Chairman of the Audit committee in appropriate/exceptional cases.

The Whistle Blower Policy is available on the website of the Company [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech). To further strengthen this mechanism, the Company has launched an Employee App which is available for both android and iOS users to report any instances of financial irregularities, breach of Code of Conduct, abuse of authority, unethical/unfair actions concerning Company vendors/suppliers, malafide manipulation of Company records, discrimination among employees, anonymously to provide protection to the employees who report such unethical practices and irregularities.

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

During the year under review, no incidence under above mechanism was reported.



## BOARD'S REPORT (Contd.)

### J. SECRETARIAL STANDARDS

The Board state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by the Company.

### K. DIRECTORS RESPONSIBILITY STATEMENT

In terms of section 134 (3) (c) & 134 (5) of the Act and to the best of their knowledge and belief, and based on the information and explanations provided, your Directors hereby make the following statements:

- (i) that in the preparation of the Annual Accounts for the Financial Year ended March 31, 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures in the Auditor Report and Notes to Accounts;
- (ii) that the Directors have 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;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the Annual Accounts on a "going concern" basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) that 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.

### L. PARTICULARS OF REMUNERATION OF DIRECTORS AND OTHER EMPLOYEES

Information on Employees as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this Report as an **Annexure - D**.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules which form part of the Directors' Report, will be made available to any shareholder on request, as per provisions of Section 136(1) of the Act.

### M. AUDIT COMMITTEE & COMPOSITION

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Act read with the Rules framed thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and having experience of Financial Management.

The Audit Committee comprises of Mr Arun Kumar Malhotra as Chairman, Mr Roop Salotra, Mr Milap Jain, Mr Avinash Parkash Gandhi and Mr Anmol Jain as Members.

The Company Secretary acts as Secretary to the Audit Committee.

The Audit Committee of the Company reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control process, financial reporting and vigil mechanism.

All the recommendations made by the Audit Committee were accepted by the Board of the Company.

Further, Brief terms of reference and Meeting held of the Audit Committee along with attendance of members are provided in Corporate Governance Report forming part of this Report.

## IV. INTERNAL FINANCIAL CONTROLS AND ADEQUACY

### A. Adequacy of Internal Financial Control with Reference to Internal Financial Statement

The Company has a robust and well embedded system of internal controls in place to ensure reliability of financial reporting, orderly and efficient conduct of business, compliance with policies, procedures, safeguarding of assets and economical and efficient use of resources. Appropriate review and control mechanisms are put in place to ensure that such control systems are adequate and operate effectively.

## BOARD'S REPORT (Contd.)

Periodical programs of Internal Audits are planned and conducted which are also aligned with business objectives of the Company. The meetings with Internal Auditors are conducted wherein the status of audits and management reviews are informed to the Board.

The Company periodically conducts physical verification of its inventory, fixed assets and Cash on hands and matches it with the books of accounts. Explanations are sought for any variance noticed from the respective functional heads.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015.

The Company gets its Standalone and Consolidated Financial Results reviewed/Audited every quarter by its Statutory Auditors.

The Company uses an established ERP 'SAP HANA' Systems to record day to day transactions for accounting and financial reporting. The SAP system is configured to ensure that all transactions are integrated seamlessly with the underline books of accounts, which helps in obtaining accurate and complete accounting records and timely preparation of reliable financial disclosures.

### **B. RISK MANAGEMENT POLICY**

Earlier the Risk Management Policy was not applicable to the Company as per the Listing Regulations but as a Good Corporate Governance Practice, the Enterprise Risk Management Policy was formulated.

During FY 2021-22, as per amended Regulation 21 of the Listing Regulations which came into effect from May 05, 2021, it became mandatory for the Top 1000 Listed entities to constitute the Risk Management Committee with majority of the members of Committee to be amongst the directors and senior executives of the Company with at least one independent director and Chairperson to be a member of Board.

Accordingly, the Board of Directors in their meeting held on August 11, 2021, constituted the Risk Management Committee and adopted the Risk Management Policy. The Risk Management Committee is responsible to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for development and implementation of a Risk management Policy

for the Company including identification therein elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company and is responsible for reviewing the risk management plan and its effectiveness. The Company has Risk Management Policy which can be accessed on Company's website <https://www.lumaxworld.in/lumaxautotech>.

### **C. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS (CODE OF CONDUCT)**

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons. This Code of Conduct is intended to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by designated persons and their immediate relatives.

The said Code lays down guidelines, which advise Designated Persons on the procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautions them on consequences of non-compliances. The Company has also updated its Code of practices and procedures of fair disclosures of unpublished price sensitive information by including a policy for determination of legitimate purposes. Further, the Company has put in place adequate & effective system of internal controls and standard processes to ensure compliance with the requirements given under these regulations to prevent insider trading.

### **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY**

The Company has adopted the Code of Conduct for Directors and Senior Management of the Company. The same is available on the website of the Company <https://www.lumaxworld.in/lumaxautotech/downloads/code-of-conduct.pdf>.

### **D. AUDITORS**

#### **STATUTORY AUDITORS**

The shareholders have approved the re-appointment of M/s S.R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005), Chartered Accountants as Statutory Auditors of the Company in the 38th Annual General Meeting held on August 23, 2019 to hold office till the conclusion of the 43rd Annual General Meeting of the Company to be held in the year 2024.

## BOARD'S REPORT (Contd.)

M/s S.R. Batliboi & Co. LLP, Chartered Accountants have furnished a certificate confirming that they are not disqualified from continuing as Auditors of the Company.

The Report given by the Statutory Auditors on the Financial Statements of the Company forms part of this Annual Report. The Auditor Report does not contain any qualification, reservation, adverse remark or disclaimer.

### COST AUDITORS

In terms of Section 148 (1) of the Act, the Company is required to maintain cost records for certain products as specified by the Central Government and accordingly such accounts and records are prepared and maintained in the prescribed manner.

The Board on recommendation of Audit Committee has re-appointed M/s Jitender, Navneet & Co., (Firm Registration No. 000119) as the Cost Auditors of the Company in Board Meeting dated May 12, 2022 for the audit of the cost accounts of the Company for the FY 2022-23.

The remuneration proposed to be paid to the Cost Auditor requires ratification by the shareholders of the Company. In view of this, your approval for payment of remuneration to Cost Auditors is being sought at the ensuing AGM. Accordingly, a resolution, seeking approval by members for the ratification of the remuneration to be paid to Cost Auditors amounting to ₹ 2.00 Lakhs (Rupees Two Lakhs) excluding taxes and out of pocket expenses, if any, payable to M/s Jitender Navneet & Co., is included in the Notice convening 41st AGM of the Company. The Cost Audit Report for the FY 2020-21 has been filed with the Central Government within the stipulated time.

### Cost Audit Report

The Cost Audit Report for the FY 2020-21 has been filed with the Central Government within the stipulated time.

### DISCLOSURE ON MAINTENANCE OF COST RECORDS AS SPECIFIED BY CENTRAL GOVERNMENT UNDER SUB SECTION (1) OF SECTION 148

The Company is maintaining cost records as stipulated under applicable laws.

### SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014, the Company has appointed Mr. Maneesh Gupta (Membership No. F-4982), Practising Company Secretary as the Secretarial Auditor in Board Meeting held on May 12, 2022 to undertake the Secretarial Audit for FY 2022-23. The Company has received consent from Mr. Maneesh Gupta to act as Secretarial Auditor for conducting audit of the secretarial records for the Financial Year ending March 31, 2023.

### ANNUAL SECRETARIAL AUDIT REPORT & ANNUAL SECRETARIAL COMPLIANCE REPORT

The Secretarial Audit Report of the Company and Lumax Mannoh Allied Technologies Limited (Material Subsidiary of the Company) for the FY 2021-22 forms part of this Annual Report as an **Annexure - E**. There are no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditors in their Reports.

Pursuant to Regulation 24A(2) of Listing Regulations, all listed entities on annual basis are required to get a check done by Practising Company Secretary (PCS) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and get an Annual Secretarial Compliance Report issued by a PCS and such Report required to be submitted to the Stock Exchanges within 60 days of the end of the Financial Year.

The Company has engaged Mr. Maneesh Gupta (M. No. F-4982), PCS and Secretarial Auditor of the Company for providing Annual Secretarial Compliance Report.

### INTERNAL AUDITORS

In compliance with the provisions of Section 138 of the Act, read with the Companies (Accounts) Rules, 2014, the Internal Audit, of various units of Company, for the FY 2021-22 was done by M/s Deloitte Touche Tohmatsu India LLP. Further, the Board of Directors in their meeting held on May 12, 2022 has appointed M/s Grant Thornton Bharat LLP as Internal Auditors for FY 2022-23.

### E. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OF THE ACT OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under review, no fraud was reported by Statutory Auditor and Secretarial Auditor against the Company which would need to be mentioned in this Board's Report.

## BOARD'S REPORT (Contd.)

### V. BUSINESS RESPONSIBILITY REPORT

A detailed Business Responsibility Report in terms of the provisions of Regulation 34 of the Listing Regulations is available as a separate section in the Annual Report.

### VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND INITIATIVES

The Company is committed to grow and operate in a socially sustainable manner and continue to give back to society. A well-outlined CSR program creates social and environmental value thus impacting and improving the lives of communities. The key focus areas of the Company have been Education and Healthcare for disadvantaged sections of the society. The Company's focus areas are largely covered under Schedule VII of the Act. During the year, the Company continued its support to the existing schools by way of support on career counselling, integrating students in schools providing books and learning aids, meals enhancing holistic education opportunities. Under its healthcare initiatives, the Company is focusing on preventive healthcare by continuously organizing health check-up camps, lending financial support to hospitals for juvenile diabetes, cataract operations.

The Company's CSR initiatives are implemented primarily through its CSR arm/trust, Lumax Charitable Foundation ("Foundation"), with focus on education, empowerment of girl child through education and the healthcare, for disadvantaged Section of society.

The Company has constituted CSR Committee of the Board and also developed & implemented a CSR Policy in accordance with the provisions of Act. The Committee monitors and oversees various CSR initiatives and activities of the Company.

#### KEY CSR ACTIVITIES

Lumax provides holistic education opportunities and preventive and curative health interventions, committed to the India Sustainable Goals of Quality Education and Good Health. These interventions and programs are managed by the Lumax Charitable Foundation team along with implementation partners.

#### EDUCATION

In its endeavor to provide holistic and quality education, the interventions include, girl child enrolment in schools, starter kits and learnings aids. It is to provide and enable underprivileged students to enhance their learning experience through out of school learning activities like excursion trips, end-to-end career counselling, life-skills & soft-skills training on a continuous basis. The programs

help to facilitate various govt. & private scholarships to deserving need-based and merit-based students to pursue with their education.

Infrastructure needs of the govt. schools including the construction of toilets, classroom, providing LED lights are also undertaken after a thorough need assessment.

The programs are preferably conducted in areas around the Company's plants.

#### HEALTH

Under health, the Foundation has been supporting communities near the plants with preventive cancer awareness and screening camps and also provide eye care camps for eye-check up and conducting cataract surgeries. The cancer screening includes blood profiling along with physical examination by a surgeon, ENT specialist and a gynecologist, complete with radiology examination. The Company had also donated the oxygen concentrators to help the Covid Patients.

#### CONSTITUTION OF CSR COMMITTEE

The CSR Committee of the Board comprises of Mr Roop Salotra as Chairman, Mr D.K. Jain and Mr Deepak Jain as Members of the Committee. Further, the Board have also adopted the CSR Policy of the Company as approved by the Corporate Social Responsibility Committee which is also available on the website of the Company at <https://www.lumaxworld.in/lumaxautotech/downloads/CSR-policy-lat1.pdf>.

Brief terms of reference and Meetings held of the Corporate Social Responsibility Committee along with attendance of members are provided in Corporate Governance Report forming part of this Report.

The contents of the said policy are as below:

1. CSR Philosophy
2. Constitution of CSR Committee
3. Role of CSR Committee
4. Implementation of CSR Projects, Programs and Activities
5. Allocation of Budget
6. Lumax domains of engagement in accordance with Schedule VII
7. Monitoring and Review Mechanism
8. Management Commitment

In terms of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR in prescribed format is attached as **Annexure- F** to this Report.

## BOARD'S REPORT (Contd.)

### VII. OTHER STATUTORY DISCLOSURES AS REQUIRED UNDER SECTION 134 OF THE ACT

#### Names of Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the Year.

During the period under review, following companies became or ceased to be Subsidiaries, Joint Venture, and Associate Company of the Company:

1. **Lumax Ituran Telematics Private Limited (LITPL)**, LITPL became a Subsidiary Company of the Company w.e.f. January 01, 2022 due to amendment in Joint Venture Agreement entered between Company and Ituran Location and Control Limited, Israel,
2. **Lumax Alps Alpine India Private Limited (LAIPL)**, LAIPL is a Subsidiary of the Company which came into existence as result of Joint venture Agreement entered into between Company and Alps Alpine Co, Limited, Japan.
3. **Velomax Mobility Private Limited (VMPL)** VMPL was a step-down subsidiary of the Company (Subsidiary of LIVE) which was Voluntarily struck off during the period under review.

Further, Sipal Engineering Private Limited (SEPL), an Associate Company of LIVE and Lumax Energy Solutions Private Limited, a Subsidiary of LIVE are under the process of Voluntary Liquidation.

#### A. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return for the Financial Year ended March 31, 2022 is available on the Company's website at <https://www.lumaxworld.in/lumaxautotech/annual-return.html>.

#### B. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

##### Transfer of Unpaid Dividend

Pursuant to the provisions of Section 124(5) of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven (7) years from the date of transfer to Unclaimed/Unpaid Dividend. Consequently, the Company has transferred ₹ 1,54,302/- during the year to the IEPF, lying with it for a period of seven years pertaining to FY 2013-14.

##### Transfer of Shares underlying Unpaid Dividend

Pursuant to the provisions of Section 124(6) of the Act read with the the Rules, the shares in respect of which Dividend has not been paid or claimed by the Shareholders for seven (7) consecutive years or more are also required to be transferred to the Demat account of IEPF Authority. During the year, the Company had transferred 2,631 shares to the Demat Account of the IEPF Authority on September 21, 2021 as per the requirement of the Rules.

It may be noted that the due date for transfer into IEPF of the Unpaid/Unclaimed Dividend lying in the Unpaid Dividend Account of the Company for the FY 2014-15 is September 27, 2022. Further, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to IEPF i.e. in case any dividend is claimed for any year during the said period of seven consecutive years, the shares shall not be transferred to IEPF.

Accordingly, concerned Shareholders are requested to kindly claim the Unpaid/unclaimed Dividend along with the underlying Shares. Further, pursuant to the provisions of Section 124 of the Act read with the Rules, a notice will be sent to the Shareholders individually and also be published in Newspaper, inviting the attention of the Shareholders to claim their Dividends along with the underlying Equity Shares.

#### C. FIXED DEPOSITS

During the year under review, the Company has neither accepted nor renewed any Deposit under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

#### D. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the Notes to Financial Statements.

#### E. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year ended March 31, 2022 and till the date of this report.

#### F. INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

One of the several commitments that continued to

## BOARD'S REPORT (Contd.)

remain in force throughout the Financial Year was developing business along with improvement in environmental performance to maintain a reliable and sustainable future.

During the course of the year, the manufacturing units of the Company have continued their efforts to reduce energy consumption in all areas of its operations. These manufacturing units are constantly encouraged to improve operational activities and maximizing production volumes and minimizing consumption of natural resources. Systems and processes have been put in place for utilization of alternate sources of energy and monitoring of energy consumption for all the units.

Disclosure of information regarding Conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earning and Outgo etc. under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is annexed as **Annexure - G** to this Report.

### **G. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There were no significant and material orders passed by the Regulators/Courts/Tribunals, which would impact the going concern status of the Company and its future operations.

### **H. CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE (ICC) UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (POSH)**

As per Section 134(3) read with Rule 8 of Companies (Accounts) Rules, 2014 a "Statement to the effect that the Company has duly complied with the provisions related to Constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)" has to be included in the Board's Report.

In accordance with the above-mentioned provisions of POSH, Company is in compliance with and has adopted the "Policy on Prevention of Sexual Harassment of Women at Workplace". The constitution of ICC is as per the provisions of POSH and includes external Members from NGO or those individuals having relevant experience.

In accordance with the provisions of POSH, the Company has adopted the "Prevention of Sexual Harassment at Workplace Policy" and constituted an ICC for Prohibition, Prevention and Redressal of

Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the related aspects.

The Committee meets as and when required, however minimum one meeting is ensured during the Financial Year to discuss strengthening safety of employees at workplace and also to resolve/address related issues, if any reported during the year.

Further, detail on status of complaints filed, disposed off and pending with regard to POSH is incorporated in Corporate Governance Report forming part of the Report

During the year under review, 34 Meetings of ICC across all plant locations were held. Further, as per the applicable provisions of POSH, the Company continues to submit Annual Report to the District Officer consisting of details as stipulated under the said Act.

### **I. ENVIRONMENT, HEALTH & SAFETY**

The Company continues to identify and manage risk to ensure the health & safety of the employees. The Company focuses on "Health and Safety" continuously to ensure policies, procedures and systems are in place to meet the requirements of current legislation and best practices. Over the last six years the Company has been working to strengthen the position in relation to health and safety management. This has been a process of gradually tightening up on policies and procedures and ensuring that these remain relevant and up-to date. The Company has improved systems for carrying out risk assessments and making sure that they are regularly reviewed; for tracking of workers; workstation assessments and for many other aspects of a good health and safety management system. From the work commenced during 2021-22 to deliver the Corporate Health and Safety Action Plan and maintained the profile of health and safety, the Company has continued to work closely with its internal Safety Officers and external Agencies to build on that work and promote continuous improvement.

#### **Key aims and objectives achieved in 2021-22 included: Strong and Active Leadership:**

- Corporate safety procedures were reviewed and Health and safety management audit programmed delivered.
- Health and safety competence, awareness & training was in place.



## BOARD'S REPORT (Contd.)

- Safety performance and risk management arrangements established in the organization. team approach has continued to progress key health and safety objectives.
- Continuation of strong health and safety Management System through the established safety committees to ensure effective communication and consultation arrangements for discussion and promotion of health and safety improvements at scale and place.
- Health & safety as a standing item on all Corporate, Directorate and manager meeting agendas to embed best practice and drive cultural change and improvement.

Apart from the above, the Company has also performed below activities in Financial Year 2021-22 sincerely:

1. Hazards specific Safety training (Fire Fighting, First Aid, Electrical Safety, Chemical & Machine Safety)
2. KYT - Kiken Yochi Training (Identifying hazard and taking corrective measures with the help of actual users)
3. Regional Safety Meeting at all regions.
4. Safety Gemba Audit and Monitoring.
5. Fire Risk Assessment.
6. Comprehensive review / surveillance audit done as per ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health & Safety Management system)
7. Near miss incident capturing and Investigation.
8. Celebrated the Fire Safety week, Safety Week and Environment Day to create the Safety awareness among the workers.

### For Tier-2 Suppliers:

From the last Five years, the Company also commenced the Fire Risk Assessment Audit for Tier-2 suppliers (62 Nos) to reduce the fire related incident and achieved significant OK result.

Also the Company has initiated for safety and started the Safety Audit from 2019-20 for (7 Nos) suppliers to reduce the human injury. (only for those who are heaving the heavy power press machinery- Critical Operation)

Apart from the above activities, the Company is strictly monitoring the injury status and sharing every month to its Vendor and also delivered (2021-22) Training awareness program related to Fire, Electrical, Machine Safety and Fire Mock drill.

### J. CONTRIBUTION TO EXCHEQUER

The Company is a regular payer of taxes and other duties to the Government. During the year under review, the Company paid all its statutory dues & presently no dues are outstanding more than six months. The Company ensures payment of all dues to exchequer well within timeline as applicable.

### VIII. ACKNOWLEDGEMENT

It is our belief that we have a leadership team with the right experience and skills to take us into the next phase of growth. We continue to build our skills and add appropriate resources, which will help the Company deliver solid results in the years to come. The Directors place on record their sincere gratitude and appreciation for the continued co-operation and support extended to the Company by its highly valued customers, Joint Venture Partners, all the shareholders, financial institutions & Banks, various Government Agencies.

The Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

**For and on behalf of the Board of Directors of  
Lumax Auto Technologies Limited**

**D.K. Jain**

Chairman

DIN: 00085848

Place: Gurugram

Dated: May 12, 2022